

**BOROUGH OF HASBROUCK HEIGHTS
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2009

BOROUGH OF HASBROUCK HEIGHTS
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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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-regulatory basis of the various funds of the Borough of Hasbrouck Heights ("the Borough"), State of New Jersey, as of December 31, 2009 and December 31, 2008, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statements of revenues-regulatory-basis, statement of expenditures-regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2009. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 audit requirements as 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.


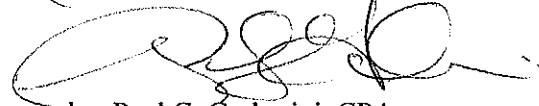
As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these 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 "Borough" prepare its financial statements in accordance with the 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 of Hasbrouck Heights, State of New Jersey, as of December 31, 2009 and 2008, 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 assets, liabilities, reserves and fund balance-regulatory basis of the various funds of the Borough of Hasbrouck Heights, State of New Jersey, as of December 31, 2009 and 2008, and the results of its operations and changes in fund balance of such funds-regulatory basis for the years then ended, and the revenues-regulatory basis, expenditures-regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2009 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 our report dated, June 30, 2010 on our consideration of the Borough of Hasbrouck Heights, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of the laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance programs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the supplementary financial statements presented for the various funds are presented for 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 stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.


Garbarini & Co., P.C., CPA's

by: Paul C. Garbarini, CPA
Registered Municipal Accountant
License No. 120

June 30, 2010
Carlstadt, New Jersey

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A

COMPARATIVE BALANCE SHEET

	<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
Cash		A-4	\$2,322,449.79	\$2,433,552.84
Cash-Change Funds		A-5	275.00	275.00
			<u>\$2,322,724.79</u>	<u>\$2,433,827.84</u>
Receivables and Other Assets with				
Full Reserves:				
Delinquent Property Taxes Receivable		A-8	\$352,447.43	\$393,654.14
Tax Title Liens Receivable		A-9	174,211.32	164,778.33
Martin Act Property		A-10	543.04	543.04
Property Acquired for Taxes-				
Assessed Valuation		A	304,730.00	304,730.00
Revenue Accounts Receivable		A-11	16,166.31	17,795.22
Due from Dog Fund - Statutory Excess		B		40.00
			<u>\$848,098.10</u>	<u>\$881,540.73</u>
		Contra		
Deferred Charges:				
Special Emergency Authorizations				
(40A:4-55)		A-12		55,000.00
			<u>\$0.00</u>	<u>\$55,000.00</u>
Total Assets			<u>\$3,170,822.89</u>	<u>\$3,370,368.57</u>

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A

COMPARATIVE BALANCE SHEET

<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
Liabilities:			
Appropriation Reserves	A-3,13	\$617,468.96	\$445,913.91
Reserve for Encumbrances	A-3,13	92,675.20	80,546.42
Accounts Payable	A-22	16,500.00	16,500.00
Prepaid Taxes	A-4,8	104,940.00	99,547.59
Due to State of N.J. for Senior Citizens and Veterans Deductions	A-7	22,421.35	21,921.35
Tax Overpayments	A-14	24,354.91	32,548.02
Due to County for Added Taxes	A-1,4	9,411.31	17,895.26
Due to State of N.J.:			
Building Surcharge Fees	A-15	2,333.00	2,327.00
Department of Human Services	A-15	1,670.00	1,470.00
Burial Permit Fees	A-15	2,290.00	2,640.00
Reserve for:			
Maintenance of Free Public Library with State Aid	A-16	456.89	6,281.32
Tax Appeals Pending	A-18	31,610.07	113,687.35
Special Emergency - Municipal Building Fire	A-19	6,439.34	6,439.34
L.O.S.A.P.	A-20	29,933.25	29,933.25
Ravaluation of Real Property	A-21	7,245.00	7,245.00
		<hr/> \$969,749.28	<hr/> \$884,895.81
Reserve for Receivables and Other Assets	Contra	848,098.10	881,540.73
Fund Balance (Note 3)	A-1	1,352,975.51	1,603,932.03
Total Liabilities, Reserves and Fund Balance		<hr/> <hr/> \$3,170,822.89	<hr/> <hr/> \$3,370,368.57

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref	Balance Dec. 31, 2009	Balance Dec. 31, 2008
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-2	\$1,300,000.00	\$1,200,000.00
Miscellaneous Revenue Anticipated	A-2	2,882,217.03	3,326,819.11
Receipts from Delinquent Taxes	A-2	413,219.20	458,482.54
Receipts from Current Taxes	A-2	38,284,057.18	36,773,564.26
Non-Budget Revenues	A-2	215,485.78	130,584.49
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	157,369.92	150,474.44
Unexpended Balances of 2009 Budget Appropriations	A-3	795.19	1,230.64
Cancelled Tax Overpayments	A-14	6,414.93	
Void Old Outstanding Checks	A-4	868.17	7,629.74
Miscellaneous Credits	A-4	287.51	
Cancel Due from Port Authority	A-22		614.83
Salary and Wage Adjustment	A-4		18.40
<u>Total Income</u>		<u>\$43,260,714.91</u>	<u>\$42,049,418.45</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations	A-3	\$16,969,062.67	\$16,402,381.56
County Taxes Paid	A-4,8	3,731,332.12	3,504,242.75
Due to County for Added Taxes	A,A-8	9,411.31	17,895.26
Local District School Tax	A-4,8,17	21,488,634.00	20,709,485.50
Senior Citizens Deductions Disallowed - Prior Years	A-7	1,120.54	1,315.00
Check Returned for NSF	A-4	2,348.81	
Posting Correction	A-4	2,185.00	
Payroll Fund Correction	A-4	7,576.98	
<u>Total Expenditures</u>		<u>\$42,211,671.43</u>	<u>\$40,635,320.07</u>
Statutory Excess to Fund Balance		\$1,049,043.48	\$1,414,098.38
Fund Balance, January 1	A	1,603,932.03	1,389,833.65
		\$2,652,975.51	\$2,803,932.03
Less: Amount of Fund Balance Utilized as Revenue	A-2	1,300,000.00	1,200,000.00
Fund Balance December 31	A	<u>\$1,352,975.51</u>	<u>\$1,603,932.03</u>

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-2

STATEMENT OF REVENUES

		<u>Anticipated</u>		
	<u>Ref</u>	<u>Budget</u>	Special N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>
				<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$1,300,000.00	-	\$1,300,000.00
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		\$7,500.00		\$10,050.00
Other		34,900.00		41,127.25
Fees and Permits		90,000.00		76,729.00
Fines and Costs:				(13,271.00)
Municipal Court		229,000.00		229,216.06
Interest and Costs on Taxes		50,000.00		100,173.10
Interest on Investments and Deposits		80,750.00		41,620.15
Lease-Hasbrouck Heights Swim Club		7,000.00		7,000.00
Cable TV Franchise Fees		91,864.00		91,864.00
Energy Receipts Taxes		1,144,115.00		1,144,115.00
Consolidated Municipal Property Replacement		217,480.00		217,480.00
Fire Protection-Teterboro		89,902.00		89,939.70
911 Coverage - Teterboro		5,991.00		5,991.00
911 Coverage - Wood-Ridge		8,773.00		8,773.00
Joint Assessor's Office - South Hackensack		14,000.00		3,411.63
Lease-Port of New York Authority		1,036.00		1,036.63
Uniform Construction Code Fees		175,000.00		251,890.00
Hotel and Motel Occupancy Fee		500,000.00		448,859.54
Car Dealership Registration Fees		40,000.00		47,000.00
State and Federal Revenues Offset with				7,000.00
Appropriations:				
Uniform Fire Safety Act (P.L.1983,Ch.383)		14,759.26		12,117.30
Bergen County Municipal Alliance Special Project	D-2	2,250.00		2,250.00
Drunk Driving Enforcement Fund	D-2	13,654.96		13,654.96
Reserve for Recycling Tonnage Grant	D-2	9,492.81		9,492.81
Governor's Council on Alcoholism and				
Drug Abuse (P.L.1989, c.51)	D-2	11,017.00		11,017.00
Reserve For Clean Communities Grant	D-2	13,359.41		13,359.41
Res. For Alcohol Education and Rehabilitation Fund	D-2	1,231.55		1,231.55
Res. For Body Armor Fund	D-2	2,817.94		2,817.94
Below		\$2,855,893.93		\$2,882,217.03
Ref				\$26,323.10
				A-1

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-2

STATEMENT OF REVENUES

		<u>Anticipated</u>			
	<u>Ref</u>	<u>Budget</u>	Special N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Receipts from Delinquent Taxes	A-1	\$340,000.00		\$413,219.20	\$73,219.20
Amount to be Raised for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-8,Below	\$13,436,383.74		\$14,017,894.75	\$581,511.01
Budget Totals	A-3	\$17,932,277.67		\$18,613,330.98	\$681,053.31
Non-Budget Revenues	A-1,4,Below			\$215,485.78	\$215,485.78
	A-3	17,932,277.67		18,828,816.76	896,539.09

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31,2009

A-2

STATEMENT OF REVENUES

ANALYSIS OF REALIZED REVENUES

Ref

Allocation of Current Tax Collections:

Revenue from Collections and State Share of Senior Citizens and Veterans Deductions	A-1	\$38,284,057.18
Allocated to:		
School and County Taxes		<u>25,229,377.43</u>

Balance for Support of Municipal Budget Appropriations		\$13,054,679.75
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3	<u>963,215.00</u>

Amount for Support of Municipal Budget Appropriations	Above	<u>\$14,017,894.75</u>
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MISCELLANEOUS REVENUES

Current Fund	A-4	\$2,828,393.36
Grant Fund	A-3	<u>53,823.67</u>
	Above	<u>\$2,882,217.03</u>

RECEIPTS FROM DELINQUENT TAXES

Delinquent Tax Collections	A-1	<u>\$413,219.20</u>
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ANALYSIS OF NON-BUDGET REVENUES

Miscellaneous Revenue Not Anticipated:

Cable Franchise Fee		\$18,585.45
Miscellaneous Sewer Fee		138,152.40
Sale of Public Property		9,952.00
Insurance Refund		13,605.00
Miscellaneous Fees, Charges, Reimbursements and Reports		<u>35,190.93</u>
	A-1,4,Above	<u>215,485.78</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Cash</u> <u>Unexpended</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbrances</u>			
OPERATIONS-WITHIN "CAPS"							
GENERAL GOVERNMENT							
Administrative and Executive-Mayor and Council							
Salaries and Wages	\$40,500.00	\$40,500.00	\$39,858.94		\$641.06	\$641.06	
Administrative and Executive							
Salaries and Wages	178,500.00	178,500.00	178,393.90		106.10	106.10	
Other Expenses	24,750.00	26,575.00	25,019.79	1,359.14	1,555.21	196.07	
Elections							
Salaries and Wages	5,000.00	5,000.00	5,000.00				
Other Expenses	14,000.00	14,000.00	13,197.40		802.60	802.60	
Financial Administration							
Salaries and Wages	125,250.00	125,250.00	124,950.56		299.44	299.44	
Other Expenses	5,000.00	5,000.00	3,038.54		1,961.46	1,961.46	
Other Expenses- Audit	29,500.00	29,500.00	24,375.00		5,125.00	5,125.00	
Assessment of Taxes							
Salaries and Wages	57,000.00	57,000.00	56,683.62		316.38	316.38	
Other Expenses	5,700.00	5,700.00	3,962.88	193.10	1,737.12	1,544.02	
Collection of Taxes							
Salaries and Wages	96,000.00	96,950.00	96,915.64		34.36	34.36	
Other Expenses	20,800.00	21,400.00	20,153.73	1,206.39	1,246.27	39.88	
Legal Services and Costs							
Salaries and Wages	106,050.00	106,050.00	105,982.00		68.00	68.00	
Other Expenses	65,000.00	45,000.00	36,943.97		8,056.03	8,056.03	
Municipal Court							
Salaries and Wages	\$105,000.00	90,000.00	89,964.25		35.75	35.75	
Other Expenses	10,950.00	25,950.00	25,570.66	123.00	379.34	256.34	
Municipal Prosecutor							
Salaries and Wages	20,800.00	21,300.00	20,854.88		445.12	445.12	
Other Expenses	500.00	500.00			500.00	500.00	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Cash</u>		<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Unexpended</u>			
Public Defender								
Salaries and Wages	\$10,400.00	9,650.00	\$9,200.00		450.00		450.00	
Other Expenses	500.00	500.00			500.00		500.00	
Engineering Services and Costs								
Salaries and Wages	500.00	500.00			500.00		500.00	
Other Expenses	65,000.00	50,000.00	31,311.82		18,688.18		18,688.18	
Public Buildings and Grounds								
Salaries and Wages	56,500.00	56,500.00	56,462.32		37.68		37.68	
Other Expenses	83,200.00	99,950.00	91,600.00	2,142.37	8,350.00		6,207.63	
Master Plan								
Other Expenses	12,500.00	12,500.00	6,849.10		5,650.90		5,650.90	
Codification of Ordinances								
Other Expenses	7,500.00	9,800.00	9,800.00					
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)								
Planning Board								
Salaries and Wages	8,000.00	8,000.00	8,000.00					
Other Expenses	6,000.00	6,000.00	1,572.00		4,428.00		4,428.00	
Board of Adjustment								
Salaries and Wages	33,250.00	33,250.00	31,850.22		1,399.78		1,399.78	
Other Expenses	6,500.00	6,850.00	6,811.48		38.52		38.52	
Shade Trees								
Salaries and Wages	242,500.00	243,250.00	243,007.90		242.10		242.10	
Other Expenses	16,950.00	16,950.00	12,224.45	2,509.35	4,725.55		2,216.20	
Recycling Program								
Salaries and Wages	261,000.00	236,000.00	211,760.42		24,239.58		24,239.58	
Other Expenses	80,000.00	81,100.00	79,280.82	1,791.71	1,819.18		27.47	
Insurance								
Other Insurance Premiums - General Liability	227,500.00	227,500.00	227,310.69		189.31		189.31	
Workers Compensation	229,500.00	254,500.00	229,172.00		25,328.00		25,328.00	
Group Insurance for Employees	1,692,000.00	1,667,000.00	1,614,210.79		52,789.21		52,789.21	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Cash</u> <u>Unexpended</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>			
PUBLIC SAFETY							
Fire							
Salaries and Wages	\$102,500.00	\$93,500.00	\$93,266.60		\$233.40	\$233.40	
Other Expenses	107,000.00	116,000.00	54,638.16	\$14,433.73	61,361.84	46,928.11	
Uniform Fire Safety Act (Ch. 383 P.L. 1983)							
Fire							
Salaries and Wages	52,500.00	52,500.00	50,047.72		2,452.28	2,452.28	
Other Expenses	6,800.00	7,575.00	7,058.95	515.88	516.05	0.17	
Police							
Salaries and Wages	4,412,500.00	4,412,500.00	4,395,895.79		16,604.21	16,604.21	
Other Expenses	186,000.00	186,000.00	183,076.64	2,449.69	2,923.36	473.67	
Emergency Management Services							
Salaries and Wages	5,500.00	5,500.00	5,488.10		11.90	11.90	
Other Expenses	1,000.00	1,000.00	605.56		394.44	394.44	
STREETS AND ROADS							
Road Repairs and Maintenance							
Salaries and Wages	400,000.00	415,000.00	414,138.93		861.07	861.07	
Other Expenses	57,900.00	55,400.00	48,922.44	1,677.15	6,477.56	4,800.41	
SANITATION							
Street Cleaning							
Salaries and Wages	191,000.00	193,500.00	193,112.41		387.59	387.59	
Other Expenses	29,100.00	31,600.00	29,281.76	1,346.69	2,318.24	971.55	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Cash</u>	<u>Reserved</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Unexpended</u>		<u>Balance Cancelled</u>
Garbage and Trash Removal							
Salaries and Wages	\$547,500.00	\$547,750.00	\$547,668.20		\$81.80	\$81.80	
Other Expenses	45,900.00	49,900.00	48,113.24	\$1,638.93	1,786.76	147.83	
Sewer Maintenance							
Salaries and Wages	179,000.00	179,000.00	170,862.89		8,137.11	8,137.11	
Other Expenses	24,200.00	24,200.00	8,656.63	567.07	15,543.37	14,976.30	
Sanitary Landfill							
Contractual-Bergen County	535,000.00	506,500.00	352,568.70	39,208.30	153,931.30	114,723.00	
HEALTH AND WELFARE							
Board of Health							
Salaries and Wages	41,500.00	41,500.00	41,300.94		199.06	199.06	
Other Expenses:							
Health Services-Contractual	66,500.00	66,500.00	49,477.50	16,492.50	17,022.50	530.00	
Miscellaneous Other Expenses	6,200.00	6,200.00	6,118.97	8.07	81.03	72.96	
Dog Regulation							
Other Expenses:							
County of Bergen-Contractual	17,750.00	17,750.00	4,433.24		13,316.76	13,316.76	
Miscellaneous	500.00	500.00	478.60		21.40	21.40	
Administration of Public Assistance							
Other Expenses	750.00	750.00			750.00	750.00	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>				Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Cash Unexpended</u>	<u>Reserved</u>	
RECREATION AND EDUCATION							
Parks and Playgrounds							
Salaries and Wages	\$135,000.00	\$146,000.00	\$145,100.41		\$899.59	\$899.59	
Other Expenses	17,500.00	17,500.00	10,669.56	\$320.00	6,830.44	6,510.44	
Recreation							
Salaries and Wages	69,065.00	67,965.00	62,929.38		5,035.62	5,035.62	
Other Expenses	31,000.00	34,850.00	33,521.89	1,294.06	1,328.11	34.05	
Celebration of Public Event, Anniversary or Holiday							
Other Expenses	21,500.00	25,300.00	25,261.53		38.47	38.47	
Senior Citizen's Transportation							
Salaries and Wages	12,500.00	12,700.00	12,685.40		14.60	14.60	
Other Expenses	3,500.00	1,000.00	367.10		632.90	632.90	
Senior Citizens Activities							
Salaries and Wages	28,350.00	28,600.00	28,553.62		46.38	46.38	
Other Expenses	8,500.00	9,200.00	8,943.50	75.84	256.50	180.66	
UNIFORM CONSTRUCTION CODE- APPROPRIATION OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)							
Construction Code Officials							
Salaries and Wages	124,500.00	124,500.00	123,953.89		546.11	546.11	
Other Expenses	4,250.00	4,250.00	3,724.51	237.05	525.49	288.44	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Cash</u> <u>Unexpended</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbrances</u>			
Unclassified							
Utilities:							
Gasoline	\$165,000.00	\$144,150.00	\$87,128.80	\$2,456.16	\$57,021.20	\$54,565.04	
Electricity	130,000.00	130,000.00	112,980.82		17,019.18	17,019.18	
Telephone	49,500.00	49,500.00	47,926.47		1,573.53	1,573.53	
Natural Gas	46,000.00	46,000.00	33,405.47		12,594.53	12,594.53	
Street Lighting	94,000.00	94,000.00	78,500.49		15,499.51	15,499.51	
Fire Hydrant Service	99,500.00	114,500.00	102,657.57		11,842.43	11,842.43	
Water	9,500.00	9,500.00	8,725.80		774.20	774.20	
TOTAL OPERATIONS WITHIN "CAPS"	\$12,015,365.00	\$11,984,115.00	\$11,373,537.95	\$92,046.18	\$610,577.05	\$518,530.87	
Detail:							
Salaries and Wages	\$7,647,665.00	\$7,628,215.00	\$7,563,888.93		\$64,326.07	\$64,326.07	
Other Expenses	4,367,700.00	4,355,900.00	3,809,649.02	\$92,046.18	546,250.98	454,204.80	
	\$12,015,365.00	\$11,984,115.00	\$11,373,537.95	\$92,046.18	\$610,577.05	\$518,530.87	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u> <u>Cash</u> <u>Unexpended</u>	<u>Reserved</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	\$247,355.00	\$247,355.00	\$247,355.00		
Social Security System (O.A.S.I.)	326,000.00	332,250.00	332,233.02	\$16.98	\$16.98
Police and Firemen's Retirement System of N.J.	913,709.00	913,709.00	913,709.00		
Unemployment Insurance	15,000.00	15,000.00	15,000.00		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"	<u>\$1,502,064.00</u>	<u>\$1,508,314.00</u>	<u>\$1,508,297.02</u>	<u>\$16.98</u>	<u>\$16.98</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>\$13,517,429.00</u>	<u>\$13,492,429.00</u>	<u>\$12,881,834.97</u>	<u>\$92,046.18</u>	<u>\$518,547.85</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Cash Unexpended</u>	<u>Reserved</u>
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985)	\$790,000.00	\$790,000.00	\$774,001.10	\$15,998.90	\$15,369.88
Bergen County Utilities Authority Service Charges-Contractual	929,000.00	929,000.00	928,578.77	421.23	421.23
Borough of Teterboro Sewer Service Charges-Contractual	200.00	200.00		200.00	200.00
City of Hackensack Sewer Service Charges-Contractual	4,000.00	4,000.00		4,000.00	4,000.00
Reserve for Tax Appeals	25,000.00	35,000.00	25,000.00	10,000.00	10,000.00
L.O.S.A.P.	50,000.00	50,000.00		50,000.00	50,000.00
Sanitary Landfill Recycling Tax	18,750.00	18,750.00	14,820.00	3,930.00	3,930.00
NJDES Stormwater Permit NJSA 40A:4-45.3 cc Street Cleaning					
Salaries and Wages	48,500.00	48,500.00	48,500.00		
Other Expenses	6,500.00	6,500.00	6,500.00		
STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES					
Drunk Driving Enforcement Fund					
Police					
Salaries and Wages	\$13,654.96	\$13,654.96	\$13,654.96		
Recycling Tonnage Grant	9,492.81	9,492.81	9,492.81		

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Cash Unexpended</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>			
Body Armor Fund	2,817.94	2,817.94	2,817.94				
Governor's Council on Alcoholism and Drug Abuse (P.L. 1989, C. 51)	11,017.00	11,017.00	11,017.00				
Special Projects	2,250.00	2,250.00	2,250.00				
Governor's Council on Alcoholism and Drug Abuse (P.L. 1989, C. 51) - Match	2,875.00	2,875.00	2,875.00				
Clean Communities Act Street Cleaning	13,359.41	13,359.41	13,359.41				
Other Expenses							
Reserve for Alcohol Education Act	1,231.55	1,231.55	1,231.55				
TOTAL OPERATIONS-EXCLUDED FROM "CAPS"	\$1,928,648.67	\$1,938,648.67	\$1,854,098.54	\$629.02	\$84,550.13	\$83,921.11	
DETAIL:							
Salaries and Wages	\$62,154.96	\$62,154.96	\$62,154.96				
Other Expenses	1,866,493.71	1,876,493.71	1,791,943.58	\$629.02	84,550.13	83,921.11	
	\$1,928,648.67	\$1,938,648.67	\$1,854,098.54	\$629.02	\$84,550.13	\$83,921.11	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	
			<u>Cash</u> <u>Unexpended</u>	<u>Reserved</u>
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"				
Capital Improvement Fund	75,000.00	75,000.00	15,000.00	15,000.00
	<u>\$75,000.00</u>	<u>\$75,000.00</u>	<u>\$15,000.00</u>	<u>\$15,000.00</u>
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"				
Payment of Bond Principal	\$375,000.00	\$375,000.00		
Payment of Bond Anticipation Notes	725,000.00	725,000.00		
Interest on Bonds	211,985.00	211,985.00		
Interest on Notes	81,000.00	80,204.81		\$795.19
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"	<u>\$1,392,985.00</u>	<u>\$1,392,985.00</u>		<u>\$795.19</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
YEAR THE YEAR ENDED DECEMBER 31, 2009

A-3

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u> Cash <u>Unexpended</u>	<u>Reserved</u>
DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM "CAPS"					
Emergency Authorizations					
Special Emergency Authorizations- 5 Years (N.J.S.A. 40A:4-55)	55,000.00	55,000.00	55,000.00		
TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"	\$55,000.00	\$55,000.00	\$55,000.00		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES-EXCLUDED FROM "CAPS"	<u>\$3,451,633.67</u>	<u>\$3,476,633.67</u>	<u>\$3,376,288.35</u>	<u>\$629.02</u>	<u>\$98,921.11</u>
				<u>\$99,550.13</u>	<u>\$795.19</u>
Sub-Total General Appropriations Reserve for Uncollected Taxes	\$16,969,062.67 963,215.00	\$16,969,062.67 963,215.00	\$16,258,123.32 963,215.00	\$92,675.20	\$617,468.96
Total General Appropriations	<u>\$17,932,277.67</u>	<u>\$17,932,277.67</u>	<u>\$17,221,338.32</u>	<u>\$92,675.20</u>	<u>\$617,468.96</u>
	A-2		Below	A	A-1
	Ref				
Reserve for Tax Appeals	A-18		\$25,000.00		
Special Emergency Authorizations	A-12		55,000.00		
Reserve for State Grants	A-2		53,823.67		
Reserve for State Grants - Matching Funds	D-3, A-4		2,875.00		
Reserve for Uncollected Taxes	A-2		963,215.00		
Disbursed	A-4		16,121,424.65		
	Above		<u>\$17,221,338.32</u>		

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

B

COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
<u>ASSETS</u>			
<u>ASSESSMENT FUND</u>			
Cash	B-1	<u>\$1,838.67</u>	<u>\$1,838.67</u>
<u>DOG LICENSE FUND</u>			
Cash	B-1	\$14,566.07	\$13,391.66
		<u>\$14,566.07</u>	<u>\$13,391.66</u>
<u>OTHER FUNDS</u>			
Cash	B-1	\$874,885.54	\$696,656.96
Due from Current Fund	B-5		
		<u>\$874,885.54</u>	<u>\$696,656.96</u>
Total Assets		<u>\$891,290.28</u>	<u>\$711,887.29</u>

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

B

COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>ASSESSMENT FUND</u>			
Fund Balance	B-8	\$1,838.67	\$1,838.67
<u>DOG LICENSE FUND</u>			
Reserve for Dog Fund Expenditures	B-2	\$14,451.07	\$13,290.86
Registration Fees Due to State of New Jersey	B-2	115.00	60.80
Due to Current Fund	B-5		40.00
		<u>\$14,566.07</u>	<u>\$13,391.66</u>
<u>OTHER FUNDS</u>			
Deposits Payable	B-3	\$734,865.84	\$543,496.07
Payroll Deductions Payable	B-4	125,875.49	127,773.10
Reserve for:			
Unemployment Insurance Trust Fund	B-6	2,460.63	13,705.22
FEMA Reimbursement	B-7	8,679.84	8,679.84
Fund Balance	B-8	3,003.74	3,002.73
		<u>\$874,885.54</u>	<u>\$696,656.96</u>
Total Liabilities, Reserves and Fund Balance		<u>\$891,290.28</u>	<u>\$711,887.29</u>

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

C

COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
Cash	C-2,3	\$215,598.56	\$225,900.20
Due from State of N.J.-			
Department of Transportation	C-4	323,318.81	229,723.07
Domestic Preparedness Grant	C-8		124.35
Due from County of Bergen	C-5	175,142.15	290,836.15
Deferred Charges to Future Taxation:			
Funded	C-9	5,234,000.00	5,609,000.00
Unfunded	C-6	4,887,218.48	5,007,218.48
Total Assets		<u>\$10,835,278.00</u>	<u>\$11,362,802.25</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-9	\$5,234,000.00	\$5,609,000.00
Improvement Authorizations:			
Funded	C-8	638,079.54	558,981.97
Unfunded	C-8	1,297,782.48	791,112.30
Capital Improvement Fund	C-7	121,110.17	134,402.17
Reserve for Garrison Ave F.E.M.A. Funds	C-12	7,800.86	7,800.86
Bond Anticipation Notes Payable	C-10	3,529,650.00	4,254,650.00
Fund Balance	C-1	6,854.95	6,854.95
Total Liabilities, Reserves and Fund Balance		<u>\$10,835,278.00</u>	<u>\$11,362,802.25</u>

There were Bonds and Notes Authorized but not Issued on December 31, 2009
of \$1,357,568.48 and on December 31, 2008 of \$752,568.48 (Exhibit C-11).

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

C-1

STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2008	C	<u>\$6,854.95</u>
Balance December 31, 2009	C	<u>\$6,854.95</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

D

COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
<u>Federal and State Grants</u>			
Cash	D-1	\$43,105.61	\$55,980.88
Grant Receivable	D-2	13,267.00	11,500.00
Total Assets		<u>\$56,372.61</u>	<u>\$67,480.88</u>

LIABILITIES, RESERVES AND FUND BALANCE:

	<u>Ref.</u>	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
<u>Federal and State Grants</u>			
Reserve for Federal and State Grants:			
Appropriated	D-3	\$23,129.18	\$40,579.17
Unappropriated	D-4	33,243.43	26,901.71
Total Liabilities, Reserves and Fund Balance		<u>\$56,372.61</u>	<u>\$67,480.88</u>

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
PUBLIC ASSISTANCE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

E

COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
Cash	E-1	\$7,374.04	\$5,834.87
		<u>\$7,374.04</u>	<u>\$5,834.87</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance	E-4	<u>7,374.04</u>	<u>5,834.87</u>
		<u>\$7,374.04</u>	<u>\$5,834.87</u>

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

F

COMPARATIVE BALANCE SHEET

<u>GENERAL FIXED ASSETS</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
Land - Assessed Value	\$26,309,100	\$26,309,100
Buildings - Insurance Statement of Values	10,626,700	12,935,344
Machinery and Equipment	7,959,657	7,776,628
Total General Fixed Assets	<u>\$44,895,457</u>	<u>\$47,021,072</u>
Investments in General Fixed Assets	<u>\$44,895,457</u>	<u>\$47,021,072</u>

See Accompanying Notes to Financial Statements

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

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 Borough of Hasbrouck Heights ("the Borough") have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough was incorporated in 1894 and operates under an elected Mayor/Council form of government. The Borough'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 N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are component units under GAAP.

B. Fund Accounting

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by 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. The accounts of the Borough are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues, and expenses or expenditures. The following funds and groups of accounts are used by the Borough:

Current Fund - Resources and expenditures for governmental operations of a general nature.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Trust Fund - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. The Division regulates the accounting for these funds.

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

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes. The public assistance program was transferred to Bergen County in July of 2001.

Grant Fund - Receipt and disbursement of funds from Federal and State Grants.

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. 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.

C. Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Hasbrouck Heights. Under this method of accounting, revenues, except for 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 off-setting reserves on the statement of financial position of the municipality's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts which are susceptible to accrual that are due the municipality are recorded as receivables with off-setting reserves and are 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 statement of financial position of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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 Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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 Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq. 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 Borough is not required to adopt budgets for the following funds:

Trust Funds
General Capital Fund
Public Assistance Fund

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

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

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

Property Acquired for Taxes - 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.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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 an 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 cost 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 statement of financial position.

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 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.

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

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.

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.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

C. Basis of Accounting (Continued)

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 disclosure the major classes of Fixed Assets as of December 31, 2009 and December 31, 2008, no depreciation has been provided for in the financial statements.

Fixed Assets purchased after December 31, 1989 are stated at cost, assets purchased prior to December 31, 1989 are stated at fair market value or insurable value. No depreciation has been provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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.

Foreclosed Property - Foreclosed property is recorded in the Current Fund valuation when such property was acquired and fully reserved.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements

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

2. Cash and Cash Equivalents

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of December 31, 2009, \$0 of the Borough's bank balance of \$3,528,041.37 was exposed to custodial credit risk.

At December 31, 2009, the Borough had the following cash held by a custodial bank or financial institution:

Current Fund	\$2,322,449.79
Current Fund – Change Fund	275.00
Federal / State Grant Fund	43,105.61
Assessment Fund	1,838.67
Trust Fund	874,885.54
Capital Fund	215,598.56
Public Assistance Fund	7,374.04
Dog License Fund	14,566.07
	<hr/>
	\$3,480,093.28
	<hr/>
Municipal Court *	\$47,948.09

* Municipal Court audit is under separate cover

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

2. Cash and Cash Equivalents (Continued)

Investments

Interest Rate Risk. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A: 5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A: 5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The Borough places no limit on the amount the Borough may invest in any one issuer.

As of December 31, 2009, the Borough had no investments.

3. Leases

The Borough of Hasbrouck Heights had no leases during the year ended December 31, 2009.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

4. Long-Term Debt

Summary of Municipal Debt

	<u>Year 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
Issued			
Bonds and Note Issued			
General:			
Bonds and Notes	<u>\$8,763,650.00</u>	<u>\$9,863,650.00</u>	<u>\$9,816,700.00</u>
Net Debt Issued	<u>8,763,650.00</u>	<u>9,863,650.00</u>	<u>9,816,700.00</u>
Authorized But Not Issued			
General:			
Bonds and Notes	<u>1,357,568.00</u>	<u>752,568.48</u>	<u>1,038,268.48</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$10,121,218.00</u>	<u>\$10,616,218.48</u>	<u>\$10,854,968.48</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .53%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$12,461,293.00	\$12,461,293.00	\$0.00
General Debt	<u>10,121,218.00</u>	<u>0.00</u>	<u>10,121,218.00</u>
	<u>\$22,582,511.00</u>	<u>\$12,461,293.00</u>	<u>\$10,121,218.00</u>

Net Debt \$ 10,121,218.00 Equalized Valuation Basis per N.J.S.A. 40A:2-2
as amended \$ 1,910,785,411 = .53 %

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

4. Long-Term Debt (Continued)

<u>Calender Year</u>	<u>Principal</u>	<u>General</u> <u>Interest</u>
2010	\$375,000.00	\$198,391.25
2011	375,000.00	184,797.50
2012	375,000.00	171,203.76
2013	375,000.00	157,610.00
2014	375,000.00	144,016.25
2015-2024	3,359,000.00	659,677.00
Total	<u>\$5,234,000.00</u>	<u>\$1,515,695.76</u>

The Borough's long-term debt consisted of the following at December 31, 2009:

General Obligation Bonds

\$7,279,000 – 2003 Bonds, due in annual installments of, \$375,000-09/15/2010-09/15/2022, \$359,000-09/15/2023, interest at various rates \$5,234,000.00

The Borough's short-term debt consisted of Bond Anticipation Notes Payable in the amount of 5,234,000.00 Schedule C-10 of the financial statements disclosed the various due dates and interest rates of the Bond Anticipation Notes Payable as of December 31, 2009.

Interfund Receivables and Payables

The Borough did not have any interfund receivables and payables at December 31, 2009.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

5. Contingencies

Litigation

The Borough is party to various legal proceedings which normally occur in governmental operations. In the opinion of the management, the ultimate resolution of such litigation will not have a material impact on the Borough's financial statements.

Claims and Judgements

The Borough received and continued to participate in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes and effective internal control for the proper administration of the funds. The Borough is subject to the provision of the Single Audit Act of 1984 and as amended by the Single Audit Act of 1996 and other related Federal requirements, and State of New Jersey requirements which require that financial assistance programs received by the Borough be audited in conjunction with the audit of the general purpose financial statements. In addition, substantially all grants, entitlements and costs reimbursements are subject to financial and compliance audits by the grantors. As of December 31, 2009, the Borough estimates that no material liabilities will result from such audits.

Compensated Absences

Employees cannot accrue sick and vacation benefits beyond the current year. The contract of the Department of Public Works employees' provides for terminal pay for unused sick days for those employees with specific continuous years of service. Any potential liability will be raised in that year's budget. The value of the Department of Public Works unused sick days as of December 31, 2009 was \$92,675. There is one police officer which also have accrued sick pay in the amount of \$144,500.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

6. Risk Management

The purpose of the New Jersey Intergovernmental Insurance Fund is to administer property and liability, worker's compensation, unemployment, and disability insurance programs of the Borough on a cost reimbursement basis. This fund accounts for the risk financing activities of the Borough but does not constitute a transfer of risk from the Borough. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

7. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are to be deferred to budgets of succeeding years. At December 31, 2009, there were no deferred charges.

8. Local District School, Regional High School and County Taxes

The Local District School Taxes are raised on a calendar year basis, for the period January 1, 2009 to December 31, 2009.

9. Taxes Collected in Advance

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

	Balance Dec. 31, 2009	Balance Dec. 31, 2008
Prepaid Taxes	<u>\$104,940.00</u>	<u>\$99,547.59</u>

10. Retirement Plans

Plan Description, Contribution Information, and Funding

Employees who are eligible for a pension plan are enrolled in one of 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 Borough's share of pension costs, which is based upon the amount paid or charged to the 2009 budget, amounted to \$1,175,884 for 2009 and \$1,025,597.40 for 2008.

Borough 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.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

10. Retirement Plans (Continued)

Deferred Compensation Plan

The Borough received State approval in October 1983 for a Deferred Compensation Plan. Those employees participating in this program started making contributions through payroll deductions in November 1983. The Program's financial accounting and investment plan is maintained by the ING Life Insurance and Annuity Company. Any employee of the Borough is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. The Borough does not and is not required to make contributions to the Plan. Fund assets at December 31, 2009 totaled \$2,857,854.13. These figures were taken directly from reports submitted by ING Life Insurance and Annuity Company, and an audit will be made by another Certified Public Accounting firm.

11. Other Post Employment Benefits

The Borough of Hasbrouck Heights contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursements to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employees in 1964. Local employers must adopt a resolution to participate in the SHBP. On February 27, 2007, the Borough authorized participation in the SHBP's post retirement benefit program through a resolution number 42. Pursuant to N.J.S.A. 40A:10-23, the Borough shall pay the entire cost of health care insurance coverage for its retired employees and their eligible dependents under the following circumstances: 1. DPW workers which have retired after they have completed 25 years of service. 2. Health insurance for police officers are paid as specified by the Police and Fireman's Retirement System after 25 years of service. Currently the Borough has 29 retired employees, which have this benefit. In 2008 the cost of these health insurance benefits totaled \$408,153.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf

12. Joint Insurance

The Borough of Hasbrouck Heights participates in North Jersey Intergovernmental Insurance Fund for workman's compensation and General Liability Insurance. The Borough pays an annual assessment to be part of the Fund. In 2009, the assessments were \$438,699. The annual assessments consist of an amount allocated for administrative costs, plus a specific assessment to replenish the claim or loss retention trust fund account for each type of average provided by the fund. Any monies for the Fund, in excess of the amount necessary to fund all obligations for the fiscal year, may be refunded to the borough in proportion to the member's participation in the Fund for such year. The Fund purchases commercial insurance for all major programs except employee health care. The New Jersey Health Benefits fund is the carrier of the Borough's employee health insurance.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

12. Joint Insurance (Continued)

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages in any of the prior three years.

13. Property Tax Calendar

The Borough of Hasbrouck Heights property taxes are due on 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 on July 9, 2009 for 2008 taxes.

14. Municipal Court

Comments concerning the Municipal Court will be found in a separate municipal audit report.

15. Other Commitments

FASB No. 34 and SFAS No. 5

The Borough of Hasbrouck Heights guarantees a prorated portion of the County of Bergen's debt based on net equalized valuation. The possibility of loss to the Borough is remote.

16. Comparative Schedule of Fund Balances

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance</u> <u>December 31</u>	<u>Utilized In Budget of</u> <u>Succeeding Year</u>
2009	\$1,352,975.51	\$1,200,000.00
2008	1,603,932.03	1,300,000.00
2007	1,389,833.65	1,200,000.00
2006	1,476,734.26	1,275,000.00
2005	1,670,261.38	1,275,000.00

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

17. Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Tax Rate	<u>2.070</u>	<u>1.997</u>	<u>1.890</u>	<u>1.780</u>	<u>3.520</u>
<u>Apportionment of Tax Rate</u>					
Municipal	0.719	0.692	0.613	0.600	1.196
County	0.201	0.190	0.173	0.170	0.324
Local School	1.150	1.115	1.074	1.010	2.000

Assessed Valuation

2009	<u>\$1,867,662,044</u>			
2008		<u>\$1,856,759,375</u>		
2007			<u>\$1,853,773,480</u>	
2006				<u>\$1,855,266,800</u> * Revaluation of Real Property 01/01/06
2005				<u>\$875,710,063</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

18. 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>
2009	\$38,739,748.72	\$38,284,057.18	98.82%
2008	37,197,437.62	36,773,564.26	98.86%
2007	35,137,143.00	34,676,153.00	98.69%
2006	33,070,720.97	32,629,106.46	98.66%
2005	30,932,964.78	30,655,897.23	99.10%

19. Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison-expressed percentage of the total of delinquent taxes and tax title liens, in relation to the tax levies of the current and the previous three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2009	\$174,211.32	\$352,447.43	\$526,658.75	1.36%
2008	165,321.37	393,654.14	558,975.51	1.50%
2007	156,221.03	387,218.34	543,439.37	1.55%
2006	146,929.98	356,931.75	503,861.73	1.52%
2005	139,283.14	250,671.60	389,954.74	1.26%

20. Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2008 by foreclosure or deed, as a result of liquidation of tax title liens. The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties was as follows:

<u>Year</u>	<u>Amount</u>
2009	\$304,730.00
2008	304,730.00
2007	304,730.00
2006	304,730.00
2005	304,730.00

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

The Honorable Mayor and Members
of the Borough Council
Borough of Hasbrouck Heights
County of Bergen
Hasbrouck Heights, New Jersey 07604

We have audited the financial statements of the Borough of Hasbrouck Heights, State of New Jersey, as of and for the year ended December 31, 2009 and have issued our report thereon dated June 30, 2010. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with 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 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Audit Findings and Recommendations that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance

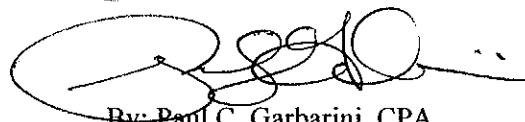
As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the 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 test disclosed instances of noncompliance or other matters 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 recommendations as items 09-01 through 09-03.

We noted certain matters that we reported to management of the Borough in a separate letter dated June 30, 2010. The Borough's responses to findings identified in our audit are described in the accompanying schedule of findings and recommendations. We did not audit the Borough's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Borough'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



By: Paul C. Garbarini, CPA
Registered Municipal Accountant
License No. 120

June 30, 2010
Carlstadt, New Jersey

BOROUGH OF HASBROUCK HEIGHTS
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule I-1							
Federal Grantor/ Pass-Through Grantor Program	Federal CFDA#	Pass - Through Entity ID #	Grant Award	Grant Period	Cash Received	Program Expenditures	Receivable Unreimbursed
Community Development:	14.218						
Barrier Free Curb (Ord. 1868)		Bergen County		Prior Period			5,141.35
New Senior Center (Ord. 1944)		Bergen County		Prior Period			0.80
New Senior Center (Ord. 2182)		Bergen County		01/01/08-12/31/09	54,194.00	54,194.00	54,194.00
Improvement to Miers Park and Woodland Park (Ord # 2211)		Bergen County	46,208.00	01/01/09-12/31/09	46,208.00	46,208.00	
Resurfacing of Jefferson Ave (Ord # 2210)		Bergen County	90,000.00	01/01/09-12/31/09			90,000.00
Transportation State Aid Highway:	20.205	NJ Dept of Transportation					
Resurfacing of Burton Ave (Ord 1803)				Prior Years			4,578.06
Resurfacing of Balwin Ave (Ord 2012)				Prior Years			18,177.10
Resurfacing of Madison Avenue (Ord 2158)			75,000.00	01/01/07-12/31/07	18,750.00		
Boulevard Streetscape Improvement (Od 2185)			150,000.00	01/01/08-12/31/09	150,000.00	150,000.00	
Boulevard Streetscape Improvement (Od 2209)			150,000.00	01/01/09-12/31/09	4,259.25	43,416.78	145,740.75
Total Federal Financial Assistance					273,411.25	293,818.78	317,832.06

BOROUGH OF HASBROUCK HEIGHTS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

State Grant Program	Pass - Through Entity ID #	State Account Number	Grant Award	Grant Period	Cash Received	Program Expenditures	Schedule 1-2 Receivable
Environmental Solid Waste Administration:							
Clean Communities Grant	N/A	042-4900-765-004	17,159.25	01/01/09-12/31/09	17,159.25	13,919.54	
Recycling Tonnage Grant	N/A	042-4900-752-001	14,367.03	01/01/09-12/31/09	14,367.03	18,316.32	
Law and Public Division of Criminal Justice:							
Body Armor Replacement Fund	N/A	066-1020-018-001	2,817.94	01/01/09-12/31/09		3,344.27	
Division of Motor Vehicles:							
Drunk Driving Enforcement Fund	N/A	6400-100-078-6400	13,654.96	01/01/09 - 12/31/09	13,654.96	13,654.96	
Municipal Court:							
Alcohol Education & Rehabilitation	N/A	098-9735-760-001	1,717.15	01/01/09 - 12/31/09	1,717.15	2,590.12	
Division of State Library:							
Per Capita Aid	N/A	074-2541-100-006	10,808.00	01/01/09 - 12/31/09	10,808.00	16,632.43	
New Jersey Department of Community Affairs							
Legislative Grants:							
Bureau of Housing Inspection	N/A	022-810-100-023	9,006.00	01/01/09-12/31/09	9,006.00	9,006.00	
Municipal Recycling Assistance	N/A			Prior Year		1,157.68	
Safe Routes to School Program (Ord # 2221,2222)	N/A		173,000.00	01/01/09-12/31/09			173,000.00
Stormwater Regulation Program	N/A	Unavailable		Prior Years		3,118.00	
Total State Financial Assistance:					66,712.39	81,739.32	173,000.00

BOROUGH OF HASBROUCK HEIGHTS
SCHEDULE OF EXPENDITURES OF COUNTY FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule I-3

County Grant Program	Pass - Through Entity ID #	County Account Number	Current Year Grant Award	Grant Period	Cash Received	Program Expenditures	Receivable
Bergen County Open Space Trust:							
Construction of Parking Lot & Pocket Park Central Ave. (Ord.# 2136)	N/A	Unavailable		01/01/06-12/31/06	54,000.00	*	
Improv. To Ravine Ave., Const. Of Skate Park, Ground Cover and Playground Equipment- Adjacent to Depken Field. (Ord. # 2147)				01/01/06-12/31/06	177,500.00	*	
Improvement to Miers & Woodland Park (Ord # 2211)			80,000.00	01/01/09-01/01/09	80,000.00	61,922.06	80,000.00
Contribution from Port Authority for Ambulance (Ord # 2208)			80,000.00	01/01/09-01/01/09	80,000.00		
Bergen County:							
Municipal Alliance Grant	N/A	Unavailable	11,017.00	01/01/09-12/31/09	11,500.00	9,263.27	11,017.00
Special Project Municipal Alliance	N/A	Unavailable	2,250.00	01/01/09-12/31/09		4,500.00	2,250.00
Total County Financial Assistance					<u>323,000.00</u>	<u>75,685.33</u>	<u>93,267.00</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

1. General

The accompanying schedules present the activity of all federal and state financial assistance programs of the Borough of Hasbrouck Heights. The Borough is defined in Note 1A of the Borough'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 Borough's financial statements.

3. Relationship of Financial Statements

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

	<u>Federal</u>	<u>State</u>	<u>County</u>	<u>Total</u>
Capital Fund	\$293,818.78		\$61,922.06	\$355,740.84
Grant Fund		56,100.89	13,763.27	69,864.16
Current Fund		25,638.43		25,638.43
	<u>\$293,818.78</u>	<u>\$81,739.32</u>	<u>\$75,685.33</u>	<u>\$451,243.43</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.

5. State Loans Outstanding

The Borough has no state loans outstanding as of December 31, 2009.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-4

SCHEDULE OF CASH-COLLECTOR-TREASURER

	<u>Ref</u>	
Balance December 31, 2008	A	\$2,433,552.84
Increased by Receipts:		
Miscellaneous Revenue	A-2	\$2,828,393.36
Miscellaneous Revenue Not Anticipated	A-2	215,485.78
Due from State of N.J.-Senior Citizens and Veterans Deductions	A-7	143,129.46
Taxes Receivable	A-8	38,453,978.79
Due to Trust - Other Fund	B-5	385,211.02
Void Old Outstanding Checks	A-1	868.17
Miscellaneous Credits	A-1	287.51
Tax Overpayments	A-14	135,823.94
Due to State of N.J.:		
Building Surcharge Fees	A-15	14,091.00
Department of Human Services	A-15	1,075.00
Burial Permit Fees	A-15	30.00
State Library Aid	A-16	10,808.00
Prepaid Taxes	A	104,940.00
Petty Cash Funds	A-6	600.00
		<hr/>
		42,294,722.03
		<hr/>
		\$44,728,274.87

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-4

SCHEDULE OF CASH-COLLECTOR-TREASURER

	<u>Ref</u>	
Decreased by Disbursements:		
2009 Budget Appropriations	A-3	\$16,121,424.65
Reserve for Grants - Matching Funds	A-3	2,875.00
2008 Appropriation Reserves	A-13	369,090.41
County Taxes	A-1,8	3,731,332.12
Local District School Tax	A-1,8,17	21,488,634.00
Posting Correction	A-1	2,185.00
Payroll Fund Correction	A-1	7,576.98
Check Returned "NSF"	A-1	2,348.81
Due to County for Added Taxes-2009	A	17,895.26
Petty Cash Funds	A-6	600.00
Due to Trust - Other Fund	B-5	385,211.02
Tax Overpayments Refunded and Applied	A-14	137,602.12
Due to State of N.J. :		
Building Surcharge Fees	A-15	14,085.00
Department of Human Services	A-15	875.00
Burial Permit Fees	A-15	380.00
Reserve for:		
Maintenance of Free Public Library with		
State Aid	A-16	16,632.43
Tax Appeals Pending	A-18	107,077.28
		<hr/> 42,405,825.08
Balance December 31, 2009	A	<hr/> <u>\$2,322,449.79</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-5

SCHEDULE OF CHANGE FUNDS

Balance December 31, 2008	A	<u>\$275.00</u>
Balance December 31, 2009	A	<u>\$275.00</u>
<u>Analysis of Balance</u>		<u>Dec. 31, 2009</u>
Tax Collector-Treasurer		\$100.00
Clerk of Municipal Court		100.00
Board of Health		50.00
Police Department		<u>25.00</u>
		<u>\$275.00</u>

A-6

SCHEDULE OF PETTY CASH FUNDS

<u>OFFICE</u>	Received From <u>Treasurer</u>	Returned to <u>Treasurer</u>
Police Chief	\$100.00	\$100.00
Borough Clerk	100.00	100.00
Library	100.00	100.00
Tax Collector-Treasurer	100.00	100.00
Recreation Director	75.00	75.00
Board of Health	25.00	25.00
Superintendent of D.P.W.	<u>100.00</u>	<u>100.00</u>
	<u>\$600.00</u>	<u>\$600.00</u>
Reference	A-4	A-4

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-7

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

	<u>Ref</u>		
Balance December 31, 2008 (Due To)	A		(\$21,921.35)
Increased by:			
Original Duplicate-2009			
Senior Citizens Deductions		\$25,000.00	
Veterans Deductions		116,750.00	
Allowed by Tax Collector:			
Senior Citizens Deductions-2009		250.00	
Veterans Deductions-2009		1,750.00	
			<hr/>
			\$143,750.00
			<hr/>
			\$121,828.65
Decreased by:			
Disallowed by Tax Collector:			
Senior Citizens Deductions-2008	A-1	1,120.54	
			<hr/>
			1,120.54
			<hr/>
			\$120,708.11
Received in Cash from State	A-4		<hr/>
			143,129.46
			<hr/>
Balance December 31, 2009 (Due To)	A		<u>(\$22,421.35)</u>
2009 Tax Revenue:			
Original Duplicate			
Senior Citizens Deductions		\$25,000.00	
Veterans Deductions		116,750.00	
Allowed by Tax Collector:			
Senior Citizens Deductions		250.00	
Veterans Deductions		1,750.00	
			<hr/>
			\$143,750.00
Disallowed by Tax Collector:			
Senior Citizens Deductions		\$0.00	
Veterans Deductions		0.00	
			<hr/>
			0.00
			<hr/>
Total Revenue	A-8		<u>\$143,750.00</u>

A-8

A-8

A-8

A-8

A-8A-8

A-8

A-8

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-9

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref</u>	
Balance December 31, 2008	A	\$164,778.33
Increased by:		
Transfer from Taxes Receivable	A-8	<u>9,432.99</u>
Balance December 31, 2009	A	<u>\$174,211.32</u>

A-10

SCHEDULE OF MARTIN ACT PROPERTY

	<u>Ref</u>	
Balance December 31, 2008	A	<u>\$543.04</u>
Balance December 31, 2009	A	<u>\$543.04</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-11

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance <u>Dec. 31, 2008</u>	Accrued <u>in 2009</u>	<u>Collected</u>	Balance <u>Dec. 31, 2009</u>
Municipal Court	\$17,795.22	\$16,166.31	\$17,795.22	\$16,166.31
Ref	A			A

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-12

SCHEDULE OF DEFERRED CHARGES-N.J.S.A. 40A:4-55 SPECIAL EMERGENCY

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2008</u>	<u>Authorized Current Year</u>	<u>Reduced by 2009 Budget Appropriation</u>	<u>Balance Dec. 31, 2009</u>
3/9/04	Special Emergency N.J.S.A. 40A:4-55 Revaluation of Real Property	\$275,000.00	\$55,000.00	\$55,000.00	\$0.00	\$55,000.00	\$0.00
Ref				A		A-3	A

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-13

SCHEDULE OF 2008 APPROPRIATION RESERVES

	<u>Balance December 31, 2008</u>		<u>Transfers</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Total</u>			
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive - Mayor and Council						
Salaries and Wages	\$	\$92.00	\$	\$92.00	\$	\$92.00
Administrative and Executive						
Salaries and Wages		258.78	258.78	258.78		258.78
Other Expenses	82.45	1,421.18	1,503.63	1,425.00	2,913.18	15.45
Elections						
Other Expenses		5,902.57	5,902.57	5,902.57		5,902.57
Financial Administration						
Salaries and Wages		241.83	241.83	241.83		241.83
Other Expenses	429.50	3,492.06	3,921.56	1,421.56	489.73	931.83
Audit		22,125.00	22,125.00	22,125.00	22,125.00	
Assessment of Taxes						
Salaries and Wages		16.00	16.00	16.00		16.00
Other Expenses	1,197.00	419.73	1,616.73	1,616.73	1,197.00	419.73
Collection of Taxes						
Salaries and Wages		7.54	7.54	7.54		7.54
Other Expenses	9.50	4,559.39	4,568.89	2,568.89	2,472.00	96.89
Legal Services and Costs						
Salaries and Wages						
Other Expenses		3,773.43	3,773.43	11,373.43	11,325.98	47.45
Municipal Court						
Salaries and Wages		1,491.60	1,491.60	1,491.60		1,491.60
Other Expenses	928.20	5.97	934.17	1,134.17	1,117.42	16.75
Municipal Prosecutor						
Salaries and Wages		390.00	390.00	390.00		390.00
Other Expenses		500.00	500.00	500.00		500.00
Public Defender						
Salaries and Wages		360.00	360.00	360.00		360.00
Other Expenses		500.00	500.00	500.00		500.00
Engineering Services and Costs						
Salaries and Wages		500.00	500.00	500.00		500.00
Other Expenses		15,625.25	15,625.25	9,625.25	7,764.00	1,861.25
Public Buildings and Grounds						
Salaries and Wages		28.33	28.33	3,028.33	3,027.16	1.17
Other Expenses	9,712.38	82.07	9,794.45	11,294.45	10,909.47	384.98
Master Plan						
Other Expenses		6,742.00	6,742.00	7,492.00	7,447.50	44.50
Codification of Ordinance						
Other Expenses		2,642.50	2,642.50	2,642.50		2,642.50
Planning Board						
Salaries and Wages		2,250.00	2,250.00	250.00		250.00
Other Expenses		318.47	318.47	1,118.47	1,070.63	47.84

A-13

A-13

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-13

SCHEDULE OF 2008 APPROPRIATION RESERVES

	<u>Balance December 31, 2008</u>				<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Total</u>	<u>Transfers</u>			
Street Cleaning							
Salaries and Wages		\$407.93	\$407.93	\$2,500.00	\$2,907.93	\$2,887.97	\$19.96
Other Expenses	\$1,038.22	4,526.33	5,564.55		5,564.55	4,538.69	1,025.86
Garbage and Trash Removal							
Salaries and Wages		7,887.21	7,887.21	3,100.00	10,987.21	10,975.53	11.68
Other Expenses	3,981.99	81.15	4,063.14	275.00	4,338.14	4,335.28	2.86
Sewer Maintenance							
Salaries and Wages		54.12	54.12	1,650.00	1,704.12	1,693.55	10.57
Other Expenses	4,130.54	717.01	4,847.55	775.00	5,622.55	4,195.93	1,426.62
Sanitary Landfill							
Contractual-Bergen County		112,550.31	112,550.31	(1,650.00)	110,900.31	77,470.32	33,429.99
HEALTH AND WELFARE							
Board of Health							
Salaries and Wages		11.10	11.10		11.10		11.10
Health Services - Contractual		16.00	16.00		16.00		16.00
Other Expenses	30.94	172.31	203.25		203.25	30.94	172.31
Dog Regulation							
Other Expenses	349.00	26.75	375.75		375.75	349.00	26.75
County of Bergen - Contractual		1,500.00	1,500.00		1,500.00		1,500.00
Administration of Public Assistance							
Other Expenses		708.70	708.70		708.70		708.70
Parks and Playgrounds							
Salaries and Wages		1,786.85	1,786.85	450.00	2,236.85	2,219.77	17.08
Other Expenses	3,865.33	1,653.68	5,519.01		5,519.01	3,950.33	1,568.68
Board of Recreation Commissioners							
Salaries and Wages		179.00	179.00		179.00		179.00
Other Expenses	504.00	127.04	631.04		631.04	551.68	79.36
Celebration of Public Events, Anniversary or Holiday							
Other Expenses		2,342.91	2,342.91		2,342.91	2,027.80	315.11

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-13

SCHEDULE OF 2008 APPROPRIATION RESERVES

Balance December 31, 2008

	<u>Encumbered</u>	<u>Reserved</u>	<u>Total</u>	<u>Transfers</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Senior Citizen's Transportation							
Salaries and Wages	\$	\$8.17	\$8.17	\$	\$8.17	\$	\$8.17
Other Expenses		2.21	2.21	275.00	277.21	262.50	14.71
Senior Citizen's Activities							
Salaries and Wages		621.00	621.00		621.00		621.00
Other Expenses		6.23	6.23		6.23		6.23
Construction Code Officials							
Salaries and Wages		128.50	128.50		128.50		128.50
Other Expenses		459.13	459.13		459.13	\$214.21	244.92
Utilities:							
Gasoline	3,769.21	8,818.81	12,588.02		12,588.02	6,175.61	6,412.41
Electricity		8,434.48	8,434.48	1,650.00	10,084.48	10,082.62	1.86
Telephone	37.04	2,967.52	3,004.56	1,375.00	4,379.56	4,338.00	41.56
Natural Gas		3,857.19	3,857.19		3,857.19	3,855.91	1.28
Street Lighting		76.26	76.26	7,675.00	7,751.26	7,737.64	13.62
Fire Hydrant Service		8,247.46	8,247.46		8,247.46	8,241.14	6.32
Water		638.07	638.07	75.00	713.07	689.37	23.70
Statutory Expenditures:							
Contribution to:							
Social Security System (O.A.S.I.)		23.17	23.17		23.17		23.17

TOTAL OPERATIONS WITHIN "CAPS"

\$75,278.41	\$352,204.36	\$427,482.77	\$427,482.77	\$306,075.84	\$121,406.93
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BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
SCHEDULE OF 2008 APPROPRIATION RESERVES

A-13

		<u>Balance December 31, 2008</u>		<u>Transfers</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Encumbered</u>	<u>Reserved</u>	<u>Total</u>					
5,268.01	27,511.90	32,779.91			32,779.91	15,914.57	16,865.34
Maintenance of Free Public Library (Chap. 82 & 541, P.L. 1985)							
Sewer Charges:							
Borough of Teterboro		200.00	200.00		200.00		200.00
City of Hackensack		4,000.00	4,000.00		4,000.00		4,000.00
Bergen County Utilities Authority		16.39	16.39		16.39		16.39
L.O.S.A.P.		55,000.00	55,000.00		55,000.00	47,100.00	7,900.00
Sanitary Landfill Recycling Tax		6,981.26	6,981.26		6,981.26		6,981.26
<u>\$5,268.01</u>	<u>\$93,709.55</u>	<u>\$98,977.56</u>			<u>\$98,977.56</u>	<u>\$63,014.57</u>	<u>\$35,962.99</u>

OPERATIONS EXCLUDED FROM "CAPS"

TOTALS	Ref						
\$80,546.42	\$445,913.91	\$526,460.33	\$526,460.33	\$369,090.41	\$157,369.92		
A	A	A	A-4	A-1			

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-14

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref</u>	
Balance December 31, 2008	A	\$32,548.02
Increased by:		
Overpayments in 2009	A-4	<u>135,823.94</u>
		\$168,371.96
Decreased by:		
Refunds	A-4	\$137,602.12
Canceled	A-1	<u>6,414.93</u>
		\$144,017.05
Balance December 31, 2009	<u>A</u>	<u><u>\$24,354.91</u></u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-15

SCHEDULE OF DUE TO STATE OF N.J. - SURCHARGE FEES

	Ref	Burial Permit <u>Fees</u>	Construction Surcharge <u>Fees</u>	Marriage License <u>Fees</u>
Balance December 31, 2008	A	\$2,640.00	\$2,327.00	\$1,470.00
Increased by:				
Receipts	A-4	30.00	14,091.00	1,075.00
		<u>\$2,670.00</u>	<u>\$16,418.00</u>	<u>\$2,545.00</u>
Decreased by:				
Cash Disbursements	A-4	380.00	14,085.00	875.00
		<u>380.00</u>	<u>14,085.00</u>	<u>875.00</u>
Balance December 31, 2009	A	<u>\$2,290.00</u>	<u>\$2,333.00</u>	<u>\$1,670.00</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-16

SCHEDULE OF RESERVE FOR MAINTENANCE OF
FREE PUBLIC LIBRARY WITH STATE AID

	<u>Ref</u>	
Balance December 31, 2008	A	\$6,281.32
Increased by:		
State Library Aid	A-4	<u>10,808.00</u>
		\$17,089.32
Decreased by:		
Cash Disbursements	A-4	<u>16,632.43</u>
Balance December 31, 2009	A	<u><u>\$456.89</u></u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-17

SCHEDULE OF SCHOOL TAXES PAYABLE

	<u>Ref</u>	
Balance December 31, 2008	A	----
Increased by:		
2009 School Tax Levy	A-1,8	<u>21,488,634.00</u>
		<u>\$21,488,634.00</u>
Decreased by:		
School Taxes Paid	A-4	<u>21,488,634.00</u>
Balance December 31, 2009	A	<u>-----</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-18

SCHEDULE OF RESERVE FOR TAX APPEALS PENDING

	<u>Ref</u>	
Balance December 31, 2008	A	\$113,687.35
Increased by:		
Transferred from 2009 Budget Appropriations	A-3	25,000.00
		<hr/> \$138,687.35
Decreased by:		
Cash Disbursements	A-4	<hr/> 107,077.28
Balance December 31, 2009	A	<hr/> <hr/> \$31,610.07

A-19

SCHEDULE OF RESERVE FOR
SPECIAL EMERGENCY N.J.S.A. 40A:4-46

	<u>Ref</u>	
Balance December 31, 2008	A	<hr/> \$6,439.34
Balance December 31, 2009	A	<hr/> <hr/> \$6,439.34

BOROUGH OF HASBROUCK HEIGHTS, N.J.
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

A-20

SCHEDULE OF RESERVE FOR L.O.S.A.P.

	<u>Ref</u>	
Balance December 31, 2008	A	<u>\$29,933.25</u>
Balance December 31, 2009	A	<u>\$29,933.25</u>

A-21

RESERVE FOR REVALUATION OF REAL PROPERTY

	<u>Ref</u>	
Balance December 31, 2008	A	<u>\$7,245.00</u>
Balance December 31, 2009	A	<u>\$7,245.00</u>

A-22

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>Ref</u>	
Balance December 31, 2008	A	<u>\$16,500.00</u>
Balance December 31, 2009	A	<u>\$16,500.00</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

B-1

SCHEDULE OF CASH-COLLECTOR-TREASURER

	<u>Ref</u>	<u>Assessment Fund</u>	<u>Dog License Fund</u>	<u>Other Funds</u>
Balance December 31, 2008	B	\$1,838.67	\$13,391.66	\$696,656.96
Increased by Receipts:				
Dog License Fees	B-2		\$14,698.20	
State Registration Fees	B-2		1,915.80	
Deposits Payable	B-3			\$1,147,466.07
Payroll Deductions Payable	B-4			3,318,744.31
Miscellaneous Receipt	B-8			1.01
Unemployment Budget Appropriation	B-6	-0-		15,059.59
		<u>\$1,838.67</u>	<u>16,614.00</u>	<u>4,481,270.98</u>
			<u>\$30,005.66</u>	<u>\$5,177,927.94</u>
Decreased by Disbursements:				
Expenditures under R.S. 4:19-15.11	B-2		\$13,512.99	
Due to State of N.J.-Registration Fees	B-2		1,926.60	
Deposits Payable	B-3			570,885.28
Payroll Deductions Payable	B-4			3,320,641.92
Due to/from Current Fund	B-5			385,211.02
Due to Department of Labor - Unemployment	B-6			26,304.18
		<u>-0-</u>	<u>15,439.59</u>	<u>4,303,042.40</u>
		<u>\$1,838.67</u>	<u>\$14,566.07</u>	<u>\$874,885.54</u>
Balance December 31, 2009	B			

BOROUGH OF HASBROUCK HEIGHTS, N.J.
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

B-2

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2008	B		\$13,290.86
Increased by :			
Adjustment -Due to Current	B-5	\$40.00	
Dog License Fees Collected	B-1	14,698.20	
			<u>14,738.20</u>
			\$28,029.06
Decreased by :			
Expenditures Under R.S. 4:19-15.11-Cash	B-1	\$13,512.99	
Adjustment -Due to State of NJ	Below	65.00	
			<u>13,577.99</u>
Balance December 31, 2009	B		<u><u>\$14,451.07</u></u>

Licenses Fees Collected

<u>Year</u>	<u>Amount</u>
2008	\$12,366.00
2007	8,624.60
	<u>\$20,990.60</u>

Summary of State Registration Fees

State Registration Fees Due at 12/31/08	B	\$60.80
Adjustment-Prior Yr Balance	Above	65.00
State Registration Fees Collected	B-1	1,915.80
		<u>2,041.60</u>
State Registration Fees Paid	B-1	1,926.60
State Registration Fees Due at 12/31/09	B	<u><u>\$115.00</u></u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

B-3

SCHEDULE OF RESERVES AND DEPOSITS PAYABLE

DEPOSITS	Balance Dec. 31, 2008	Receipts	Disbursements	Adjustments	Adjustments To/(From) Current Fund	Balance Dec. 31, 2009
Merchant Bonds	\$8,200.00	\$150.00	\$100.00	\$		\$8,250.00
Library Book Fund	25,116.30	27,357.32	24,126.57			28,347.05
Board of Recreation Commission	2,444.60	90,901.90	57,369.63		(24,915.00)	11,061.87
Towing	2,689.94					2,689.94
Planning Board	125,412.94	39,625.87	44,208.30			120,830.51
Off-Duty Municipal Police Pay	(12,071.24)	386,892.24			(360,296.02)	14,524.98
Off-Duty Police Car Charges	(65,880.08)	15,733.15	58,120.40			(108,267.33)
Developer's Deposit - Car Wash	14,035.85	26.21				14,062.06
Performance Bond - ADPP	24,161.17	40.96				24,202.13
Performance Bond - BRE Prime	163,188.75	248.47				163,437.22
Redemption of Outside Tax Title						
Lien Certificate		162,922.00	162,922.00			
Tax Sale Premiums	147,000.00	358,300.00	162,100.00			343,200.00
Donations- Police Bullet Proof						
Vests	373.66					373.66
Town Wide Garage Sale						
Elevator Sub-Code Fees	6,943.00					6,943.00
Sidewalk Crossing	750.00					750.00
Sewer Opening	5,480.00	2,700.00	4,800.00			3,380.00
Miscellaneous	6,798.97	13,340.00	20,050.00			88.97
Parking Offenses Adjudication Act	30,251.06	2,506.00				32,757.06
Uniform Fire Penalties - Fire Prevention Share	(20,488.65)	252.00	585.75			(20,822.40)
Uniform Fire Penalties - Fire Department Share	20,821.00	252.00				21,073.00
Reserve for Street Fair		20,000.00	15,076.61			4,923.39
Reserve for Firefighters Walk of Honor	1,320.80					1,320.80
Reserve for Fire Truck Repairs	487.58					487.58
Reserve for Municipal Building Repairs	1,958.67					1,958.67
Reserve for Municipal Stormwater Program	(2,806.33)					(2,806.33)
Reserve for Master Plan	388.30					388.30
Reserve for Veterans Memorial Park	4,572.00	600.00	555.00			4,617.00
Reserve for Veterans Memorial Park Maintenance	9,740.05					9,740.05
Reserve for Bench Program	1,036.36					1,036.36
Reserve for OEM Grant	503.02					503.02
Reserve for Andrew Feintuch Memorial Fund	9,136.12	17.06	500.00			8,653.18
Reserve for Hurricane Katrina Relief Fund	225.18	0.39				225.57
Recycling Proceeds	31,707.05	16,500.50	16,499.02			31,708.53
Reserve for Police Exam		9,100.00	3,872.00			5,228.00
	\$543,496.07	\$1,147,466.07	\$570,885.28		(\$385,211.02)	\$734,865.84

Reference

B

B-1

B-1

B-8

B-5

B

BOROUGH OF HASBROUCK HEIGHTS, N.J.
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

B-4

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

<u>ACCOUNT</u>	<u>Balance Dec. 31, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance Dec. 31, 2009</u>
Federal Withholding Tax	\$6,105.17	\$1,159,691.87	\$1,159,691.87	\$6,105.17
F.I.C.A.	(7,399.36)	497,914.78	497,914.78	(7,399.36)
Medicare	7,306.16	233,934.55	233,934.92	7,305.79
Unemployment Insurance	31,009.40	16,209.95	6,498.57	40,720.78
State of N.J.-Gross Income Tax	(3,542.91)	317,666.79	317,666.79	(3,542.91)
P.E.R.S.-Pension	22,567.13	280,965.17	281,605.62	21,926.68
P.E.R.S.-Contributory Insurance	1,351.37	17,530.58	17,214.72	1,667.23
Police and Firemen's Retirement System	60,339.44	462,864.79	469,062.27	54,141.96
Deferred Compensation Plan	80.00	227,829.84	227,829.84	80.00
Union Dues - DPW	7,580.18	8,039.54	16,711.45	(1,091.73)
Union Dues - PBA	287.50	11,003.39	9,975.00	1,315.89
Wage Garnishees	746.85	41,735.40	41,289.40	1,192.85
Credit Union	481.03	23,166.49	22,821.49	826.03
AFLAC	142.69	18,161.42	18,140.35	163.76
Premier Vision Care	26.86	252.00	264.00	14.86
Suspense	691.59	10.50		702.09
Employee Contribution to Benefits		1,767.25	20.85	1,746.40
Total Payroll Deductions	<u>\$127,773.10</u>	<u>\$3,318,744.31</u>	<u>\$3,320,641.92</u>	<u>\$125,875.49</u>
Ref	B	B-1	B-1	B

(Deficit) - Deduct

BOROUGH OF HASBROUCK HEIGHTS, N.J.
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

B-5

SCHEDULE OF DUE (TO)/FROM CURRENT FUND

	<u>Ref.</u>	<u>Dog Fund</u>	<u>Other Funds</u>
Balance December 31, 2008	B	\$40.00	\$
Increased by:			
Paid to Current Fund	B-1		385,211.02
		<hr/> \$40.00	<hr/> \$385,211.02
Decreased by:			
Due to Current - Prior Year Adjustment	B-2	\$40.00	
Due to Current Fund	A-4, B-3		385,211.02
		<hr/> 40.00	<hr/> 385,211.02
Balance December 31, 2009	B	<hr/> -----	<hr/> -----

SCHEDULE OF RESERVE FOR UNEMPLOYMENT
INSURANCE TRUST FUND

B-6

	<u>Ref.</u>		
Balance December 31, 2008	B	\$	\$13,705.22
Increased by:			
2009 Budget Appropriation	A-3	15,000.00	
Interest Earned		<hr/> 59.59	
	B-1		<hr/> 15,059.59
			<hr/> \$28,764.81
Decreased by:			
Transfer to Current Fund - Interest		59.59	
Payments - N.J. Dept. of Labor		<hr/> 26,244.59	
	B-1		<hr/> 26,304.18
Balance December 31, 2009	B		<hr/> \$2,460.63

BOROUGH OF HASBROUCK HEIGHTS, N.J.
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

B-7

SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS

	<u>Ref.</u>	<u>Other Funds</u>
Balance December 31, 2008	B	<u>\$8,679.84</u>
Balance December 31, 2009	B	<u>\$8,679.84</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

B-8

SCHEDULE OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2008	B	\$4,841.40
Increased By:		
Miscellaneous Receipt	B-1	<u>1.01</u>
Balance December 31, 2009	B	<u>\$4,842.41</u>
		Below
<u>Analysis of Balance</u>		
Assessment Fund	B	1,838.67
Other Trust Funds	B	<u>3,003.74</u>
Total		<u>\$4,842.41</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

C-2

SCHEDULE OF CASH-COLLECTOR-TREASURER

	<u>Ref.</u>		
Balance December 31, 2008	C		\$225,900.20
Increased by:			
Budget Appropriation for Capital Improvement Fund	C-3,7	\$75,000.00	
Received from State of N.J. Department of Transportation	C-3,4	173,009.25	
Received from County of Bergen	C-3,5	331,902.00	
Received from Port Authority for New Ambulance	C-3	<u>80,000.00</u>	
			<u>659,911.25</u>
			\$885,811.45
Decreased by:			
Improvement Authorizations	C-8	<u>\$670,212.89</u>	
			<u>670,212.89</u>
Balance December 31, 2009	C		<u><u>\$215,598.56</u></u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF ANALYSIS OF CASH

C-3

	Balance Dec. 31, 2008	Receipts			Disbursements			Transfers		Balance Dec. 31, 2009
		Budget	Sale of Notes and Bonds	Miscellaneous	Improvement Authorizations	Misc.	To	From		
1899		\$	\$	\$	\$	\$	\$	\$	\$	\$7.09
1895	\$7.09									2,434.07
1908	2,434.07									(46,887.35)
1915/1940	(46,887.35)									
1935										224.34
1936	224.34									1,343.27
1937	1,343.27									(40,000.00)
1941	(40,000.00)									(41,860.59)
1942	(41,860.59)									
1943										
1944/1968										
1985/2038/2082										
1947	88,061.59						8,270.27			79,791.32
1948										566.49
1976	566.49									\$815.29
1989	\$815.29									
1989	7,815.51						7,815.51			(23,750.00)
1990	(23,750.00)									
1991										
2006										643.47
2007	643.47									(13,348.41)
2012	(13,348.41)									4,951.61
2030	4,951.61									935.96
2048	935.96									8,999.38
2054	8,999.38									(51,180.61)
2055	(51,180.61)						8,909.15			25,842.18
2057	34,751.33						3,294.73			
	3,294.73									

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF ANALYSIS OF CASH

C-3

	Balance Dec. 31, 2008 \$	Receipts		Disbursements		Transfers		Balance Dec. 31, 2009 \$
		Budget \$	Sale of Notes and Bonds \$	Miscellaneous \$	Improvement Authorizations \$	Misc. \$	To \$	From \$
2058 Acquisition of Turnout Gear and Other Firefighting and/or Emergency Response Equipment								
2059 Acquisition of a Tree Stump Grinding Machine and a Tree Trimming Vehicle	21,804.88							21,804.88
2083 Acquisition of Gear and Equipment for the Fire and Police Dept.								
2084 Improvements to Woodland Park								
2085 Acquisition of Laptop Computers for the Fire Public Library	1,655.12							1,655.12
2087 Acquisition of a Front End Loader for the DPW	1,687.66							1,687.66
2088 Acquisition of a Rolloff Truck for the DPW	4,760.49							4,760.49
2089 Acquisition of 2 Four Wheel Drive Vehicles for Fire Dept and Fire Prevention	18,978.64							18,978.64
2133/2145 Barrier Free Improvements to Woodland Park	4,023.05				3,462.00			4,023.05
2134 2006 Computer Upgrades	7,352.02							7,352.02
2135 Acquisition of Gear and Equipment for the Fire Dept.	397.70							397.70
2136 Construction of a Parking Lot and Pocket Park	(16,534.61)			54,000.00				37,465.39
2146 Improvement to Gary Depken Field	77,983.48							77,983.48
2147 Improvement of Ravine Ave. Construction of Parks and Installation of Playground Equipment Adjacent to Depken Field	(53,441.41)			177,500.00				77,643.70
2157 2007 Road Improvement Program	7,239.81				46,414.89			
2158 Improvement of Madison Avenue	(18,202.71)			18,750.00	547.29			1,394.76
2159 Acquisition of Gear and Equipment for the Fire Dept.	37,404.49				36,009.73			4,329.33
2182 Acquisition of a New Senior Citizen Bus	5,652.58			54,194.00	55,517.25			
2183 Acquisition of a Garbage Truck and Dump Truck with Salt Spreader and Plow	10,867.16				110,741.74			(99,874.58)
2184 2008 Road Improvement Program	33,306.92				15,279.96			18,026.96
2185/2209 Boulevard Street Scrape Improvement	1,785.75			154,259.25	193,416.78		10,000.00	(27,371.78)
2188 Acquisition of a New Alcohol Breath Testing System	1,055.75				438.00			617.75
2189 Renovations of the Department of Public Works Department	(40,833.34)				3,000.00			(43,833.34)
2199 Reconstruction of Certain Sanitary Sewerage Facilities	50,000.00				47,358.01			2,641.99
2208 Acquisition of a New Ambulance					2,037.60		95,000.00	92,962.40
2210 Resurfacing of Jefferson Avenue					12,330.11		10,000.00	(2,330.11)
2211 Improvement of Miers Park and Woodland Park							13,792.00	(48,130.06)
2219 2009 Road Resurfacing Program				46,208.00	108,130.06		12,500.00	12,500.00
2221 Pedestrian Safety Infrastructure Improvements							25,000.00	25,000.00
2222 Pedestrian Safety Encouragement Improvements							2,000.00	2,000.00
Reference	<u>\$225,900.20</u>	<u>\$75,000.00</u>	<u>---</u>	<u>\$584,911.25</u>	<u>\$670,212.89</u>	<u>---</u>	<u>\$168,292.00</u>	<u>\$215,598.56</u>
	C	C-2	C-2	below	C-8	Contra		C
Due from Current Fund			Contra					
Due From State of New Jersey Department of Transportation			C-2,4	\$173,009.25				
Due from County of Bergen Community Development Grant Funds			C-2,5	331,902.00				
Received from Port Authority of New York/New Jersey			C-2	80,000.00				
			Above	<u>\$584,911.25</u>				

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF DUE FROM STATE OF N.J.

		C-4
	<u>Ref</u>	
Balance December 31, 2008	C	\$229,723.07
Increased by:		
Grants Awarded in 2009		323,000.00
		<u>552,723.07</u>
Decreased by:		
Cash Received	C-2,3	\$173,009.25
Cancelled	C-8	56,395.01
		<u>229,404.26</u>
Balance December 31, 2009	C, Below	<u><u>\$323,318.81</u></u>

ANALYSIS OF BALANCE DECEMBER 31, 2009

Burton Avenue-Ordinance No. 1628	\$2,170.00
Burton Avenue-Ordinance No. 1803	2,408.06
Boulevard Streetscape-Ordinance No. 2185 & 2209	145,740.75
Safe Routes to Schools -Ordinance No. 2221	150,000.00
Safe Routes to Schools -Ordinance No. 2222	23,000.00
	<u>\$323,318.81</u>
Above	

SCHEDULE OF DUE FROM COUNTY OF BERGEN
COMMUNITY DEVELOPMENT BLOCK GRANT/OPEN SPACE GRANT

		C-5
	<u>Ref</u>	
Balance December 31, 2008	C	\$290,836.15
Increased by:		
Grants Awarded in 2009		216,208.00
		<u>\$507,044.15</u>
Decreased by:		
Cash Received	C-2,3	331,902.00
Balance December 31, 2009	C, Below	<u><u>\$175,142.15</u></u>

ANALYSIS OF BALANCE DECEMBER 31, 2009

Barrier Free Curb Ramps- Ordinance No. 1868	\$5,141.35
New Senior Citizen Center- Ordinance No. 1944	0.80
Improvements to Miers and Woodland Parks-Ordinance No.2211	80,000.00
Resurfacing of Jefferson Ave-Ordinance 2210	90,000.00
	<u>\$175,142.15</u>
Above	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

C-6

Analysis of Balance, Dec. 31, 2009

Ordinance Number	IMPROVEMENT DESCRIPTION	Balance Dec. 31, 2008	2009 Authorizations	Deferred Charges Paid Off	Cancelled	Balance Dec. 31, 2009	Financed By Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1719	GENERAL IMPROVEMENTS: Reconstruction of Lawrence Avenue from the Boulevard to Terrace Avenue	\$42,500.00	\$	\$	\$	\$42,500.00	\$	\$	\$42,500.00
1720	Reconstruction and Improvement of the Storm Water Drainage Line West of the Boulevard between Franklin and LaSalle	153,918.48		40,000.00		153,918.48			153,918.48
1786	Acquisition of a Pumper Truck for the Fire Department	40,000.00							
1788	Reconstruction of Jefferson Avenue from Terrace Avenue to Oldfield Avenue	36,000.00		36,000.00					
1828	Acquisition of real Property for the purpose of Constructing thereon a New Free Public library and Senior Citizen Civic Center	176,800.00		176,800.00					
1832	Rehabilitation of Certain Sanitary sewer Mains within this Borough Found or to be Found in Need of the Same Beginning with the Burr Place Sanitary Sewer Main Between Division Avenue and Henry Street	15,500.00		15,500.00					
1852	Resurfacing of LaSalle Avenue from the Boulevard to Terrace Avenue, Henry Street from Oak Grove Avenue to Burton Avenue, Walter Avenue from the Boulevard to Burton Avenue	21,900.00		21,900.00					
1858	Acquisition and Installation of Computer Hardware and Software as part of the Year 2000 Upgrades	13,050.00		13,050.00					
1859	Acquisition of Turnout Gear and Equipment for the use of the Fire Department	4,100.00		4,100.00					
1862	Repair, Refurbishment and Restoration of Certain Existing Open Areas in Woodland Park	34,950.00		34,950.00					
1865	Acquisition of a Street Sweeper	44,100.00		44,100.00					
1889	Acquisition of a High Pressure Sewer and Catch Basin Cleaner	79,000.00		39,500.00		39,500.00	39,500.00		
1902	Acquisition of a Dump Truck with Plow	14,600.00		14,600.00					
1907	Resurfacing of Wood Street, Cleveland Ave from Terrace Ave to the Boulevard and Kipp Ave from the Boulevard to Woodside Ave	54,300.00		20,100.00		34,200.00	34,200.00	46,887.35	17,362.65
1908	Resurfacing of Ottawa Ave from Burton Ave to Route 17	64,250.00		9,700.00		64,250.00	9,150.00		
1909	Rehabilitation of Sanitary Sewers	18,850.00							
1915/1940	Purchase of Communication Equipment, Improvement to Parks, Improvement of Pistol Range and Acquisition of a 4 Wheel Drive Vehicle for the Police Department	500.00				500.00			500.00
1935	Acquisition of a Pumper Truck	292,500.00		22,500.00		270,000.00	270,000.00		
1936	Refurbishment of the Hook and Ladder	43,250.00		10,000.00		33,250.00	33,250.00		
1937	Acquisition of a Sewer Line Inspection System	25,000.00		6,250.00		18,750.00	18,750.00		
1941	Resurfacing of Kipp Avenue from the Boulevard to Terrace Avenue	40,000.00				40,000.00		40,000.00	
1942	Resurfacing of LaSalle Ave from the Boulevard to Oak Grove and Paterson Ave from Terrace Ave to Burton Ave	43,000.00		60,000.00		43,000.00		41,860.59	1,139.41
1943	Reconstruction of Summit Street and Plant Road	256,450.00				196,450.00	196,450.00		
1944/	Construction of a New Municipal Building and a New Public Safety Building	900.00				900.00			900.00

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

C-6

Analysis of Balance Dec. 31, 2009

Ordinance Number	IMPROVEMENT DESCRIPTION	Balance Dec. 31, 2008	2009 Authorizations	Deferred Charges Paid Off	Cancelled	Balance Dec. 31, 2009	Financed By Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1947	GENERAL IMPROVEMENTS:								
1947	Acquisition of a Litter Vacuum	\$18,600.00	\$	\$1,700.00	\$	\$16,900.00	\$16,900.00	\$	\$
1989	Acquisition of a Garbage Truck and Dump Truck	190,000.00				190,000.00	190,000.00		
1990	Acquisition of Fire Gear and Equipment	23,750.00				23,750.00		23,750.00	
1991	Reconstruction of Sanitary Sewers	47,500.00				47,500.00	47,500.00		
1993	Acquisition of Mobile Computers for the Police Department and Traffic Signal Upgrades	51,250.00		2,500.00		48,750.00	48,750.00		
1994	Resurfacing of Various Streets	123,000.00		22,000.00		101,000.00	101,000.00		
2007	Acquisition of Furniture and Shelving for the New Public Library	152,500.00		25,750.00		126,750.00	126,750.00		
2030	Acquisition of a New Public Safety Communications and Dispatch System and an 80' Communications Tower	267,500.00		10,500.00		257,000.00	257,000.00		
2054	Resurfacing of Oak Grove Avenue from Jefferson Ave to Williams Avenue	80,000.00				80,000.00		51,180.61	28,819.39
2055	Resurfacing of Streets as part of the 2004 Road Program	200,000.00		25,000.00		175,000.00	175,000.00		
2057	Completion of Construction of New Municipal Building and Public Safety Building	370,000.00		5,000.00		365,000.00	365,000.00		
2058	Acquisition of Gear and Equipment for the Fire Department	40,000.00				40,000.00	40,000.00		
2059	Acquisition of a Tree Stump Grinder and Tree Trimming Vehicle	211,000.00		26,500.00		184,500.00	184,500.00		
2087	Acquisition of a New Front End Loader	117,500.00		5,000.00		112,500.00	112,500.00		
2088	Acquisition of a New Rolloff Truck	117,500.00		13,500.00		104,000.00	104,000.00		
2089	Acquisition of a Two New 4 Wheel Drive Vehicles for the Fire Department and Fire Prevention Department	80,000.00				80,000.00	80,000.00		
2134	2006 Computer Upgrades	51,950.00				51,950.00	51,950.00		
2135	Acquisition of Gear and Equipment for the Fire Department	47,500.00				47,500.00	47,500.00		
2136	Construction of a Parking Lot and Pocket Park	346,000.00		18,500.00		327,500.00	327,500.00		
2157	2007 Road Improvement Program	235,000.00				235,000.00	235,000.00		
2159	Acquisition of Gear and Equipment for the Fire Department	180,000.00				180,000.00	180,000.00		
2183	Acquisition of a Garbage Truck and Dump Truck with Salt Spreader and Plow	213,750.00				213,750.00		99,874.58	113,875.42
2184	2008 Road Improvement Program	237,500.00				237,500.00	237,500.00		
2185	Boulevard Streetscape Improvement	40,000.00	40,000.00			80,000.00		43,833.34	80,000.00
2189	Renovations to the DPW Building	50,000.00				50,000.00			6,166.66
2208	Acquisition of a New Ambulance		80,000.00			80,000.00			80,000.00
2210	Resurfacing of Jefferson Avenue		137,500.00			137,500.00			137,500.00
2211	Improvement of Miers Park and Woodland Park		110,000.00			110,000.00			110,000.00
2219	2009 Road Resurfacing Program		237,500.00			237,500.00			237,500.00

\$5,007,218.48	\$605,000.00	\$725,000.00	--	\$4,887,218.48	\$3,529,650.00	\$347,386.47	\$1,010,182.01
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Reference

C	C-4.11	below	Ref	C	C-10
Notes Paid by Current Fund Budget	725,000.00		C-10, A-3		
Deferred Charges Paid by Current Budget	\$725,000.00	above			

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

C-7

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref</u>	
Balance December 31, 2008	C	\$134,402.17
Increased by:		
2009 Budget Appropriation	C-2	<u>75,000.00</u>
		209,402.17
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-8	<u>88,292.00</u>
Balance December 31, 2009	C	<u>\$121,110.17</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-8

Ord. No.	IMPROVEMENT DESCRIPTION	Ordinance		Balance December 31, 2008			Paid or Charged	Cancelled & Adjustments *	Balance December 31, 2009	
		Date	Amount	Funded	Unfunded	2009 Authorizations			Funded	Unfunded
1600	General Improvements:									
	Provide for the Rehabilitation of the	8-13-91	\$210,000.00	\$78.09	\$	\$	\$	\$	\$78.09	\$
1620/1789	Underground Fuel Storage Tanks									
	Reconstruction of the Woodside Avenue	9-8-92	109,200.00	3,400.46					3,400.46	
1628	Sewer Pump Station									
	Resurfacing of a Portion of Burton Avenue	12-29-92	15,000.00	155.00					155.00	
1653	From Williams Avenue to Route 46	9-23-93	157,750.00	9,217.89					9,217.89	
1716	Reconstruction or Replacement of Curbs	7-11-95	13,000.00	830.98					830.98	
1719	Acquisition of 34 Semi-Automatic Pistols for the Police Dept.									
	Reconstruction of Lawrence Ave. from the Boulevard	9-12-95	195,000.00	4,952.90	42,500.00			30,530.09		16,922.81
1720	to Terrace Ave.									
	Reconstruction and Improvement of the Storm Water Drainage	9-12-95	165,000.00		153,918.48					153,918.48
1772	Line West of the Boulevard-Franklin to Lasalle									
	Acquisition of Pagers and Relocation of Radio Fail Safe	12-10-96	25,000.00	127.96					127.96	
1848	System for the Fire Department									
	Resurfacing of a Portion of Hamilton Avenue from the	4-13-99	60,000.00	8,117.47				7,687.82	429.65	
1858	Boulevard to Terrace Avenue									
	Acquisition and Installation of Computer Hardware and Software	5-25-99	50,000.00		1,998.16				1,140.03	1,998.16
1868	as Part of the Year 2000 Upgrades	7-27-99	37,000.00	1,140.03					\$7.09	
1898	Barrier Free Curb Ramps								2,434.07	
	Purchase of Communications Equipment for the Fire Department	5-23-00	\$60,000.00							
1899	and Police Department	6-13-00	27,000.00							
1895	Purchase of a High Pressure Breathing Air System	8-8-00	215,000.00		17,362.65					17,362.65
1908	Resurfacing of Ottawa Ave from Burton Ave to Route 17									
1915/1940	Purchase of Communication Equipment, Improvement of Parks,	11-30-00	255,000.00						224.34	
	Drive Vehicle for the Police Department	7-10-01	190,000.00		500.00					500.00
	Improvement of the Police Pistol Range and Acquisition of a 4-wheel	6-12-01	100,000.00		1,343.27					1,343.27
1936	Refurbishment of the Hook and Ladder									
1942	Resurfacing of LaSalle Avenue from the Boulevard to Oak Grove	8-14-01	45,500.00		1,139.41					1,139.41
1944/1968	Avenue and Paterson Avenue from Terrace Avenue to Burton Ave	8-14-01, 7-9-02								
1985/2038	Construction of a New Municipal Building and a New Public	11-26-02, 4-27-04	11,311,645.63	73,062.39	900.00		8,270.27		64,792.12	900.00
1948	Safety Building								566.49	
1976	Acquisition of a New Ambulance	11-13-01	150,000.00						815.29	
1989	Acquisition of Real Property Located at 302 Boulevard	9-10-02	450,000.00							
2006	Acquisition of a Garbage Truck and Dump Truck	11-26-02	200,000.00		7,815.51		7,815.51			
	Acquisition of Furniture, Furnishings and Fittings for use throughout									
	the New Municipal Building	4-8-03	215,000.00	643.47					643.47	
2007	Acquisition of Furniture, Furnishings, Shelving and other Fittings									
	for the New Free Public Library	4-8-03	245,000.00		1,651.59					1,651.59
2012	Improvement of Baldwin Avenue Between the Boulevard and									
	Route 46	8-12-03	55,000.00	23,128.71				18,177.10	4,951.61	
2030	Acquisition of a New Public Safety Communications and Dispatch									
	System, and an 80' Communications Tower	12-31-03	550,000.00		935.96					935.96
2048	Acquisition of Furniture, Furnishings and Fittings for use throughout									
	the Public Safety Building and OEM	5-25-04	380,000.00	8,999.38					8,999.38	

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Improvement Description
No.	

Ord. No.	IMPROVEMENT DESCRIPTION	Date	Amount	Balance December 31, 2008				Balance December 31, 2009			
				Funded	Unfunded	Authorizations	Paid or Charged	Cancelled & Adjustments *	Funded	Unfunded	
2054	General Improvements: Resurfacing of Oak Grove Ave. from Jefferson Ave to Williams Avenue	7-27-04	\$325,000.00	\$	\$28,819.39	\$	\$	\$	\$28,819.39		
2055	Resurfacing of Streets as part of the 2004 Road Program	7-27-04	250,000.00		34,751.33		8,909.15		25,842.18		
2057	Completion of Construction of New Municipal Building and Public Safety Building	9-24-04	400,000.00		3,294.73		3,294.73				
2059	Acquisition of a Tree Sump Grinder and a Tree Trimming Vehicle	10-12-04	250,000.00		21,804.88				21,804.88		
2083	Acquisition of Gear and Equipment for the Fire and Police Dept.	4-26-05	45,000.00	124.35				124.35			
2085	Acquisition of Laptop Computers for the Free Public Library	4-26-05	16,000.00	1,655.12							
2087	Acquisition of a Front End Loader for the DPW	5-10-05	125,000.00		1,687.66			1,687.66			
2088	Acquisition of a Rolloff Truck for the DPW	5-10-05	125,000.00		4,760.49			4,760.49			
2089	Acquisition of 2 Four Wheel Drive Vehicles for Fire Dept and Fire Prevention	5-10-05	85,000.00		18,978.64				18,978.64		
33/2145	Barrier Free Improvements to Woodland Park	5-9-06, 12-12-06	215,000.00	4,023.05							
2134	2006 Computer Upgrades	6-13-06	75,000.00		7,352.02				7,352.02		
2135	Acquisition of Gear and Equipment for the Fire Department	8-8-06	50,000.00		397.70			3,462.00			
2136	Construction of a Parking Lot and Pocket Park - Central Avenue	8-8-06	420,000.00		37,465.39				37,465.39		
2146	Improvement to Gary Depken Field	12-12-06	1,625,000.00	77,983.48						77,983.48	
2147	Improvement of Ravine Ave. Construction of Parks and Installation of Playground Equipment adjacent to Depken Field	12-12-06	335,000.00	124,058.59							
2157	2007 Road Improvement Program	6-26-07	250,000.00		7,239.81				7,239.81		
2158	Improvement of Madison Avenue	6-26-07	100,000.00	547.29					547.29		
2159	Acquisition of Gear and Equipment for the Fire Department	7-10-07	190,000.00		37,404.49				36,009.73		
2182	Acquisition of a New Senior Citizen Bus	6-10-08	60,000.00	59,846.58					55,517.25		
2183	Acquisition of a Garbage Truck and Dump Truck with Salt Spreader and Plow	6-10-08	225,000.00		224,617.16				110,741.74		
2184	2008 Road Improvement Program	6-10-08	250,000.00		33,306.92				15,279.96		
2185/2209	Boulevard Street Scrape Improvement	6-10-08	200,000.00	151,785.75					193,416.78		
2188	Acquisition of a New Alcohol Breath Testing System	9-9-08	15,000.00	1,055.75					438.00		
2189	Renovations of the Department of Public Works Department	9-9-08	55,000.00		9,166.66				3,000.00		
2199	Reconstruction of Certain Sanitary Sewerage Facilities	12-23-08	50,000.00		50,000.00				47,358.01		
2208	Acquisition of a New Ambulance	5-12-09	175,000.00		175,000.00				2,037.60		
2210	Resurfacing of Jefferson Avenue	5-12-09	237,500.00		237,500.00				12,330.11		
2211	Improvement of Miers Park and Woodland Park	5-12-09	250,000.00		250,000.00				31,869.94		
2219	2009 Road Resurfacing Program	12-15-09	250,000.00		250,000.00				108,130.06		
2221	Pedestrian Safety Infrastructure Improvements	12-15-09	175,000.00		175,000.00				25,000.00		
2222	Pedestrian Safety Encouragement Improvements	12-15-09	25,000.00		25,000.00				2,000.00		
				\$538,981.97	\$791,112.30	\$1,312,500.00	\$670,212.89	\$56,519.36	\$638,079.54	\$1,297,782.48	
Reference				C	C	Below	Below	Below	C	C	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

C-9

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2009</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2009</u>
			<u>Date</u>	<u>Amount</u>					
General Bonds of 2003	9-15-03	\$7,279,000.00	9-15-2010/2014	375,000.00	3.625%	\$5,609,000.00		\$375,000.00	\$5,234,000.00
			9-15-2015	375,000.00	3.700%				
			9-15-2016/2018	375,000.00	3.750%				
			9-15-2019/2022	375,000.00	4.000%				
			9-15-2023	359,000.00	4.000%				
						<u>\$5,609,000.00</u>	<u>\$0.00</u>	<u>\$375,000.00</u>	<u>\$5,234,000.00</u>
Reference						C	C-2,6		C
Paid by Budget Appropriation							A-3	<u>\$375,000.00</u>	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
SCHEDULE OF BOND ANTICIPATION NOTES

C-10

Ordinance Number	IMPROVEMENT DESCRIPTION	Original Amount Issued	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance Dec. 31, 2008	Increased	Decreased	Balance Dec. 31, 2009
General Improvements									
1786	Acquisition of a Pumper truck for use by the Fire Department	\$332,500.00	1/23/98			\$40,000.00	\$	\$40,000.00	
1788	Reconstruction of Jefferson Avenue from Terrace Avenue to Oldfield Avenue	256,500.00	1/23/98			36,000.00		36,000.00	
1828	Acquisition of Real Property for the Purpose of Constructing thereon a New Free Public Library and Senior Citizen Civic Center	475,000.00	11/6/98			176,800.00		176,800.00	
1832	Rehabilitation of Certain Sanitary Sewer Mains within this Borough Found or to be Found in Need of the Same Beginning with the Burr Place Sanitary Sewer Main Between Division Avenue and Henry Street	76,000.00	11/6/98			15,500.00		15,500.00	
1852	Resurfacing of LaSalle Avenue from the Boulevard to Terrace Avenue, Henry Street from Oak Grove Avenue to Burton Avenue, Walter Avenue from the Boulevard to Burton Avenue	134,900.00	11/5/99			21,900.00		21,900.00	
1858	Acquisition and Installation of Computer Hardware and Software as part of the Year 2000 Upgrades	47,500.00	11/5/99			13,050.00		13,050.00	
1859	Acquisition of Turnout Gear and Equipment for the Fire Dept.	23,750.00	11/5/99			4,100.00		4,100.00	
1862	Repair, Refurbishment and Restoration of Certain Existing Open Areas in Woodland Park	80,750.00	11/5/99			34,950.00		34,950.00	
1865	Acquisition of a Street Sweeper	104,500.00	11/5/99			44,100.00		44,100.00	
1889	Acquisition of a New High Pressure Sewer and Catch Basin Vacuum Cleaner Mounted on a Single Duty Truck Chassis	190,000.00	4/14/00	4/3/09	1.63 %	79,000.00		39,500.00	39,500.00
1902	Acquisition of a Dump Truck with Plow	66,500.00	11/3/00	4/3/09	1.63 %	14,600.00		14,600.00	
1909	Rehabilitation of Sanitary Sewers	47,500.00	11/3/00	4/3/09	1.63 %	18,850.00		9,700.00	9,150.00
1907	Resurfacing of Wood Street Through its Entire Length, Cleveland Avenue from Terrace Avenue to the Boulevard and Kipp Avenue from the Boulevard to Woodside Avenue	180,500.00	11/2/01	4/3/09	1.63 %	54,300.00		20,100.00	34,200.00
1935	Acquisition of a Pumper Truck for the Fire Department	427,500.00	1/18/02	4/3/09	1.63 %	292,500.00		22,500.00	270,000.00
1936	Refurbishment of the Hook and Ladder Truck for the Fire Department	87,000.00	4/12/02	4/3/09	1.63 %	43,250.00		10,000.00	33,250.00
1937	Acquisition of a Sewer Line Inspection System for the DPW	38,000.00	4/12/02	4/3/09	1.63 %	25,000.00		6,250.00	18,750.00
1947	Acquisition of a Mobile Litter Vacuum for the DPW	26,600.00	4/12/02	4/3/09	1.63 %	18,600.00		1,700.00	16,900.00

C-10

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	IMPROVEMENT DESCRIPTION	Original Amount Issued	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance	
							Dec. 31, 2008	Dec. 31, 2009
	General Improvements						Increased	Decreased
1943 1993	Reconstruction of Summit Avenue and Plant Road Acquisition of Mobile Computers for Police Vehicles and Upgrade of Traffic Signals	\$325,900.00	11/1/02	4/3/09	4/1/10	1.63 %	\$	\$60,000.00
1994 2007	Resurfacing of Various Streets-2002 Road Program Acquisition of Furniture, Furnishings and Fittings for use throughout the New Free Public Library	71,250.00 190,000.00	1/17/03 4/11/03	4/3/09	4/1/10	1.63 % 1.63 %		2,500.00 22,000.00
2030	Acquisition of a New Public Safety Communications and Dispatch System and an 80' communications Tower	230,000.00	10/31/03	4/3/09	4/1/10	1.63 %		25,750.00
2055 2057	Resurfacing of Various Streets as Part of the 2004 Road Program Completion of Construction of New Municipal Building and Public Safety Building	300,000.00 225,000.00	10/29/04 4/8/05	4/3/09	4/1/10	1.63 % 1.63 %		10,500.00 25,000.00
2059 2087	Acquisition of a Tree Stump Grinder and Tree Trimming Vehicle Acquisition of a Front End Loader for the DPW	375,000.00 237,500.00	4/8/05 10/28/05	4/3/09	4/1/10	1.63 % 1.63 %		5,000.00 26,500.00
2088	Acquisition of a New Rolloff Truck for the DPW	117,500.00	4/7/06	4/3/09	4/1/10	1.63 %		5,000.00
2136	Construction of a Parking Lot and Pocket Park	346,000.00	4/7/06	4/3/09	4/1/10	1.63 %		13,500.00
2135	Acquisition of Turnout Gear and Equipment for the Fire Dept.	47,500.00	10/27/06	4/3/09	4/1/10	1.63 %		18,500.00
2157	2007 Road Program	235,000.00	10/25/07	4/3/09	4/1/10	1.63 %		47,500.00
1989	Acquisition of a New Garbage Truck	190,000.00	4/4/08	4/3/09	4/1/10	1.63 %		235,000.00
1991	Rehabilitation of Sanitary Sewers	47,500.00	4/4/08	4/3/09	4/1/10	1.63 %		190,000.00
2058	Acquisition of Turnout Gear and Equipment for the Fire Dept.	40,000.00	4/4/08	4/3/09	4/1/10	1.63 %		47,500.00
2089	Acquisition of Two New 4 Wheel Drive Vehicles for the Fire Department and Fire Prevention Department		4/4/08	4/3/09	4/1/10	1.63 %		40,000.00
2134	Computer Upgrades	80,000.00	4/4/08	4/3/09	4/1/10	1.63 %		80,000.00
2159	Acquisition of Gear and Equipment for the Fire Dept.	51,950.00	4/4/08	4/3/09	4/1/10	1.63 %		51,950.00
2184	2008 Road Resurfacing Program	180,000.00	10/25/08	4/3/09	4/1/10	1.63 %		180,000.00
		237,500.00				1.63 %		237,500.00

	\$6,240,100.00	\$4,254,650.00	--	\$725,000.00	\$3,529,650.00
Reference		C	C-2,11	Below	C,C-6
Paid by Budget				\$725,000.00	C-6
Paid by Proceeds of Bond Sale					C-2 above
				<hr/>	<hr/>
				\$725,000.00	

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

C-11

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>Balance Dec. 31, 2008</u>	<u>Authorized 2009</u>	<u>Bond Anticipation Notes Issued</u>	<u>Cancelled</u>	<u>Funded by Bond Sale</u>	<u>Balance Dec. 31, 2009</u>
	General Improvements:						
1719	Reconstruction of Lawrence Avenue from the Boulevard to Terrace Avenue	\$42,500.00	\$	\$	\$	\$	\$42,500.00
1720	Reconstruction and Improvement of the Storm Water Drainage Line West of the Boulevard between Franklin and LaSalle	153,918.48					153,918.48
1908	Resurfacing of Ottawa Ave from Burton Ave to Route 17	64,250.00					64,250.00
1915/1940	Purchase of Communication Equipment, Improvement of Parks, Improvement of Pistol Range and Acquisition of a 4 Wheel Drive Vehicle for the Police Department	500.00					500.00
1941	Resurfacing of Kipp Avenue from the Boulevard to Terrace Avenue	40,000.00					40,000.00
1942	Resurfacing of LaSalle Ave from the Boulevard to Oak Grove and Paterson Ave from Terrace Ave to Burton Ave	43,000.00					43,000.00
1944/1968/1985	Construction of a New Municipal Building and a New Public Safety Building	900.00					900.00
1990	Acquisition of Gear and Equipment for the Fire Department	23,750.00					23,750.00
2054	Resurfacing of Oak Grove Avenue from Jefferson Ave to Williams Ave	80,000.00					80,000.00
2183	Acquisition of a Garbage Truck and Dump Truck with Salt Spreader and Plow	213,750.00					213,750.00
2185/2209	Boulevard Streetscape Improvement	40,000.00	40,000.00				80,000.00
2189	Renovations to DPW Building	50,000.00					50,000.00
2208	Acquisition of an Ambulance		80,000.00				80,000.00
2210	Resurfacing of Jefferson Avenue from Burton Ave to Woodside Ave	137,500.00	137,500.00				137,500.00
2211	Improvement of Miers Park	110,000.00	110,000.00				110,000.00
2219	2009 Road Resurfacing Program		237,500.00				237,500.00
Reference		C	C-6	C-10	----		C
		\$752,568.48	\$605,000.00				\$1,357,568.48

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

C-12

SCHEDULE OF RESERVE TO FOR GARRISON AVENUE REPAIR
F.E.M.A. FUNDS

	<u>Ref.</u>	
Balance December 31, 2008	C	<u>\$7,800.86</u>
Balance December 31, 2009	C	<u>\$7,800.86</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

D-1

SCHEDULE OF CASH-COLLECTOR-TREASURER

	<u>Ref</u>		
Balance December 31, 2008	D		\$55,980.88
Increased by Receipts:			
State Grant Funds-Appropriated	D-2	\$28,029.86	
State Grant Funds-Unappropriated	D-4	<u>33,243.43</u>	
			<u>61,273.29</u>
			\$117,254.17
Decreased by Disbursements:			
State Grant Funds	D-3	74,148.66	
			<u>74,148.66</u>
Balance December 31, 2009	D		<u>\$43,105.51</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

D-2

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>GRANT</u>	<u>Balance Dec.31,2008</u>	<u>2009 Budget Revenue Realized</u>	<u>Cash Received</u>	<u>Applied From Unap- propriated</u>	<u>Applied From Operations</u>	<u>Cancelled</u>	<u>Balance Dec.31,2009</u>
Clean Communities Act		\$13,359.41		\$13,359.41			
Recycling Tonnage Grant		9,492.81		9,492.81			
Drunk Driving Enforcement Fund		13,654.96	13,654.96				
Governor's Council on Alcoholism and Drug Abuse	\$11,500.00	11,017.00	11,500.00				\$11,017.00
Body Armor Fund		2,817.94		2,817.94			
Alcohol Education and Rehabilitation Fund		1,231.55		1,231.55			
Bergen County Municipal Alliance Special Project		2,250.00					\$2,250.00
Governor's Council on Alcoholism and Drug Abuse - Match		2,875.00	2,875.00				
	<u>\$11,500.00</u>	<u>\$56,698.67</u>	<u>\$28,029.96</u>	<u>\$26,901.71</u>	<u>---</u>	<u>---</u>	<u>\$13,267.00</u>
Ref	D	A-2,D-3	D-1	D-4			D

BOROUGH OF HASBROUCK HEIGHTS, N.J.
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

D-3

SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

<u>Grant</u>	<u>Balance</u>	<u>Transferred from 2009 Budget Appropriations</u>			<u>Expended</u>	<u>Balance</u>
	<u>Dec. 31, 2008</u>	<u>Budget</u>	<u>40A:4-87</u>	<u>Adjustments</u>		<u>Dec. 31, 2009</u>
Clean Communities Act Street Cleaning	\$1,395.74	\$13,359.41			\$13,919.54	\$835.61
Division of Criminal Justice Body Armor Fund	4,715.95	2,817.94			3,344.27	4,189.62
Office of Justice Bulletproof Vest Fund						
Recycling Tonnage Grant	8,914.01	9,492.81			18,316.32	90.50
Drunk Driving Enforcement Fund Police		13,654.96			13,654.96	
Alcohol Education and Rehabilitation Fund	1,358.57	1,231.55			2,590.12	
Governor's Council on Alcoholism and Drug Abuse	8,846.07	11,017.00			9,263.27	10,599.80
Bergen County Municipal Alliance Special Project	2,250.00	2,250.00			4,500.00	
Municipal Recycling Assistance Program	1,157.68				1,157.68	
Municipal Stormwater Regulation Program	10,207.00				3,118.00	7,089.00
<u>Matching Funds for Grants</u>						
Cops More	324.50					324.50
Governor's Council on Alcoholism and Drug Abuse	1,409.65	2,875.00			4,284.50	0.15
TOTALS	\$40,579.17	\$56,698.67	---		\$74,148.66	\$23,129.18
Ref	D	D-2	Below		D-1	D
<u>TRANSFERRED TO STATE GRANT FUND</u>				<u>Ref</u>		
Grant Funds - Current Receipts		29,796.96				
Grant Funds - from Unappropriated		26,901.71		D-2		
Total		<u>\$56,698.67</u>	<u>---</u>	Above, D-2		

D-4

<u>Grant</u>	<u>Balance Dec.31,2008</u>	<u>Cash Received in 2009</u>	<u>Transferred to 2009 Budget Appropriations</u>		<u>Balance Dec.31,2009</u>
			<u>Budget</u>	<u>40A:4-87</u>	
Alcohol Education and Rehabilitation	\$1,231.55	\$1,717.15	\$1,231.55	\$	\$1,717.15
Clean Communities Grant Funds	13,359.41	17,159.25	13,359.41		17,159.25
Tonnage Grant	9,492.81	14,367.03	9,492.81		14,367.03
Body Armor Fund	2,817.94		2,817.94		
Stormwater Grant					

Ref	D	D-1	D-2	D
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BOROUGH OF HASBROUCK HEIGHTS, N.J.
PUBLIC ASSISTANCE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

E-1

SCHEDULE OF CASH-COLLECTOR-TREASURER

	<u>Reference</u>	
Balance December 31, 2008	E	\$5,834.87
Increased by Receipts:		
Food Pantry Donations	E-2	<u>5,539.17</u>
		11,374.04
Decreased by Disbursements:		
Public Assistance Expenditures	E-2	<u>4,000.00</u>
Balance December 31, 2009	E	<u><u>\$7,374.04</u></u>

Reconciliation - December 31, 2009

Balance on Deposit per Statement of:		
Valley National Bank A/C # 0001016865		\$7,374.22
Reconciling Items		(0.18)
		<u> </u>
Balance December 31, 2009		<u><u>\$7,374.04</u></u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
PUBLIC ASSISTANCE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

E-2

SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	<u>Reference</u>	<u>P.A.T.F. #II</u>	<u>TOTAL</u>
Food Pantry Donations	E-1	<u>\$5,539.17</u>	<u>\$5,539.17</u>

E-3

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES

	<u>Reference</u>	<u>P.A.T.F. #II</u>	<u>TOTAL</u>
Public Assistance - Replenish Food Pantry	E-1	<u>\$4,000.00</u>	<u>\$4,000.00</u>

E-4

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

	<u>Ref</u>	<u>P.A.T.F. #II</u>	<u>TOTAL</u>
Balance December 31, 2008	E	\$5,834.87	\$5,834.87
Increased by:			
Revenues	E-2	<u>5,539.17</u>	<u>5,539.17</u>
		\$11,374.04	\$11,374.04
Decreased by:			
Expenditures	E-3	<u>4,000.00</u>	<u>4,000.00</u>
Balance December 31, 2009	E	<u>\$7,374.04</u>	<u>\$7,374.04</u>

BOROUGH OF HASBROUCK HEIGHTS, N.J.
OFFICIALS IN OFFICE AND SURETY BONDS
AT DECEMBER 31, 2009

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Rose Heck	Mayor	
Stephen Altobelli	Councilman	
Sonya Buckman	Councilwoman	
Justin A. DiPisa	Councilman	
Anthony DiNanno	Councilman	
David Gonzalez	Councilman	
Pamela J. Link	Councilwoman	
Michael Kronyak	Borough Administrator	(1)
	CFO/ Treasurer/ Purchasing Agent	
Conchita T. Parker	Tax Collector /Tax Search Officer	(1)
Angela Ferraro	Assistant to Collector	
Rose Marie Sees	Borough Clerk	
George Reggo	Assessor	
Kenneth G. B. Job	Engineer	
Joseph Jones	Judge	(1)
Thomas Mason	Public Defender	
Thomas Flinn	Prosecutors	
Susan Paul	Clerk of the Court/Violations Clerk	(1)
Kathy Halpin (Thru July 30, 2009)	Deputy Court Clerk/Deputy Violations Clerk	(1)
Michael Colaneri, Jr.	Chief of Police	
Nick Melfi	Construction Official	
Laura French	Secretary Board of Health Registrar	
Arthur Jackson	Fire Official- Uniform Fire Code	
Mimi Hui	Library Director	
Ralph W. Chandless, Jr.	Borough Attorney	
William Spindler	Superintendent of Public Works	

(1) New Jersey Intergovernmental Insurance Fund Blanket Bond. Limit is \$1,000,000 per occurrence.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

NJS40A: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."

NJS40A: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 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 Borough Attorney'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. 40A:11-5.

Our examination of expenditures did reveal one individual payments, contracts or agreements in excess of \$29,000 "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 NJS 40A:11-6.

Expenditure of \$3,150 or more and less than \$21,000 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."

BOROUGH OF HASBROUCK HEIGHTS, N.J.
GENERAL COMMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of Hasbrouck Heights, 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 areas beyond December 31, and additional penalty of 6% shall be charged against the delinquency. Real estate taxes for 2009 will be advertised for sale after April 1, 2010.
2. Effective January 1, 2009 there will be 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.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS – 2008
YEAR ENDED DECEMBER 31, 2009

Finding: #08-01:

It is recommended that the balances currently outstanding as grant receivables, grant reserves and miscellaneous deposits/reserves be reviewed and cleared of record.

Status:

Partial corrective action has been taken.

Finding: #08-02:

Capital Ordinances greater than 5 years old with cash deficits should be funded.

Status:

Partial Corrective action has been taken.

Finding: #08-03:

The software purchased to track recreation activity participants should be repaired and used to record all payments to the recreation department.

Status:

Partial Corrective action has been taken.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

Finding: #09-01

There are several capital ordinances over 5 years old with cash deficits, which were not funded as of the date of our audit:

Ord # 1719	\$25,577.19	Reconstruction of Lawrence Ave. from Boulevard to Terrace
Ord# 2054	51,180.61	Resurfacing of Oak Grove Ave from Jefferson Ave to Williams Ave

There were also some ordinances with grants receivable which need to be cancelled and funded:

Ord# 1628	\$ 2,170.00	Resurfacing of Burton Ave. from Williams Ave. to Rt.46
Ord# 1803	2,408.06	Resurfacing of Burton Ave. from Williams Ave. to Passaic
Ord# 1868	5,141.35	Barrier Free Curb Ramps

Recommendation:

Capital Ordinances greater than 5 years old with cash deficits should be funded. It is recommended that the balances currently outstanding as grant receivables be reviewed and cleared of record.

Borough's Proposed Corrective Action Plan:

The Borough Administrator will cancel and or fund these ordinances in the 2011 budget. The Borough Administrator will review the balances currently outstanding as grant receivables and cancel any balances required.

Finding: # 09-02:

Recreation Department cash receipts entered into the computer did not have the fees and correct dates received entered for some of the programs.

Recommendation:

All fees and correct dates received should be entered into the Recreation Department software to properly record all payments received by the recreation department.

Borough's Proposed Corrective Action Plan:

The fees and dates will be entered correctly in 2010.

BOROUGH OF HASBROUCK HEIGHTS, N.J.
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

Finding: # 09-03:

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." Our examination of expenditures indicated one vendor that exceeded the bidding threshold and was not advertised for bid.

Recommendation:

That the expenditures be monitored to be in compliance with the Local Public Contracts Law.

Borough's Proposed Corrective Action Plan:

Expenditures will be monitored for adherence to Local Public Contract Law.

* Municipal court audit under separate cover

Appreciation

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

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

June 30, 2010