

TOWN OF GUTTENBERG

**Financial Statements With
Supplementary Information**

June 30, 2009

(With Independent Auditors' Reports Thereon)

TOWN OF GUTTENBERG

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Town of Guttenberg in the County of Hudson, as of and for the years ended June 30, 2009 and 2008, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended June 30, 2009. These financial statements are the responsibility of the Town of Guttenberg's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting 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 Town of Guttenberg's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Town of Guttenberg, New Jersey as of June 30, 2009 and 2008 or the results of its operations for the years then ended.



Honorable Mayor and
Members of the Town Council
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The financial statements referred to above include a Statement of General Fixed Assets as required by the Division of Local Government Services. However, as more fully described in Note 1 and Note 10 to the financial statements, this schedule has not been updated in a number of years.

The Borough did not implement the requirements of Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. State of New Jersey Local Finance Notice 2007-15 also dictates that municipalities implement this GASB.

However, in our opinion, the financial statements referred to above, with the exception of the Statement of General Fixed Assets and the effect described in the preceding paragraph, present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the Town of Guttenberg, New Jersey as of June 30, 2009 and 2008, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis of the various funds for the year ended June 30, 2009, on a modified accrual basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated January 8, 2010 on our consideration of the Town of Guttenberg's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, schedules and exhibits listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the Division of Local Government Services. This information has been subjected to the tests and other auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 8, 2010



TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

Years Ended June 30, 2009 and 2008

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Current Fund:			
Cash	A-4	\$ 2,065,719	2,830,078
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-7	<u>18,945</u>	<u>19,277</u>
		<u>2,084,664</u>	<u>2,849,355</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	1,200,482	641,822
Revenue accounts receivable	A-6	62,284	29,086
Prepaid School Taxes	A-8	9,353	
Interfunds Receivable:			
Community Development Trust Fund	A-17	154,500	154,500
Animal License Trust Fund	A-17	4,515	2,452
Due From Payroll Account	A-17	25,770	22,830
Due from Escrow Trust Fund	A-17	12,208	
Due from Federal and State Grant Fund	A-17	<u>468,964</u>	<u>572,659</u>
		<u>1,938,076</u>	<u>1,423,349</u>
Deferred charges:			
Overexpenditure of Appropriations	A-3		45,795
Emergency Authorization	A-3		17,000
Special Emergency - N.J.S. 40A:4-53	A-19		<u>10,000</u>
			<u>72,795</u>
		<u>4,022,740</u>	<u>4,345,499</u>
State and Federal Grant Fund:			
Cash	A-4	202,558	173,729
Grants receivable	A-20	693,869	766,436
Overexpenditures of Grants	A-21	<u>7,185</u>	<u>49,012</u>
		<u>903,612</u>	<u>989,177</u>
		<u>\$ 4,926,352</u>	<u>5,334,676</u>

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

Years Ended June 30, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3,A-11	\$ 439,145	614,098
Encumbrances payable	A-12	85,404	214,464
Tax overpayments	A-13	77,479	56,543
Prepaid taxes	A-14	3,379	9,182
Reserve for Amount Due to the Hudson County			
Treasurer - Court Fines and Costs	A-15	6,764	6,764
Reserve for tax title lien redemption	A-16	7,008	7,008
Interfunds Payable:			
Other Trust Fund	A-17	63,917	30,256
Unemployment Compensation Trust Fund	A-17	2,146	
General Capital Fund	A-17		407,102
Reserve for:			
Accounts Payable	A-18	45,000	45,000
Dedicated Fire Penalties	A-18	25,210	16,945
Library	A-18	4,476	4,476
		<u>759,928</u>	<u>1,411,838</u>
Reserve for receivables and other assets	A	1,938,076	1,423,349
Fund balance	A-1	<u>1,324,736</u>	<u>1,510,312</u>
		<u>4,022,740</u>	<u>4,345,499</u>
State and Federal Grant Fund:			
Due to Current Fund	A	468,964	572,659
Due to General Capital Fund	C	24,280	24,280
Appropriated reserves	A-21	370,389	376,614
Unappropriated reserves	A-22	39,979	15,624
		<u>903,612</u>	<u>989,177</u>
		<u>\$ 4,926,352</u>	<u>5,334,676</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenue and other income realized:		
Fund balance utilized	\$ 963,919	1,200,000
Miscellaneous revenue anticipated	2,466,809	3,093,778
Receipts from delinquent taxes	621,096	504,184
Receipts from current taxes	21,788,949	21,961,591
Nonbudget revenues	130,702	55,480
Other credits to income:		
Unexpended balance of appropriation reserves	601,765	428,550
Interfunds	177,516	32,662
	<hr/>	<hr/>
Total revenue	26,750,756	27,276,245
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	3,988,424	3,905,006
Other expenses	7,373,706	8,016,122
Deferred charges and statutory expenditures	631,321	209,700
Capital improvements	50,000	50,000
Municipal debt service	689,101	670,607
County taxes	4,348,416	4,599,951
Due county for added taxes	16,675	17,892
Local district school taxes	8,768,058	8,777,411
Interfunds	79,294	228,293
Refunds	27,418	25,830
	<hr/>	<hr/>
Total expenditures	25,972,413	26,500,812
Excess in Revenue	778,343	775,433
Adjustments to income before fund balance- expenditures which are by statute deferred charges to budget of succeeding year		<hr/>
		62,795
Statutory excess to fund balance	778,343	838,228
Fund balance - July 1,	1,510,312	1,872,084
Decreased by utilization as anticipated revenue	<hr/>	<hr/>
	963,919	1,200,000
Fund balance - June 30,	<hr/>	<hr/>
	\$ 1,324,736	1,510,312

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year ended June 30, 2009

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus anticipated	\$ 963,919	963,919	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	24,100	20,806	(3,294)
Other	98,700	59,126	(39,574)
Fees and permits:			
Construction	75,000	127,664	52,664
Other	57,000	43,494	(13,506)
Fines and costs municipal court	600,000	749,051	149,051
Parking meters	200,000	218,976	18,976
Interest and costs on taxes	120,000	181,125	61,125
Interest on investments and deposits	50,000	22,850	(27,150)
Consolidated Municipal Property Tax Relief Aid	617,961	617,961	
Energy Receipts Tax	303,471	303,471	
Supplemental Energy Receipts Tax	11,735	11,735	
Emergency Management Grant	5,000	5,000	
Recycling Tonnage Grant	1,378	1,378	
Drunk Driving Enforcement Fund	3,478	3,478	
Click It Or Ticket	3,124	3,124	
Clean Communities Grant	1,318	1,318	
Obey the Signs	3,659	3,659	
Handicapped Grant	1,115	1,115	
Municipal Alliance	12,491	12,491	
Alcohol Education Rehabilitation grant	1,552	1,552	
Uniform Fire Safety Act	10,300	3,617	(6,683)
Reserve for Payment of Debt	21,751		(21,751)
Due From Payroll Fund	22,830		(22,830)
PILOT Housing Authority	54,600	49,692	(4,908)
Cablevision	20,800	24,126	3,326
Total miscellaneous revenues	<u>2,321,363</u>	<u>2,466,809</u>	<u>145,446</u>
Receipts from delinquent taxes	<u>640,000</u>	<u>621,096</u>	<u>(18,904)</u>
Amount to be raised by taxes for support of municipal budget	<u>9,807,832</u>	<u>9,655,800</u>	<u>(152,032)</u>
Budget total	<u>\$ 13,733,114</u>	<u>13,707,624</u>	<u>(25,490)</u>
Nonbudget revenue		<u>130,702</u>	
		<u>\$ 13,838,326</u>	

TOWN OF GUTTENBERG
Statement of Revenues-Regulatory Basis
Current Fund
Year ended June 30, 2009

Analysis of Realized Revenue

Allocation of current tax collections;		
Revenue from collections	\$	<u>21,788,949</u>
Allocated to:		
Local district school tax		8,768,058
County taxes		<u>4,365,091</u>
		<u>13,133,149</u>
Balance for support of municipal budget appropriations		8,655,800
Reserve for uncollected taxes		<u>1,000,000</u>
	\$	<u><u>9,655,800</u></u>
Receipts from:		
Delinquent tax collections	\$	<u><u>621,096</u></u>

Analysis of Miscellaneous Revenue Not Anticipated

Excise Tax	\$	10,985
Bus Shelter Franchise		4,075
Insurance Reimbursement		23,620
Void checks		42,213
COBRA		4,646
Waste Water Facilities		10,272
Housing Inspections		6,746
Summer Recreation		620
Restitution		2,100
Other		<u>25,425</u>
	\$	<u><u>130,702</u></u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2009

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Operations-within "CAPS"					
Administrative and executive:					
Salaries and wages	\$ 131,040	127,040	126,326	714	
Other expenses	147,900	147,900	142,475	5,425	
Elections:					
Salaries and wages	1,560	1,504	1,504		
Other expenses	10,200	7,452	7,452		
Financial administration:					
Salaries and wages	88,400	78,400	75,681	2,719	
Other expenses	132,600	103,829	74,639	29,190	
Assessment of taxes:					
Salaries and wages	38,480	40,480	40,458	22	
Other expenses:	19,380	26,980	21,083	5,897	
Municipal Court:					
Salaries and wages	140,400	120,400	119,295	1,105	
Other Expenses	20,400	16,400	15,807	593	
Collection of taxes:					
Salaries and wages	72,800	84,800	82,752	2,048	
Other expenses	13,260	8,260	7,146	1,114	
Legal services and costs:					
Salaries and wages	76,960	76,960	75,292	1,668	
Other expenses	122,400	102,400	91,979	10,421	
Public building and grounds:					
Salaries and wages	20,800	5,800	215	5,585	
Other expenses	204,000	164,000	163,805	195	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2009

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	20,800	15,800	6,121	9,679	
Other expenses	5,100	7,277	7,277		
Engineering					
Other Expenses	153,000	153,000	151,944	1,056	
Community Action Program:					
Other expenses	10,200				
Insurance:					
Insurance-Other	385,560	498,758	498,758		
Group Insurance for Employees	1,563,061	1,690,956	1,690,956		
Unemployment Insurance	18,000	18,000	14,686	3,314	
PUBLIC SAFETY:					
Police:					
Salaries and wages	2,569,840	2,569,840	2,448,012	121,828	
Other expenses	113,730	116,168	114,055	2,113	
911 - Other Expenses	23,460				
Emergency management services:					
Other expenses	510	510	470	40	
Weehawken Volunteer Ambulance:					
Other expenses	32,000	36,595	36,595		
Fire Official/Inspector:					
Salaries and wages	72,800	72,800	60,855	11,945	
Other expenses	15,300	15,300	7,732	7,568	
Streets and Roads:					
Street Cleaning:					
Salaries and wages	462,800	445,800	445,519	281	
Other expenses	142,800	92,800	91,769	1,031	
Recycling:					

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2009

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Other expenses	102,000	92,000	91,975	25	
Solid Waste & Garbage Removal:					
Other expenses	741,442	671,442	668,151	3,291	
Health and Welfare:					
Public Health Services:					
Other expenses	19,380	19,380	18,681	699	
Recreation and Education:					
Recreation:					
Salaries and wages	95,680	118,680	118,356	324	
Other expenses	66,300	60,300	60,184	116	
Celebration of public event, anniversary or holiday - other expenses	37,000	38,834	38,834		
Senior Citizens Nutrition Program:					
Salaries and wages	18,000	18,000	9,919	8,081	
Other expenses	34,680	37,131	37,131		
Senior Citizens Transportation:					
Salaries and wages	55,120	55,120	54,801	319	
Other expenses	13,260	13,260	7,530	5,730	
Urban Enterprise Zone:					
Salaries and wages	12,480	12,480	12,219	261	
Other expenses	2,040	2,116	802	1,314	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2009

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Uniform Construction Code-Appropriations Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Uniform construction code official:					
Salaries and wages	145,600	140,600	140,079	521	
Other expenses	8,160	5,160	5,060	100	
License inspector:					
Salaries and wages	23,920	3,920	2,295	1,625	
Other expenses	3,060	824	824		
UNCLASSIFIED:					
Utilities:					
Electricity	74,460	112,241	112,241		
Street lighting	122,400	132,197	132,194	3	
Telephone	95,880	60,880	58,411	2,469	
Water	6,120	6,120	5,710	410	
Fire hydrant service	40,800	40,800	40,628	172	
Sewerage	5,100	5,100	4,232	868	
Gasoline	61,200	61,200	53,256	7,944	
Postage - all departments	35,000	39,632	39,632		
Technology	15,300	15,300		15,300	
Total Operations within "CAPS"	8,663,923	8,608,926	8,333,803	275,123	
Contingent	10,200	10,200	830	9,370	
Total Operations Including Contingent-within "CAPS"	8,674,123	8,619,126	8,334,633	284,493	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2009

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Detail:					
Salaries & Wages	4,047,480	3,988,424	3,819,699	168,725	
Other Expenses (Including Contingent)	4,626,643	4,630,702	4,514,934	115,768	
	<u>8,674,123</u>	<u>8,619,126</u>	<u>8,334,633</u>	<u>284,493</u>	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
DEFERRED CHARGES					
Overexpenditure of Appropriations	45,795	45,795	45,795		
Overexpenditure of Grants	28,108	28,108	28,108		
Expenditures without Appropriations-Grants	20,904	20,904	20,904		
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	193,800	193,800	171,156	22,644	
Public Employees Retirement system	52,571	92,547	92,547		
Police and Firemans Retirement System	212,681	212,681	212,681		
Consolidated Police and Firemen's Pension Fund	9,894	10,486	10,486		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>563,753</u>	<u>604,321</u>	<u>581,677</u>	<u>22,644</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>9,237,876</u>	<u>9,223,447</u>	<u>8,916,310</u>	<u>307,137</u>	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2009

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Operations-Excluded from "CAPS"					
Insurance					
Stormwater Management	41,600	41,600	9,450	32,150	
Health Insurance CAP Exception					
Library Service-North Bergen:					
Other expenses	149,760	164,189	164,089	100	
North Hudson Regional Communication:					
Other expenses	78,000	78,000		78,000	
North Hudson Regional Fire & Rescue:					
Other expenses	2,418,000	2,418,000	2,404,342	13,658	
Public and Private Programs Offset by Revenues					
Emergency Management Grant	5,000	5,000	5,000		
Recycling Tonnage Grant	1,378	1,378	1,378		
Drunk Driving Enforcement Fund	3,478	3,478	3,478		
Click It Or Ticket	3,124	3,124	3,124		
Clean Communities Grant	1,318	1,318	1,318		
Obey the Signs	3,659	3,659	3,659		
Handicapped Grant	1,115	1,115	1,115		
Municipal Alliance	12,491	12,491	12,491		
Municipal Alliance-Match	8,100	8,100		8,100	
Alcohol Education Rehabilitation grant	1,552	1,552	1,552		
Total Operations-Excluded from "CAPS"	2,728,575	2,743,004	2,610,996	132,008	
Detail:					
Salaries and Wages	2,728,575	2,743,004	2,610,996	132,008	
Other Expenses	2,728,575	2,743,004	2,610,996	132,008	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2009

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Capital Improvements - Excluded from CAPS					
Capital Improvement Fund	50,000	50,000	50,000		
Total Capital Improvements - Excluded from CAPS	50,000	50,000	50,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	405,000	405,000	405,000		
Payment of Bond Anticipation notes (17,000 Emergency)	17,000	17,000	17,000		562
Interest on Bonds	210,932	210,932	210,370		
Interest on Notes	20,885	20,885	20,885		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	35,846	35,846	35,846		
Total Municipal Debt Service-Excluded from "CAPS"	689,663	689,663	689,101		562
Deferred Charges- Municipal Excluded from "CAPS"					
Emergency Appropriation	17,000	17,000	17,000		
Special Emergency Authorizations 5 years	10,000	10,000	10,000		
Total Deferred Charges-Municipal-Excluded from "CAPS"	27,000	27,000	27,000		

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2009

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,495,238</u>	<u>3,509,667</u>	<u>3,377,097</u>	<u>132,008</u>	<u>562</u>
Subtotal General Appropriations	12,733,114	12,733,114	12,293,407	439,145	562
Reserve for Uncollected Taxes	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>		
Total General Appropriations	<u>\$ 13,733,114</u>	<u>13,733,114</u>	<u>13,293,407</u>	<u>439,145</u>	<u>562</u>
		Analysis of Paid or Charged			
		Overexpenditure of Appropriations	45,795		
		Deferred Charges	27,000		
		Reserve for Uncollected Taxes	1,000,000		
		Due to Federal and State Grant Fund	49,012		
		Federal and State Grant Fund	33,115		
		Reserve for Encumbrances	85,404		
		Cash	12,053,081		
			<u>\$ 13,293,407</u>		

See accompanying notes to financial statements.

TOWN OF GUTTENBERG
Comparative Balance Sheet-Regulatory Basis
Trust Funds
Year Ended June 30, 2009 and 2008

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Animal License Fund:			
Cash	B-1	\$ <u>8,604</u>	<u>7,200</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	2,171	2,171
Interfund Receivables:			
Current Fund	B-8	2,146	
Payroll Agency	B-8	<u>17,301</u>	<u>13,638</u>
		<u>21,618</u>	<u>15,809</u>
Community Development Block Grant Trust Fund:			
Cash	B-1	71,502	71,502
Grants receivable	B-4	<u>227,699</u>	<u>131,168</u>
		<u>299,201</u>	<u>202,670</u>
Other Trust Funds:			
Cash	B-1	552,137	419,265
Due from Marriage License Clerk		875	
Due from Municipal Court	B-7	847	847
Interfund Receivables:			
Due from Current Fund	B-8	63,917	30,256
Due from Unemployment Trust	B-8	<u>1,783</u>	<u>1,783</u>
		<u>619,559</u>	<u>452,151</u>
		<u>\$ 948,982</u>	<u>677,830</u>

TOWN OF GUTTENBERG
Comparative Balance Sheet-Regulatory Basis

Trust Funds

Year Ended June 30, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Dog License Fund expenditures	B-2	3,027	3,451
Due to State of New Jersey	B-3	1,062	1,297
Due to Current Fund	B-8	4,515	2,452
		8,604	7,200
Unemployment Compensation Trust Fund:			
Unemployment claims Payable	B-10		783
Due to Other Trust Fund	B-8	1,783	1,783
Reserve for Expenditures	B-10	19,835	13,243
		21,618	15,809
Community Development Block Grant Trust Fund:			
Reserve for Grant Expenditures	B-5	121,310	48,170
Due to General Capital Fund	B-8	23,391	
Due to Current Fund	B-8	154,500	154,500
		299,201	202,670
Other Trust Funds:			
Due to State-Marriage Licenses	B-6	402	527
Due to State-Construction Fees	B-6	254	254
Due to Current Fund	B-8	12,208	
Reserve for:			
Other Trust Deposits	B-9	606,695	451,370
		619,559	452,151
		\$ 948,982	677,830

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

Years ended June 30, 2009 and 2008

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Cash:			
Checking	C-1,C-2	\$ 983,873	583,291
Grants Receivable			
State of New Jersey - Dept. of Transportation	C-8	200,000	
State of New Jersey - Department of Environmental Protection, Green Acres Program	C-9	155,000	155,000
Deferred charges to future taxation:			
Funded	C-3	3,967,747	4,400,561
Unfunded	C-4	2,274,000	1,666,000
Due from Federal and State Grant Fund	A	24,280	24,280
Due from Community Development Trust Fund	C-7	23,391	
Due from Current Fund	C-6		407,102
		<u>\$ 7,628,291</u>	<u>7,236,234</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial bonds	C-10	3,587,000	3,992,000
Green Acres Loans Payable	C-15	380,747	408,561
Bond Anticipation notes	C-16	2,254,000	980,500
Capital Improvement Fund	C-11	112,284	62,284
Reserve for Payment of Debt, Ord. 23-2002	C-12	21,751	21,751
Unappropriated Open Space Grant	C-14		540,000
Encumbrances Payable	C-5		1,592
Improvement authorizations:			
Funded	C-13	198,358	217,898
Unfunded	C-13	1,074,151	1,011,648
		<u>\$ 7,628,291</u>	<u>7,236,234</u>

There were bonds and notes authorized but not issued at June 30, 2008 and 2009 of \$685,500 and \$20,000 respectively. See exhibit C-17.

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Balance Sheets-Regulatory Basis

Payroll Account

Years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash	\$ <u>75,153</u>	<u>144,499</u>
	\$ <u><u>75,153</u></u>	<u><u>144,499</u></u>
<u>Liabilities</u>		
Due to Unemployment Trust Fund	\$ 17,301	13,638
Due to Current Fund	25,770	22,830
Withholdings Payable	<u>32,082</u>	<u>108,031</u>
	\$ <u><u>75,153</u></u>	<u><u>144,499</u></u>

See accompanying notes to the financial statements.

TOWN OF GUTTENBERG

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

Years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Land	\$ 1,060,646	1,060,646
Buildings	2,088,185	2,088,185
Vehicles and equipment	<u>1,269,027</u>	<u>1,269,027</u>
	<u>\$ 4,417,858</u>	<u>4,417,858</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008

NOTE 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 accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Town of Guttenberg 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") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 Town accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Town of Guttenberg (the "Town") operates under a Mayor/Council form of government. The Town'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 prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Town do not include the Volunteer Fire Department or Housing Authority, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Town uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Town functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Town has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Town as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Town as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

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

General Fixed Assets Account Group - To account for all fixed assets of the Town. The Town's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Town of Guttenberg. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, cont.

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Town. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Town. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Town'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, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Town's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, cont.

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 for the Current Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Town and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

- General Capital Fund
- Trust Fund

The governing body shall introduce and approve the annual budget not later than August 10, of the fiscal year. The budget shall be adopted not later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2009, the Mayor and Council approved several budget transfers.

Expenditures - Are recorded on 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 June 30, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, cont.

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1(a).

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, cont.

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Town establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Town may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Town raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Town of Guttenberg has developed a fixed assets accounting and reporting system.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

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

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, cont.

Use of Estimates

The preparation of financial statements requires management of the Town to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accordingly, actual results could differ from these estimates.

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

C. Basic Financial Statements

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

NOTE 2. PENSION PLANS

Description of Systems:

Substantially all of the Town's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 2. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final average compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years or 1/60 of final average compensation multiplied by the number of years of creditable service, whichever is greater. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 2. PENSION PLANS, (continued)

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 108 (P.L. 2003), effective July 1, 2003, provided that local employer PFRS normal and accrued liability contributions will be 20% of the amount certified by the PFRS for payments due in State fiscal year 2004 and thereafter a percentage of the amount certified by the System as the State Treasurer will determine, but not more than 40% in fiscal year 2005, not more than 60% in fiscal year 2006, and not more than 80% in fiscal year 2007. According to the Appropriation Act of 2003, the State as well is paying pension obligations through a five-year phase-in.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and PFRS, effective July 12, 2002.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 2. PENSION PLANS, (continued)

The Town's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
June 20, 2009	\$92,547	\$212,681
June 30, 2008	92,545	407,094
June 30, 2007	38,269	250,177

NOTE 3. LONG-TERM DEBT

Long-term debt as of June 30, 2009 consisted of the following:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$3,992,000	—	\$405,000	\$3,587,000	\$425,000
Total Bonds Payable	<u>3,992,000</u>	<u>0</u>	<u>405,000</u>	<u>3,587,000</u>	<u>425,000</u>
Other Liabilities:					
Green Acres Loan Obligation Debt	408,561	—	27,814	380,747	28,373
Total Other Liabilities	<u>408,561</u>	<u>0</u>	<u>27,814</u>	<u>380,747</u>	<u>28,373</u>
	<u>\$4,400,561</u>	<u>\$0</u>	<u>\$432,814</u>	<u>\$3,967,747</u>	<u>\$453,373</u>

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>June 30,</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Issued-general-bonds and notes	\$6,221,747	\$5,381,061	\$5,272,826
Authorized but not issued-general-bonds and notes	<u>20,000</u>	<u>685,500</u>	<u>542,500</u>
	6,241,747	6,066,561	5,815,326
Less funds on hand to pay debt	<u>646,751</u>	<u>686,751</u>	<u>21,751</u>
Net bonds and notes issued and authorized but not issued	<u>\$5,594,996</u>	<u>\$5,379,810</u>	<u>\$5,793,575</u>

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 3. LONG-TERM DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .50%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General debt	\$6,241,747	\$646,751	\$5,594,996
School debt	<u>1,499,000</u>	<u>1,499,000</u>	<u>0</u>
	<u>\$7,740,747</u>	<u>\$2,145,751</u>	<u>\$5,594,996</u>

Net debt of \$5,594,996 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,116,463,710 equals .50%.

Borrowing Power Available Under N.J.S.A. 40A:2-6 as Amended

3 ½% of equalized valuation basis (municipal)	\$39,076,230
Net Debt	<u>5,594,996</u>
Remaining borrowing power	<u>\$33,481,234</u>

The Town's long-term debt consisted of the following at June 30, 2009.

Paid by Current Fund:

General obligation bonds - 3.60%-4.00% general obligation bonds issued February 1, 2003, due through February 1, 2016	\$1,322,000
General serial bonds - 6.85% general serial bonds issued April 1, 1991, due through April 1, 2016	1,640,000
Pension Refunding Bonds - Term Bond - 5.83% issued April 1, 1991, sinking fund redemptions due through April 1, 2017	<u>625,000</u>
	<u>\$3,587,000</u>

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 3. LONG-TERM DEBT, (continued)

Aggregate General Capital Fund debt service requirements on general serial bonds are as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2010	\$614,582	\$425,000	\$189,582
2011	607,280	440,000	167,280
2012	614,211	470,000	144,211
2013	624,808	505,000	119,808
2014	608,551	520,000	88,551
2015-2017	<u>1,341,330</u>	<u>1,227,000</u>	<u>114,330</u>
	<u>\$4,410,762</u>	<u>\$3,587,000</u>	<u>\$823,762</u>

General capital serial bonds are direct obligations of the Town for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Town.

At June 30, 2009, the Town had authorized but not issued debt as follows:

General Capital Fund	<u>\$20,000</u>
----------------------	-----------------

NOTE 4. INTERGOVERNMENTAL LOAN PAYABLE

The Town has entered into a loan agreement with the State of New Jersey for the financing relating to the development of recreation facilities. Aggregate Green Acres Loan payment requirements is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2010	\$35,846	\$28,373	\$7,473
2011	35,846	28,942	6,904
2012	35,846	29,525	6,321
2013	35,846	30,118	5,728
2014	35,846	30,723	5,123
2015-2019	179,230	163,130	16,100
2020-2021	<u>71,693</u>	<u>69,936</u>	<u>1,757</u>
	<u>\$430,153</u>	<u>\$380,747</u>	<u>\$49,406</u>

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 5. BOND ANTICIPATION NOTES

The Town issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally such notes must be paid no later than the tenth anniversary of the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On June 30, 2009, the Town had \$2,254,000 outstanding General Capital Fund bond anticipation notes due on March 23, 2010 at an interest rate of 2.99%. It is the Town's intention to roll the note over for another 1-year period.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
TD Bank, NA	\$0	\$2,254,000	\$	\$2,254,000
JP Morgan/Chase	<u>980,500</u>		<u>980,500</u>	<u>0</u>
	<u>\$980,500</u>	<u>\$2,254,000</u>	<u>\$980,500</u>	<u>\$2,254,000</u>

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance June 30, 2009</u>	<u>2010 Budget Appropriation</u>	<u>Balance succeeding year's budget</u>
Federal and State Grant Fund:			
Overexpenditure of Grants	<u>\$7,185</u>	<u>\$7,185</u>	<u>\$</u>

NOTE 7. FUND BALANCE APPROPRIATED

There was \$750,000 of fund balance appropriated as anticipated revenue in the 2009-2010 Current Fund budget.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 8. ACCRUED SICK AND VACATION BENEFITS

The Town has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. At this time the Town has no estimated current cost of such unpaid compensation.

NOTE 9. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

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 Town'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 June 30, 2009, \$-0- of the Town's bank balance of \$4,822,512 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Town 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 allowance investments are Bonds of the United States of America, bonds or other obligations of the municipality or bonds or other obligations of the local unit or units within which the municipality is located: 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 Town places no limit on the amount the Town may invest in any one issuer.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 10. FIXED ASSETS

The following is a summary of charges in the general fixed assets account group as of June 30, 2009.

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2009</u>
Land	\$1,060,646	-0-	-0-	\$1,060,646
Building	2,088,185		-0-	2,088,185
Equipment	<u>1,269,027</u>	<u>-0-</u>	<u>-0-</u>	<u>1,269,027</u>
	<u>\$4,417,858</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,417,858</u>

A fixed asset inventory was not available for June 30, 2009.

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at June 30, 2009 consist of the following:

\$2,146	Due to the Unemployment Compensation Trust Fund from the Current Fund for employee deductions deposited in error.
23,391	Due to the General Capital Fund from the Community Development Block Grant Trust Fund to reimburse expenses paid.
24,280	Due to the General Capital Fund from the Federal and State Grant Fund for expenses paid.
25,770	Due to the Current Fund from the Net Payroll Account for an advance.
1,783	Due to the Other Trust Fund from the Unemployment Trust Fund for expenses paid in error.
17,301	Due to the Unemployment Compensation Trust from the Payroll Agency Fund for employee deductions deposited in error.
154,500	Due to the Current Fund from the Community Development Trust Fund to reimburse expenditures paid.
4,515	Due to the Current Fund from the Animal Trust Fund for statutory excess.
63,917	Due to the Other Trust Fund from the Current Fund for tax sale premiums received and deposit errors, less escrow interest earned, and dedicated fire penalties received.
468,964	Due to the Current Fund from the Federal and State Grant Fund for grant revenue collected less expenditures made.
<u>12,208</u>	Due to the Current Fund from the Escrow Trust Fund for accumulated interest earnings due to the Town.
<u>\$798,775</u>	

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 12. POST RETIREMENT BENEFITS

The Town currently provides lifetime medical benefits to employees who retire on a paid pension under the following conditions:

- ▶ After twenty-five years of continuous service with the Town, or
- ▶ After fifteen years of continuous service with the Town at age sixty-two or older; or
- ▶ On an accidental disability pension with not less than five years of continuous service with the Town in the case of firemen and policemen, or ten years in the case of employees in the Public Employees Retirement System

Coverage is also provided for family members per the employees union contracts and paid by the Town for the life of the retiree.

For Police and Fire personnel, upon the death of the retiree, the surviving spouse and dependent children under the age of twenty-three may elect to continue the coverage at the surviving spouse's own cost. This coverage ceases when any of the following occurs:

- ▶ Spouse dies.
- ▶ Spouse remarries.

For Police and Fire personnel, prescription drug benefits are provided and paid by the Town under the same circumstances except upon retiree's death, coverage would be provided for the surviving spouse only, and would be discontinued upon:

- ▶ Surviving spouse's remarriage.
- ▶ Surviving spouse obtaining coverage from another spouse.

The Town did not undertake an actuarial analysis of these benefits as required under GASB 45.

NOTE 13. CONTINGENT LIABILITIES

A. Compensated Absences

The Town is permitting Police Department employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date. It is estimated that the current cost of such unpaid compensation would approximate \$80,997 as of June 30, 2009. This amount is not reported either as an expenditure or liability.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 13. CONTINGENT LIABILITIES, (continued)

B. Grants

The Town received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. During SFY 2009, the Town is subject to the requirements of the Single Audit Act Amendments of 1996 which mandated that all Federal grant revenues and expenditures be audited in conjunction with a municipal audit. In addition, substantially all State grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors.

C. Other Litigation

The Town is involved in several other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Town.

NOTE 14. ECONOMIC DEPENDENCY

The Town receives a substantial amount of its support from Federal and State governments. A significant reduction in the level of support, if this were to occur, may cause an increase in the local tax rate, and could also have a detrimental effect on the level of service that the Town would be able to provide.

NOTE 15. NORTH HUDSON REGIONAL FIRE AND RESCUE

Second Amended and Restated Consolidated Municipal Services Agreement for the Formation of a Joint Meeting Pursuant to N.J.S.A. 40:48B-1 et seq., known as North Hudson Regional Fire and Rescue (the "Agreement")

Background of the Agreement

On December 30, 1998, the Town adopted a resolution approving it to enter into a joint contract with the municipalities of North Bergen, Union City, Weehawken and West New York (the "Other Municipalities"), in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the "Act"). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire and Rescue (the "NHRFR"), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 15. NORTH HUDSON REGIONAL FIRE AND RESCUE, (continued)

The NHRFR was in effect from October 1, 1998, as the Other Municipalities had already formed the Agreement before the Town entered on December 30, 1998. The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality's admission to or withdrawal from the NJFRF requires four votes from the management committee.

Required Contributions by the Town

The Town adopted an ordinance on December 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of and improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes. The Town has agreed to convey two parcels of its real property, the value of which will be determined by a qualified appraiser. The Town had also agreed to convey four items of its personal property, which consist of vehicles with an aggregate minimum purchase price of \$341,000. The estimated proceeds of all property conveyed, real and personal, was approximately \$1,000,000.

The Town was required to contribute \$1,500,000 annually to the NHRFR. This annual contribution is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year (SFY 1998) of the Other Municipalities. The Agreement also contains provisions for cost and budget balance allocations, and a growth value adjustment to be made in calendar year 2001, but these provisions do not pertain to the Town. For FY 2009, the town budgeted \$2,418,000 and contributed \$2,404,342.

NOTE 16. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Balance</u> <u>June 30, 2008</u>
Prepaid Taxes	<u>\$3,379</u>	<u>\$9,182</u>
Cash Liability for Taxes Collected in Advance	<u>\$3,379</u>	<u>\$9,182</u>

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2009 and 2008
(continued)

NOTE 17. RISK MANAGEMENT

The Town of Guttenberg is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance coverage to guard against these events which will provide minimum exposure to the Town should they occur. During the 2009 fiscal year, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Town of Guttenberg is a member of the New Jersey Intergovernmental Insurance Fund (the "NJIIF"). The NJIIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Town of Guttenberg pays an annual assessment to the NJIIF and should it be determined that payments received by the NJIIF are deficient, additional assessments may be levied.

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

The NJIIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program.

Financial statements for the Funds are available at the office of the Funds' Executive Director, New Jersey Intergovernmental Insurance Fund.

The Town of Guttenberg continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SUPPLEMENTARY DATA

TOWN OF GUTTENBERG

Supplementary Data

Official in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
Gerald Drasheff	Mayor		
Adela Martinez	Councilwoman		
Donna Florio	Councilwoman		
John D. Habermann	Councilman		
Efrain Velez	Councilman		
Alfonso Caso	Councilman		
Vincent Buono	Chief Financial Officer	1,000,000	(A)
Nicolas Goldsack	Tax Collector/Treasurer	1,000,000	(A)
Alberto Cabrera	Town Clerk	1,000,000	(A)
James Terhune	Tax Assessor		
Ann Setliff	Deputy Tax Collector	1,000,000	(A)
Frank Leanza	Magistrate	1,000,000	(A)
Alida Buczynski	Court Administrator	1,000,000	(A)
Marisa Perry	Violations Clerk	1,000,000	(A)
Michelle Glennon	Violations Clerk	1,000,000	(A)

(A) Coverage provided through the New Jersey Intergovernmental Insurance Fund in a policy issued by the Fidelity and Deposit Company of Maryland. Coverage is provided up to \$1,000,000 per occurrence.

TOWN OF GUTTENBERG

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax rate	5.800	5.622	5.394
Apportionment of tax rate:			
Local school	2.142	2.164	2.114
County	1.088	1.079	1.083
Municipal	2.570	2.379	2.197
Assessed valuation:			
2009	\$ 402,049,490		
2008	405,345,833		
2007	407,727,414		

Comparison of Tax Levies and Collections 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 Collections</u>
2009	\$ 22,999,047	21,788,949	94.74%
2008	22,400,826	21,961,592	98.04%
2007	21,458,012	20,929,193	97.54%

TOWN OF GUTTENBERG

Supplementary Data

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2009		1,200,482	1,200,482	5.22%
2008		641,822	641,822	2.87%
2007		504,184	504,184	2.35%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2009 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 June 30, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ None
2008	None
2007	None

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Year ended</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2009	\$	1,324,736	750,000
	2008		1,510,312	963,919
	2007		1,872,083	1,200,000
	2006		1,214,581	850,000
	2005		1,547,115	950,000

TOWN OF GUTTENBERG

Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

Program	CFDA number	Grant period	Award Amount	Balance at June 30, 2008	Cash Received	Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at June 30, 2009	(MEMO) Cumulative Expenditures
Federal grantor									
State and Federal Grant Fund:									
Department of Agriculture									
Summer Food Program	10.559	2005-06	14,575	657	1,810	8,925		(6,458)	21,033
Summer Food Program	10.559	2008-09	7,655		7,655			7,655	*
<i>Total State and Federal Grant Fund</i>				<u>657</u>	<u>9,465</u>	<u>8,925</u>		<u>1,197</u>	*
Community Development Block Grant Trust Fund:									
Department of Housing and Urban Development (passed through County of Hudson):									
Community Development Block Grant:									
3-03E1-09 Community Center	14.219	2009-10	200,000						*
3-03F1-08 Municipal Parking Expansion	14.219	2008-09	98,000			23,391		(23,391)	23,391
3-03F1-06 Boulevard East Streetscape	14.219	2006-07	125,000				(93,838)	(93,838)	93,838
3-14E1-04 Commercial Revitalization	14.219	2004-05	24,968		1,469	1,469			20,269
<i>Total Trust Funds</i>					<u>1,469</u>	<u>24,860</u>	<u>(93,838)</u>	<u>(117,229)</u>	*
				<u>657</u>	<u>10,934</u>	<u>33,785</u>	<u>(93,838)</u>	<u>(116,032)</u>	*

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

TOWN OF GUTTENBERG
 Schedule of Expenditures of State Awards
 Year ended June 30, 2009

State grantor	Program	Grant number	Grant period	Award Amount	Balance June 30, 2008	Cash Received	Budgetary Expenditures	Adjustments	Deferred Revenue/Accounts Receivable at June 30, 2009	(MEMO) Cumulative Expenditures	
Federal and State Grant Fund: Department of Commerce & Economic Development	Urban Enterprise Zone Assistance Fund - Tree	763-020-2830-000	2006-07	\$ 9,625	7,362				7,362	I 13	
	Urban Enterprise Zone Assistance Fund - Tree	763-020-2830-000	2007-08	23,440							
	Urban Enterprise Zone Assistance Fund - Police Vehicle	763-020-2830-000	2007-08	12,273			9,167		(9,167)	A 9,167	
	Urban Enterprise Zone Assistance Fund - JFK Boulevard, Cars, Administration	763-020-2830-000	2005-06	71,968	7,341				7,341	J 50,128	
				14,703		9,167		5,536			
Department of Community Affairs	Handicapped Recreation Opportunities	100-022-8050-035	2004-05 PY	1,115	1,115				1,115	F 6,000	
	Livable Communities		2008-09	25,500	(3,100)				(3,100)	F 3,100	
	Emergency Management		2007-08	5,000	(3,211)				(3,211)	G 13,211	
	Homeland Security - Police Radios		2001-02	10,000	(10,000)				(10,000)	G 10,000	
	Safe Kids Program				(25,196)				(25,196)		
					29,474						
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-042-4900-001	2008-09	3,102		3,102			3,102		
	Recycling Tonnage Grant	4900-752-042-4900-001	2007-08	1,378	1,378				1,378		
	Recycling Tonnage Grant		2006-07	11,243	11,243				11,243		
	Recycling Tonnage Grant		2005-06	2,252	2,252				2,252		
	Clean Communities Program	4900-765-178910-60	2008-09	12,637		12,637			12,637		
	Clean Communities Program	4900-765-178910-60	2007-08	8,527	4,695				4,695	H 5,150	
	Clean Communities Program	4900-765-178910-60	2005-06	7,530	6,890				6,890	H 6,890	
	Clean Communities Program	4900-765-178910-60	2004-05	7,352	3,016				3,016	H 4,336	
					29,474	15,739				45,213	
	Department of Law and Public Safety	Body Armor Grant	718-006-1020-001	2008-09	2,142		2,142			2,142	
Body Armor Grant		718-006-1020-001	2007-08	2,350	2,350		2,350			2,350	
Body Armor Grant		718-006-1020-001	2006-07	2,174	2,174		2,901		(727)	2,174	
Body Armor Grant		718-006-1020-001	2005-06	2,093	2,093		2,093			2,093	
Highway Safety			2006-07	1,945	1,945		1,436		509	1,436	
Obey the Signs		1160-100-066-1160-142	2008-09	3,286		3,286			3,286		
Obey the Signs		1160-100-066-1160-142	2007-08	3,659	3,659				3,659		
Click It or Ticket		1160-100-066-1160-113	2007-08	3,124	3,124				3,124		
DMV Fines			2008-09	879		879			879		
Drunk Driving Enforcement Fund		1110-448-031020-22	2008-09	2,703		2,703			2,703		
Drunk Driving Enforcement Fund		1110-448-031020-22	2007-08	3,478	3,478				3,478		
Drunk Driving Enforcement Fund		1110-448-031020-22	2005-06	18,941	18,941		15,194		3,747	15,194	
Drunk Driving Enforcement Fund		1110-448-031020-22	2001-02	254	254				254		
Driving While Intoxicated		2008-09	900		900			900			
Domestic Violence	100-006-1020-246-FY04	2003-04	12,866	12,866				12,866	E 12,866		
				50,884	9,910		23,974		36,820		

(continued next page)

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards

Year ended June 30, 2009

State grantor	Program	Grant number	Grant period	Award Amount	Balance June 30, 2008	Cash Received	Budgetary Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at June 30, 2009	(MEMO) Cumulative Expenditures	
County of Hudson (1)	Municipal Alliance Grant Fund	100-082-2000-044	2007-08	12,491		4,060	4,459		(399) K	4,459	
	Municipal Alliance Grant Fund	100-082-2000-044	2006-07	18,039	(14,694)	14,694				18,039	
	Municipal Alliance Grant Fund	100-082-2000-044	2005-06	18,773	(8,903)	8,903	4,459		(399)	18,773	
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2008-09	1,160		1,160					
	Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2007-08	1,552	1,552						
	Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2005-06	884	884						
	Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2004-05	681	681						
	Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2002-03	1,358	874				874	438	
New Jersey Department of Transportation	Municipal Aid (FY08) - Imps. to 71st (Section 3)	08-480-078-6320-AJ3-6010	2008-09	200,000							
	Municipal Aid (FY07) Imps. to Palisades Avenue and Adams Street	6320-480-601385-61	2007-08	280,000	(264,250)				(264,250) B	264,250	
	Municipal Aid (FY05) - Imps. to Broadway, Hudson 69th (Sec. 3), and Bergenline Avenue (Sec. 2)	6320-480-601385-61	2006-07	300,000	(77,523)				(77,523) C	297,150	
	Broadway Streetscape - 2006	6320-480-601385-61	2005-06	300,000	4,338				4,338	298,531	
	Safe Streets to Schools - 2005	6320-480-601385-61	2005-06	250,000	(51,054)				(51,054)	250,000	
	DOT Beautification - 2005	6320-480-601385-61	2004-05	100,000	(2,011)				(2,011)	82,882	
	Safe Streets - 2004	6320-480-601385-61	2004-05	250,000	36,263				36,263	213,737	
	69th & 70th Street	6320-480-601385-61	2003-04	110,000	(60,591)	60,591			(2,608)	110,000	
	DOT Broadway	6320-480-601385-61	2003-04	300,000	(2,608)					300,000	
	Trust Fund Authority Act	8100-133-5837-M016	2002-03	122,000	36,433					110,068	
	Trust Fund Authority Act	8100-133-5837-M016	2002-03	122,000	(381,003)	60,591			(320,412)		
	Trust Fund Authority Act	8100-133-5837-M016	2000-01	151,000	(41,435)				(2,676)	122,000	
		<i>Total State and Federal Grant Fund</i>			(374,855)	115,057	37,600		(297,398)		137,354
	General Capital Fund, New Jersey Department of Transportation	Municipal Aid - 71st Street, Sec. 3 - Ord. 14-2008	08-480-078-6320-AJ3-6010	2008-09	200,000			163,989		(163,989)	163,989
		Green Acres Program - Waterfront Park Imp. - Ord. 6-2008		2007-08	155,000			163,989		(163,989)	
Department of Environmental Protection	<i>Total General Capital Fund</i>			(374,855)	115,057	201,589		(461,387)			
<i>Total State Financial Assistance</i>										(continued next page)	

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards

Year ended June 30, 2009

State grantor	Program	Grant period	Award Amount	Balance June 30, 2008	Cash Received	Budgetary Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at June 30, 2009	(MEMO) Cumulative Expenditures
Other Financial Assistance Federal and State Grant Fund: Hudson County Open Space Trust Fund	Land Acquisition - Ord. 5-2008/15-2008	2007-2008	\$40,000			540,000	540,000		540,000
<i>Total State and Other Financial Assistance</i>									
				\$ (374,855)	115,057	741,589	540,000	(461,387)	

Note: This schedule was not subject to an audit in accordance with N.J. OMB 04-04.

(1) - Passed through the State of New Jersey

- A - Accounts Receivable of \$12,273, appropriated reserve of \$3,106.
- B - Accounts Receivable of \$280,000, appropriated reserve of \$15,750
- C - Accounts Receivable of \$80,373, appropriated reserve of \$2,850
- D - Accounts Receivable of \$55,081, appropriated reserve of \$13,646
- E - Accounts Receivable of \$4,044, appropriated reserve of \$16,910
- F - Accounts Receivable of \$25,500, appropriated reserve of \$22,400
- G - Accounts Receivable of \$15,000, appropriated reserve of \$1,789.
- H - Accounts Receivable of \$640, appropriated reserve of \$7,530.
- I - Accounts Receivable of \$2,250, appropriated reserve of \$9,612.
- J - Accounts Receivable of \$14,499, appropriated reserve of \$21,840.
- K - Accounts Receivable of \$8,431, appropriated reserve of \$8,032.

TOWN OF GUTTENBERG

Schedule of Cash - Collector/Treasurer

Current Fund

Year ended June 30, 2009

	Regular Fund	Federal and State Grant Fund
Balance - June 30, 2008	\$ 2,830,078	173,729
Increased by receipts:		
Revenue accounts receivable	2,432,698	
Miscellaneous revenues not anticipated	130,702	
Taxes receivable	22,376,738	
Prepaid Taxes	3,379	
Senior citizens and veterans deductions	24,457	
Interfunds	383,262	
Tax Overpayments	77,479	
Various Reserves	4,384	
Grants Receivable		29,467
Unappropriated reserves		39,979
	<u>25,433,099</u>	<u>69,446</u>
	<u>28,263,177</u>	<u>243,175</u>
Decreased by disbursements:		
2009 budget appropriations	12,053,081	
2008 appropriation reserves	226,797	
Tax overpayment refunds	56,543	
Local district school tax	8,777,411	
County taxes	4,348,416	
Added/omitted county taxes	16,675	
Interfunds	686,733	
Various Reserves	4,384	
Prior Year Refunds	27,418	
Appropriated Reserves		40,617
	<u>26,197,458</u>	<u>40,617</u>
Balance, June 30, 2009	\$ <u>2,065,719</u>	<u>202,558</u>

TOWN OF GUTTENBERG

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year ended June 30, 2009

Year	Balance, June 30, 2008	2009 Levy	Added 2009 Levy	Collected 2008	Collected 2009	Senior & Veteran's Deductions	Canceled	Balance, June 30, 2009
2007	\$ 641,822				621,096		20,726	
	641,822				621,096		20,726	
2009		22,912,406	86,641	9,182	21,755,642	24,125	9,616	1,200,482
	\$ 641,822	22,912,406	86,641	9,182	22,376,738	24,125	30,342	1,200,482

REAP - Cash Receipts	281,120
Cash Receipts	22,095,618
	\$ 22,376,738

Analysis of 2009 Tax Levy

Tax yield:	
General property tax	\$ 22,912,406
Added tax (R.S.54:4-63.1 et seq.)	86,641
	\$ 22,999,047

Tax levy:	
Local district school tax (abstract)	\$ 8,768,058
County tax (abstract)	4,348,416
Added taxes (R.S. 54:4-63.1 et seq.)	16,675
Local tax for municipal purpose (abstract)	9,807,832
Additional tax levies	58,066
	\$ 22,999,047

TOWN OF GUTTENBERG

Schedule of Revenue Accounts Receivable

Current Fund

Year ended June 30, 2009

	Balance, June 30, <u>2008</u>	Accrued in <u>2009</u>	<u>Collected</u>	Balance, June 30, <u>2009</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	20,806	20,806	
Other		59,126	59,126	
Fees and permits		43,494	43,494	
Construction Code Official-fees and permits		127,664	127,664	
Municipal Court fines and costs	29,086	782,249	749,051	62,284
Parking meters		218,976	218,976	
Interest and cost on taxes		181,125	181,125	
Interest on investments		22,850	22,850	
Consolidated Municipal Property Tax Relief		617,961	617,961	
Energy Receipts Tax		303,471	303,471	
Supplemental Energy Receipts Tax		11,735	11,735	
Uniform Fire Safety Act		3,617	3,617	
PILOT Housing Authority		49,692	49,692	
Cablevision		24,126	24,126	
	<u>\$ 29,086</u>	<u>2,466,892</u>	<u>2,433,694</u>	<u>62,284</u>
		Cash	2,432,698	
		Interest on Investments	996	
		\$	<u>2,433,694</u>	

TOWN OF GUTTENBERG

**Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions**

Current Fund

Year ended June 30, 2009

Balance - June 30, 2008		\$	19,277
Increased by:			
Senior citizens' and veterans' deductions per tax billings			<u>24,500</u>
			43,777
Decreased by:			
Deductions Disallowed	\$	375	
Cash received		<u>24,457</u>	
			<u>24,832</u>
Balance - June 30, 2009		\$	<u><u>18,945</u></u>

Schedule of Prepaid Local District School Taxes

Current Fund

Year ended June 30, 2009

Increased by:			
2009 Levy		\$	8,768,058
Decreased by:			
Cash Disbursed			<u>8,777,411</u>
Balance - June 30, 2009		\$	<u><u>(9,353)</u></u>

TOWN OF GUTTENBERG
Schedule of County Taxes Payable
Current Fund
Year ended June 30, 2009

Increased by:	
County Tax Levy	\$ <u>4,348,416</u>
Decreased by:	
Cash Disbursed	\$ <u><u>4,348,416</u></u>

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year ended June 30, 2009

Increased by:	
2009 Added Levy	\$ <u>16,675</u>
Decreased by:	
Cash Disbursed	\$ <u><u>16,675</u></u>

TOWN OF GUTTENBERG

Schedule of 2008 Appropriation Reserves

Current Fund

Year ended June 30, 2009

<u>Description</u>	<u>Balance June 30, 2008</u>	<u>Balance after Encumbrances and Transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
Salaries and Wages Within "CAPS"				
Administrative and Executive	\$ 1,745			
Elections	1,250			
Financial Administration	655			
Assessment of taxes	10,149	10,149		10,149
Municipal Court	15,956	15,956		15,956
Legal services	6,415	7,000	585	6,415
Planning Board	3,003	3,003		3,003
Police Department	13,358	13,358	2,745	10,613
Fire Inspector	9,172	9,172		9,172
Street Cleaning	18,151	18,151		18,151
UEZ Zone	202	202		202
Construction Code	21,174	21,174		21,174
License Inspector	1,916	1,916		1,916
Total Salaries and Wages Within "CAPS"	103,146	100,081	3,330	96,751
Other Expenses Within "CAPS"				
Administrative and Executive	35,795	28,175	15,033	13,142
Elections	1,373	456	456	
Financial Administration		66,638	57,971	8,667
Assessment of taxes	3,581	5,910	50	5,860
Collection of Taxes	7,378	7,766	388	7,378
Municipal Court	1,287	3,713	3,713	
Legal Services	918	24,583	24,583	
Public Building and Grounds	6,888	16,818	7,390	9,428
Planning Board	4,197	4,212	15	4,197
Engineering		23,444	4,758	18,686
Insurance - Other	28,417	31,780	3,363	28,417
Insurance-Group		23	23	
Unemployment Insurance	3,000	3,000		3,000
911 - Other Expenses	23,000	23,000		23,000
Police Department	54,536	60,085	4,345	55,740
Emergency Management Services	220	220		220
Weehawken Volunteer Ambulance	24,200	24,200		24,200
Fire Inspector	8,609	8,749	44	8,705
Street Cleaning	168	6,009	5,736	273
Recycling	3,913	3,913		3,913
Solid Waste	39,993	119,294	38,480	80,814
Public Health Services	17,446	17,446		17,446
Recreation	5,170	19,316	7,223	12,093
Celebration of Public Events		415		415
Senior Citizens Nutrition Program	4,050	4,050		4,050
Senior Citizens Transportation	526	536		536
UEZ Zone		1,548	1,548	
Construction Code Official	1,327	2,885	1,143	1,742
License Inspector	2,494	2,504	10	2,494

TOWN OF GUTTENBERG

Schedule of 2008 Appropriation Reserves

Current Fund

Year ended June 30, 2009

<u>Description</u>	<u>Balance June 30, 2008</u>	<u>Balance after Encumbrances and Transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
Electricity	768	768		768
Street lighting	45,722	5,282	5,282	
Telephone	60	2,939	2,853	86
Water	835	1,095	260	835
Fire Hydrant Service	29,375	29,375	3,192	26,183
Gasoline		4,697		4,697
Postage	21	3,524	790	2,734
Technology		3,851		3,851
Contingent	10,000	10,000		10,000
Total Other Expenses Within "CAPS"	<u>365,267</u>	<u>572,219</u>	<u>188,649</u>	<u>383,570</u>
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	29,782	29,782		29,782
Consolidated Police and Fireman's Pension Fund	35	35		35
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	<u>29,817</u>	<u>29,817</u>		<u>29,817</u>
Other Expenses Excluded From "CAPS"				
Public Employees' Retirement System	2,455	2,455		2,455
Health Insurance	141	141		141
North Hudson Regional Communication	73,679	58,481		58,481
Stormwater Management	30,550	30,550		30,550
North Hudson Regional Fire & Rescue	9,043	34,818	34,818	
Total Other Expenses Within "CAPS"	<u>115,868</u>	<u>126,445</u>	<u>34,818</u>	<u>91,627</u>
Total General Appropriations	<u>\$ 614,098</u>	<u>828,562</u>	<u>226,797</u>	<u>601,765</u>
		Appropriation Reserves 614,098		
		Encumbrances <u>214,464</u>		
		<u>\$ 828,562</u>		
		Cash Disbursements <u>226,797</u>		

TOWN OF GUTTENBERG
Schedule of Reserve for Encumbrances

Current Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$	214,464
Increased by:		
2008-2009 encumbrances		85,404
		299,868
Decreased by:		
Transferred to appropriation reserves		214,464
Balance - June 30, 2009	\$	85,404

Schedule of Tax Overpayments

Current Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$	56,543
Increased by:		
Cash Receipts		77,479
		134,022
Decreased by:		
Cash disbursements		56,543
Balance - June 30, 2009	\$	77,479

TOWN OF GUTTENBERG

Schedule of Prepaid Taxes

Current Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$ 9,182
Increased by:	
2009 prepaid taxes collected	<u>3,379</u>
	12,561
Decreased by:	
Taxes realized as revenue	<u>9,182</u>
Balance - June 30, 2009	<u><u>\$ 3,379</u></u>

**Schedule of Amount Due to the Hudson County Treasurer -
Court Fines and Costs**

Current Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>6,764</u>
Balance - June 30, 2009	<u><u>\$ 6,764</u></u>

TOWN OF GUTTENBERG

**Schedule of Reserve for
Tax Title Lien Redemption**

Current Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>7,008</u>
Balance - June 30, 2009	\$ <u><u>7,008</u></u>

TOWN OF GUTTENBERG

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year ended June 30, 2009

	Balance June 30, <u>2008</u>	<u>Increased</u>	<u>Decreased</u>	Balance June 30, <u>2009</u>
Federal and State Grant Fund:	572,659	5,908	109,603	468,964
Trust Funds:				
Animal License Fund	\$ 2,452	2,063		4,515
CDBG Trust Fund	154,500			154,500
Other Trust Fund	(30,256)	60,721	27,060	(63,917)
Escrow Trust Fund		12,208		12,208
Unemployment Trust Fund		783	2,929	(2,146)
Due from Payroll Agency Account	22,830	72,940	70,000	25,770
General Capital Fund	<u>(407,102)</u>	<u>200,000</u>	<u>607,102</u>	<u>599,894</u>
	<u>\$ 315,083</u>	<u>354,623</u>	<u>816,694</u>	
		Cash Receipts \$ 249,742	133,520	
		Cash Disbursement 79,631	607,102	
		Municipal Alliance in Error	18,773	
		Budget Appropriation	49,012	
		Dedicated fire penalties	8,265	
		Escrow Interfund 21,958		
		Interest Earned 1,229	22	
		Statutory Excess 2,063		
		<u>\$ 354,623</u>	<u>816,694</u>	

TOWN OF GUTTENBERG

Schedule of Various Reserves

Current Fund

Year ended June 30, 2009

	<u>Accounts Payable</u>	<u>Dedicated Fire Penalties</u>	<u>Library</u>
Balance - June 30, 2008	\$ 45,000	16,945	4,476
Increased by:			
Cash Receipts			4,384
Due from Other Trust Fund		8,265	
	<u> </u>	<u>8,265</u>	<u>4,384</u>
	45,000	25,210	8,860
Decreased by:			
Cash Disbursements			4,384
Balance - June 30, 2009	\$ <u>45,000</u>	<u>25,210</u>	<u>4,476</u>
<u>Analysis of Balance</u>			
Purchase Order No. 15131	\$ <u>45,000</u>		

TOWN OF GUTTENBERG

Schedule of Deferred Charges -
N.J.S. 40A:4-55 Special Emergency

Current Fund

Year ended June 30, 2009

	<u>Net Amount Authorized</u>	1/5 of <u>Net Amount Authorized</u>	Balance, June 30, <u>2008</u>	<u>Decreased</u>
Preparation of Master Plan	\$ 50,000	10,000	10,000	10,000
	<u>\$ 50,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

TOWN OF GUTTENBERG

Schedule of Grants Receivable

State and Federal Grant Fund

Year ended June 30, 2009

<u>Purpose</u>	Balance, June 30, <u>2008</u>	2009 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, June 30, <u>2009</u>
NJ Department of Transportation Trust Fund:				
(FY07) - Palisades Avenue & Adams St.	\$ 280,000			280,000
(FY06) - Ferry, Broadway, Hudson	80,373			80,373
2006 - Center of Place/Broadway Streetscape	51,054			51,054
NJ DOT Trust Fund - 2005	100,000			100,000
NJ DOT Trust Fund - 2003	2,676			2,676
NJ DOT Trust Fund - 2001	55,081			55,081
Summer Food Program - 2005				
Summer Food Program - 2006	1,810		1,810	
Clean Communities	640			640
Urban Enterprise Zone - Tree Beautification	2,250			2,250
Urban Enterprise Zone - FY2008 - Administrative	23,440			23,440
Urban Enterprise Zone - UEZ (Cars)	9,152			9,152
Urban Enterprise Zone - 2006	5,347			5,347
Urban Enterprise Zone - 2008 - Police Vehicle	12,273			12,273
Safe Kids Program	10,000			10,000
Municipal Alliance	23,597		23,597	
NJ DOT-2004-Safe Streets	60,591		60,591	
NJ DOT-2004-69th & 70th Street	2,608			2,608
Homeland Security grant - Police Radios	15,000			15,000
Livable Communities	25,500			25,500
Stop Violence Against Women	4,044			4,044
Stop Violence Against Women	1,000			1,000
Emergency Management Grant		5,000		5,000
Recycling Tonnage Grant		1,378	1,378	
Drunk Driving Enforcement Fund		3,478	3,478	
Click It Or Ticket		3,124	3,124	
Clean Communities Grant		1,318	1,318	
Obey the Signs		3,659	3,659	
Handicapped Grant		1,115	1,115	
Municipal Alliance		12,491	4,060	8,431
Alcohol Education Rehabilitation grant		1,552	1,552	
	<u>\$ 766,436</u>	<u>33,115</u>	<u>105,682</u>	<u>693,869</u>
		Cash receipts \$	29,467	
		Due from Current Fund	60,591	
		Unappropriated Reserves	<u>15,624</u>	
			<u>\$ 105,682</u>	

TOWN OF GUTTENBERG
Schedule of Appropriated Grant Reserves

State and Federal Grant Fund

Year ended June 30, 2009

<u>Purpose</u>	Balance, June 30, 2008	Budget <u>appropriations</u>	<u>Expended</u>	<u>Overexpended</u>	Balance, June 30, 2009
NJ DOT-2005	\$ 134,252				134,252
NJ DOT-2001	13,646				13,646
NJ DOT-Broadway	36,433				36,433
Alcohol Education and Rehabilitation Fund	874				874
Drunk Driving Enforcement Fund	254				254
Clean Communities	3,016				3,016
Clean Communities	3,377				3,377
Body Armor	2,350		2,350		
Body Armor	4,267		4,994	727	
Alcohol Education and Rehabilitation Fund	884				884
Homeland Security Grant - Police Radios	1,789				1,789
Urban Enterprise Zone	23,440				23,440
Urban Enterprise Zone - Police Vehicle	12,273		9,167		3,106
Livable Communities	22,400				22,400
Stop Violence Against Women	16,910				16,910
Highway Safety Grant	1,945		1,436		509
Alcohol Education and Rehabilitation Fund	681				681
Recycling Tonnage Grant	11,243				11,243
Clean Communities	7,530				7,530
Recycling Grant	2,252				2,252
Summer Food Program	2,467		8,925	6,458	
Urban Enterprise Zone	7,152				7,152
Drunk Driving Enforcement Fund	18,941		15,194		3,747
Municipal Alliance			(1,449)		1,449
NJ DOT 2006-69th Street	4,338				4,338
NJ DOT 2007- Imps. to Palisades Ave./Adams St.	15,750				15,750
Urban Enterprise Zone - 2006	14,688				14,688
Domestic Violence Grant	1,000				1,000
Urban Enterprise Zone - 2007-Tree Beautification	9,612				9,612
NJ DOT-2006 - Imps. to Broadway/Hudson/Ferry	2,850				2,850
Emergency Management Grant		5,000			5,000
Recycling Tonnage Grant		1,378			1,378
Drunk Driving Enforcement Fund		3,478			3,478
Click It Or Ticket		3,124			3,124
Clean Communities Grant		1,318			1,318
Obey the Signs		3,659			3,659
Handicapped Grant		1,115			1,115
Municipal Alliance		12,491	5,908		6,583
Alcohol Education Rehabilitation grant		1,552			1,552
	<u>\$ 376,614</u>	<u>33,115</u>	<u>46,525</u>	<u>7,185</u>	<u>370,389</u>
		Cash	40,617		
		Due From Current Fund	<u>5,908</u>		
			<u>\$ 46,525</u>		

TOWN OF GUTTENBERG

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Year ended June 30, 2009

<u>Purpose</u>	Balance, June 30, 2008	<u>Received</u>	Appropriated in 2009 Budget	Balance, June 30, 2009
Alcohol Education Rehabilitation Fund	\$ 1,552	1,160	1,552	1,160
Body Armor Replacement Fund		2,142		2,142
DMV Fines		879		879
Clean Communities	1,318	12,637	1,318	12,637
ADA Handicapped Grant	1,115		1,115	
Obey the Signs	3,659	3,286	3,659	3,286
Recycling Tonnage Grants	1,378	3,102	1,378	3,102
Drunk Driving Enforcement Funds	3,478	2,703	3,478	2,703
Click it or Ticket	3,124		3,124	
Urban Enterprise Zone - FY09 Administration		5,515		5,515
Driving while Intoxicated		900		900
Summer Food		7,655		7,655
	<u>\$ 15,624</u>	<u>39,979</u>	<u>15,624</u>	<u>39,979</u>

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

Trust Funds

Year ended June 30, 2009

	Animal License <u>Fund</u>	Unemployment Compensation <u>Fund</u>	Community Development <u>Block Grant</u>	Other Trust <u>Funds</u>
Balance - June 30, 2008	\$ <u>7,200</u>	<u>2,171</u>	<u>71,502</u>	<u>419,265</u>
Increased by:				
Interfunds				1,251
Dog License Fees	1,639			
State Fees	497			1,425
Miscellaneous Reserves				229,100
	<u>2,136</u>			<u>231,776</u>
	<u>9,336</u>	<u>2,171</u>	<u>71,502</u>	<u>651,041</u>
Decreased by:				
State Fees	732			2,425
Interfunds				5,167
Miscellaneous Reserves				91,312
	<u>732</u>			<u>98,904</u>
Balance - June 30, 2009	\$ <u><u>8,604</u></u>	<u><u>2,171</u></u>	<u><u>71,502</u></u>	<u><u>552,137</u></u>

TOWN OF GUTTENBERG

Schedule of Reserve for Expenditures

Animal License Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$	3,451
Increased by:		
Dog license fees		<u>1,639</u>
		5,090
Decreased by:		
Statutory excess due Current Fund		<u>2,063</u>
Balance - June 30, 2009	\$	<u><u>3,027</u></u>

<u>Dog License Fees Collected</u>		
2007		1,625
2008		<u>1,402</u>
	\$	<u><u>3,027</u></u>

TOWN OF GUTTENBERG

**Schedule of Due to State of New Jersey-
Animal License Fees**

Animal License Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$ 1,297
Increased by:	
2008-09 fees collected	<u>497</u>
	1,794
Decreased by:	
Paid to State Treasurer	<u>732</u>
Balance - June 30, 2009	<u><u>\$ 1,062</u></u>

TOWN OF GUTTENBERG

**Schedule of Community Development Block
Grants Receivable**

Community Development Block Grant Trust Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$ 131,168
Increased by:	
Grant Awarded	<u>98,000</u>
	229,168
Decreased by:	
Paid Directly to Applicants	<u>1,469</u>
Balance - June 30, 2009	<u><u>\$ 227,699</u></u>

<u>Analysis of Balance</u>	
Commerical Revitalization	4,699
Municipal Parking Expansion	98,000
Boulevard East Streetscape, Phase 3	<u>125,000</u>
	<u><u>\$ 227,699</u></u>

TOWN OF GUTTENBERG

**Schedule of Reserve for Community
Development Block Grants Expenditures**

Community Development Block Grant Trust Fund

Year ended June 30, 2009

Balance - June 30, 2008		\$	48,170
Increased by:			
Grant Awarded			<u>98,000</u>
			146,170
Decreased by:			
Paid directly to applicants	\$	1,469	
Due to General Capital		<u>23,391</u>	
			<u>24,860</u>
Balance - June 30, 2009		\$	<u><u>121,310</u></u>

TOWN OF GUTTENBERG

Schedule of Amount Due to State of New Jersey

Other Trust Funds

Year ended June 30, 2009

Balance - June 30, 2008		\$	781
Increased by:			
Due from Marriage License Clerk	\$	875	
Cash Receipts		<u>1,425</u>	
			<u>2,300</u>
			3,081
Decreased by:			
Cash Disbursements			<u>2,425</u>
Balance - June 30, 2009		\$	<u><u>656</u></u>

Analysis of Balance

Marriage License Fees - PY Unallocated	(73)
Marriage License Fees - Second Qtr. 2009	475
DCA Fees	<u>254</u>
	\$ <u><u>656</u></u>

TOWN OF GUTTENBERG

Schedule of Due from Municipal Court

Other Trust Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>847</u>
Balance - June 30, 2009	\$ <u><u>847</u></u>
November 2005 Fees	\$ <u><u>847</u></u>

TOWN OF GUTTENBERG

Schedule of Interfunds

Trust Funds

Year ended June 30, 2009

	Balance Due from/(to) June 30, <u>2008</u>	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) June 30, <u>2009</u>
Animal License Fund:				
Current Fund	\$ (2,452)	2,063		(4,515)
Community Development Block Grant Fund:				
Current Fund	(154,500)			(154,500)
General Capital Fund		23,391		(23,391)
Unemployment Trust Fund:				
Other Trust Fund	(1,783)			(1,783)
Current Fund		783	2,929	2,146
Payroll Agency	13,638		3,663	17,301
Other Trust Fund:				
Escrow Trust - Current Fund			12,208	(12,208)
Unemployment Trust Fund	1,783			1,783
Current Fund	<u>30,256</u>	<u>60,721</u>	<u>27,060</u>	<u>63,917</u>
	<u>\$ (113,058)</u>	<u>86,958</u>	<u>45,860</u>	<u>(111,250)</u>
			1,251	
		5,167		
			8,265	
		44,575		
			18,773	
			6,592	
		24,174		
		10,979	10,979	
		<u>2,063</u>		
		<u>\$ 86,958</u>	<u>45,860</u>	

TOWN OF GUTTENBERG

Schedule of Miscellaneous Reserves

Other Trust Funds

Year ended June 30, 2009

	Balance, June 30, <u>2008</u>	<u>Increased</u>	<u>Decreased</u>	Balance, June 30, <u>2009</u>
Reserve for:				
Planning Board Escrow	\$ 2,654			2,654
Fireman's Training	18,773		18,773	
P.O.A.A.	41,273	4,244		45,517
Law Enforcement Trust	497			497
Recreation Trust	7,432			7,432
Street Opening Deposits	1,500			1,500
Performance Bond - Bulls Ferry	85,000			85,000
150th Anniversary		3,815	2,775	1,040
Safe Kids Day		3,580		3,580
Uniform Fire Code	4,362	17,530	8,265	13,627
Builders Escrow Deposits	126,971	34,871	25,432	136,410
Police Special Detail	85,196	45,713	39,505	91,404
Public Defender	23,912	5,622		29,534
Tax Sale Premiums	53,800	158,300	23,600	188,500
	<u>\$ 451,370</u>	<u>273,675</u>	<u>118,350</u>	<u>606,695</u>
		Cash Receipts 229,100		
		Cash Disbursements	91,312	
		Tax Sale Premiums due from Current Fund 43,700		
		Public Defender Fees due from Current Fund 875		
		Dedicated fire penalties due to Current Fund	8,265	
		Municipal Alliance due to Current Fund	18,773	
		<u>\$ 273,675</u>	<u>118,350</u>	

TOWN OF GUTTENBERG

**Schedule of Reserve for Unemployment
Compensation Insurance**

Unemployment Insurance Compensation Trust

Year ended June 30, 2009

Balance - June 30, 2008		\$	13,243
Increased by:			
Payroll deductions due from Current	\$	2,929	
Payroll deductions due from Payroll Agency		<u>3,663</u>	
			<u>6,592</u>
Balance - June 30, 2009		\$	<u><u>19,835</u></u>

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

General Capital Fund

Year ended June 30, 2009

Balance - June 30, 2008		\$	583,291
Increased by receipts:			
Bond Anticipation Note	\$	2,254,000	
Capital Improvement Fund		50,000	
Interfund - Current Fund		<u>607,102</u>	
			<u>2,911,102</u>
			3,494,393
Decreased by disbursements:			
Interfund-Current Fund	\$	200,000	
Due from Community Development Trust		23,391	
Bond Anticipation Note		963,500	
Improvement Authorizations		<u>1,323,629</u>	
			<u>2,510,520</u>
Balance - June 30, 2009		\$	<u><u>983,873</u></u>

TOWN OF GUTTENBERG

Schedule of General Capital Fund Cash

General Capital Fund

June 30, 2009

Capital Improvement Fund	\$	112,284
Due From Federal and State Grant Fund		(24,280)
Grant Receivable		(355,000)
Due from Community Development Trust		(23,391)
Reserve for Payment of Debt, Ord. 23-2002		21,751

Improvement description

Jul. 12, 1993	Various improvements-sewer system	50
967	Acquisition of Recreation Vans	9,089
8-2001	Various Improvements	87
34-2001	Acquisition of Parking Meters	7,037
23-2002	Various Capital Improvements	7,841
01-2005	Pension Refunding	19,293
02-2005	Various Capital Improvements	31,350
18-2006	Various Capital Improvements	238,288
5-2008/15-2008	Various Capital Improvements	276,094
6-2008	Improvements to Waterfront Park	420,700
13-2008	Refunding Tax Appeals	188,419
14-2008	Improvements to 71st Street	54,261
		<u>983,873</u>
		\$ <u><u>983,873</u></u>

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future
Taxation - Funded

General Capital Fund

Year ended June 30, 2009

Balance - June 30, 2008		\$	4,400,561
Decreased by:			
Budget appropriations:			
Green Acres Loan	\$	27,814	
Municipal Bonds		<u>405,000</u>	
			<u>432,814</u>
Balance - June 30, 2009		\$	<u><u>3,967,747</u></u>

TOWN OF GUTTENBERG

Schedule of Deferred Charges to
Future Taxation - Unfunded

General Capital Fund

Year ended June 30, 2009

Ordinance number	Improvement description	Balance, June 30, 2008	2009 Authorizations	Decreased by:	Balance, June 30, 2009	Analysis of Balance - June 30, 2009		
						Funded by Bond Anticipation Notes	Expenditures	Unexpended improvement authorization
01-2005	Pension refunding	\$ 20,000			20,000			20,000
02-2005	Various Capital Improvements	458,000		17,000	441,000	441,000		
18-2006	Various Capital Improvements	522,500			522,500	522,500		
5-2008	Various Capital Improvements	370,500			370,500	370,500		
6-2008	Improvements to Waterfront Park	295,000			295,000	295,000		
13-2008	Refunding of Tax Appeals		600,000		600,000	600,000		
14-2008	Improvements to 71st Street		25,000		25,000	25,000		
		\$ 1,666,000	625,000	17,000	2,274,000	2,254,000		20,000
	Budget Appropriation			17,000				
	Improvement Authorizations - Unfunded \$							1,074,151
	Less: Unexpended note proceeds:							
	Ord. 2-2005							31,350
	Ord. 18-2006							238,288
	Ord. 5-2008							276,094
	Ord. 6-2008							295,000
	Ord. 13-2008							188,419
	Ord. 14-2008							25,000
								\$ 20,000

TOWN OF GUTTENBERG
Schedule of Encumbrances Payable
General Capital Fund
Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>1,592</u>
Cancelled	\$ <u><u>1,592</u></u>

Schedule of Due from Current Fund
General Capital Fund
Year ended June 30, 2009

Balance - June 30, 2008	\$ 407,102
Increased by:	
Cash Disbursement	<u>200,000</u>
	607,102
Decreased by:	
Cash Receipts	<u><u>\$ 607,102</u></u>

TOWN OF GUTTENBERG

Schedule of Due from Community Development Trust Fund

General Capital Fund

Year ended June 30, 2009

Increased by:	
Cash Disbursement	\$ <u>23,391</u>
Balance - June 30, 2009	\$ <u><u>23,391</u></u>

**Schedule of Grants Receivable - State of New Jersey
Department of Transportation**

General Capital Fund

Year ended June 30, 2009

Increased by:	
Grant Awards	\$ <u>200,000</u>
Balance - June 30, 2009	\$ <u><u>200,000</u></u>
	<u>Analysis of Balance</u>
Ord. 14-2008: Imps. To 71st. Street	\$ <u><u>200,000</u></u>

TOWN OF GUTTENBERG

**Schedule of Grants Receivable - State of New Jersey
Green Acres Program**

General Capital Fund

Year ended June 30, 2009

Balance - June 30, 2008 \$ 155,000

Balance - June 30, 2009 \$ 155,000

Analysis of Balance

Ord. 6-2008: Improvements to Waterfront Park \$ 155,000

TOWN OF GUTTENBERG

Schedule of Serial Bonds

General Capital Fund

Year ended June 30, 2009

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, June 30, 2008	Decreased	Balance, June 30, 2009
			Date	Amount				
General bonds	Apr. 1, 1991	3,437,000	April 1, 2010-12	175,000	6.85%	1,497,000	175,000	1,322,000
			April 1, 2013-15	200,000				
			April 1, 2016	197,000				
General Obligation Bonds	Feb. 1, 2003	2,230,000	Feb. 1, 2010	200,000	3.70%	1,830,000	190,000	1,640,000
			Feb. 1, 2011	210,000				
			Feb. 1, 2012	230,000				
			Feb. 1, 2013	235,000				
			Feb. 1, 2014	240,000				
			Feb. 1, 2015	245,000				
Feb. 1, 2016	280,000							
Pension Refunding Bonds	Apr. 1, 2005	755,000	April 1, 2010	50,000	5.83%	665,000	40,000	625,000
			April 1, 2011	55,000				
			April 1, 2012	65,000				
			April 1, 2013	70,000				
			April 1, 2014	80,000				
			April 1, 2015	90,000				
			April 1, 2016	100,000				
April 1, 2017	115,000							
						\$ 3,992,000	405,000	3,587,000

TOWN OF GUTTENBERG
Schedule of Capital Improvement Fund
General Capital Fund
Year ended June 30, 2009

Balance - June 30, 2008	\$ 62,284
Increased by:	
Budget Appropriation	<u>50,000</u>
Balance - June 30, 2009	<u><u>\$ 112,284</u></u>

Schedule of Reserve for Payment of Debt - Ord. 23-2002
General Capital Fund
Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>21,751</u>
Balance - June 30, 2009	<u><u>\$ 21,751</u></u>

TOWN OF GUTTENBERG

Schedule of Improvement Authorizations

General Capital Fund

Year ended June 30, 2009

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, June 30, 2008		Authorized	Expended	Balance, June 30, 2009	
				Funded	Unfunded			Funded	Unfunded
967	Various improvements-sewer system	Nov 2, 1988	\$ 2,200,000	\$ 50				\$ 50	
8-2001	Acquisition of Recreation Vans		70,000	9,089				9,089	
34-2001	Various Improvements			87				87	
23-2002	Acquisition of Parking Meters	Oct. 5, 2000	33,000	7,038		1		7,037	
02-2005	Various Capital Improvements	Nov. 14, 2002	750,000	7,841				7,841	
01-2005	Various Capital Improvements	Jan. 24, 2005	500,000		29,758		(1,592)		31,350
18-2006	Pension Refunding	Jan. 24, 2005	775,000	19,293	20,000			19,293	20,000
5-2008/15-2008	Various Capital Improvements	Dec. 11, 2006	550,000	19,500	296,390		58,102		238,288
6-2008	Various Capital Improvements	Mar. 24, 2008	390,000		370,500	540,000	653,906		276,094
13-2008	Improvements to Waterfront Park	Feb. 2, 2009	540,000	155,000	295,000		29,300	125,700	295,000
14-2008	Refunding of Tax Appeals	Mar. 24, 2008	450,000			600,000	411,581		188,419
	Improvements to 71st Street	Feb. 9, 2009	225,000			225,000	170,739	29,261	25,000
		Feb. 9, 2009	540,000						
				\$ 217,898	1,011,648	1,365,000	1,322,037	198,358	1,074,151

Deferred Charges Unfunded Grants \$ 1,365,000

Cash Disbursed 1,323,629
Encumbrances cancelled (1,592)
\$ 1,322,037

TOWN OF GUTTENBERG

**Schedule of Unappropriated Grant
Hudson County Open Space - Purchase of 300-302 68th St.**

General Capital Fund

Year ended June 30, 2009

Balance - June 30, 2008	\$ <u>540,000</u>
Decreased by:	
Appropriated to Ord. 5-08	\$ <u><u>540,000</u></u>

TOWN OF GUTTENBERG

Schedule of Green Acres Loans Payable

General Capital Fund

Year ended June 30, 2009

Purpose	Date of issue	Original issue	Maturities of Loans		Interest rate	Balance, June 30, 2008	Decreased	Balance, June 30, 2009
			Date	Amount				
Ball Field Project No. 0903-94-052	3/11/2005	475,200	7/11/2009	14,116	2.00%	\$ 408,561	27,814	380,747
			1/11/2010	14,257				
			7/11/2010	14,399				
			1/11/2011	14,543				
			7/11/2011	14,689				
			1/11/2012	14,836				
			7/11/2012	14,984				
			1/11/2013	15,134				
			7/11/2013	15,285				
			1/11/2014	15,438				
			7/11/2014	15,592				
			1/11/2015	15,748				
			7/11/2015	15,906				
			1/11/2016	16,065				
			7/11/2016	16,226				
			1/11/2017	16,388				
			7/11/2017	16,552				
			1/11/2018	16,717				
			7/11/2018	16,884				
			1/11/2019	17,053				
			7/11/2019	17,224				
		1/11/2020	17,396					
		7/11/2020	17,570					
		1/11/2021	17,746					
						\$ 408,561	27,814	380,747

TOWN OF GUTTENBERG

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended June 30, 2009

<u>Ord. Number</u>	<u>Purpose</u>	<u>Date of original issue</u>	<u>Original issue</u>	<u>Date of Maturity</u>	<u>Interest rate</u>	<u>Balance, June 30, 2008</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2009</u>
2-2005	Various Capital Improvements	Apr. 7, 2005	475,000	Mar. 23, 2010	2.99%	458,000	441,000	458,000	441,000
18-2006	Various Capital Improvements	Mar. 24, 2008	522,500	Mar. 23, 2010	2.99%	522,500	522,500	522,500	522,500
06-2008	Waterfront Park Improvements	Mar. 23, 2009	295,000	Mar. 23, 2010	2.99%		295,000		295,000
13-2008	Refunding Tax Appeals	Mar. 23, 2009	600,000	Mar. 23, 2010	2.99%		600,000		600,000
14-2008	Improvements to 71st Street	Mar. 23, 2009	25,000	Mar. 23, 2010	2.99%		25,000		25,000
5-2008/15-2008	Various Capital Improvements	Mar. 23, 2009	370,500	Mar. 23, 2010	2.99%		370,500		370,500
						\$ 980,500	2,254,000	980,500	2,254,000
						Cash	1,290,500		
						Renewed	963,500	963,500	
						Paid via Budget Appropriation		17,000	
							\$ 2,254,000	980,500	980,500

TOWN OF GUTTENBERG

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended June 30, 2009

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, June 30, 2008</u>	<u>Authorized</u>	<u>Issued</u>	<u>Balance, June 30, 2009</u>
01-2005	Pension Refunding	20,000			20,000
5-2008	Various Capital Improvements	370,500		370,500	
6-2008	Improvements to Waterfront Park	295,000		295,000	
13-2008	Refunding of Tax Appeals		600,000	600,000	
14-2008	Improvements to 71st Street		25,000	25,000	
		<u>\$ 685,500</u>	<u>625,000</u>	<u>1,290,500</u>	<u>20,000</u>
			Note Issued \$	<u>1,290,500</u>	

TOWN OF GUTTENBERG

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED JUNE 30, 2009

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited the financial statements-regulatory basis of the Town of Guttenberg in the County of Hudson as of and for the year ended June 30, 2009, and have issued our report thereon dated January 8, 2010. Our report disclosed that, as described in note 1 to the financial statements-regulatory basis, the Town of Guttenberg 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 of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Guttenberg'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-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Town of Guttenberg's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Guttenberg's internal control over financial reporting.

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



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

As noted in the accompanying Schedule of Findings and Questioned Costs, we consider the following to be significant deficiencies:

- Failure to maintain and update an inventory of general fixed assets

We did not consider the significant deficiency noted above to be a material weakness.

Compliance and Other Matters

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

We noted certain immaterial instances of noncompliance that we have reported to the management of the Town of Guttenberg in the accompanying comments and recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 8, 2010



**TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

Finding 2009-1:

Our audit revealed that the Town's existing inventory of general fixed assets has not been updated in a number of years.

Criteria or specific requirement:

State of New Jersey, Division of Local Government Services, Technical Accounting Directive 85-2, and New Jersey Administrative Code 5:30-5.6.

Condition:

Additions and deletions to the fixed asset inventory are not currently maintained in the accounting records of the General Fixed Assets Account Group.

Questioned Costs:

None

Context:

Financial activities relating to the acquisition and disposal of fixed assets is not currently maintained.

Effect:

Fixed assets that are acquired and/or disposed of are not reflected in the Town's financial records. The Independent Auditor's report on the financial statements is qualified with respect to the General Fixed Assets Account Group.

Recommendation:

It is recommended that a fixed asset inventory be performed and updated on a current basis.

TOWN OF GUTTENBERG

GENERAL COMMENTS

Contracts and Agreements Requiring Advertisement for Bid

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500 or \$25,000 if there is a certified purchasing agent, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500 on July 1, 2005, the bid threshold was increased to \$21,000 or \$29,000 if there is a certified purchasing agent.

The governing body has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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

Improvements to 71st Street

TOWN OF GUTTENBERG

GENERAL COMMENTS, (continued)

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

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

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 5, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,

THEREFORE, BE IT RESOLVED that Mayor and Council authorize an interest charge of 8% per annum, upon delinquent installments of taxes and assessments; and

BE IT FURTHER RESOLVED, that the Mayor and Council authorize an interest charge of 18% per annum upon delinquent installments of taxes in excess of \$1,500.00 and an additional penalty of 6% on delinquencies in excess of \$10,000.00 at the end of the calendar year and,

BE IT FURTHER RESOLVED, that the Mayor and Council provide a grace period of 10 days, within which an installment of taxes or assessment may be received without an additional charge of interest; and

BE IT FURTHER RESOLVED, that any installment received after the expiration of the grace period shall bear interest from the due date,

BE IT FURTHER RESOLVED, that the rate of interest to be charged upon tax liens is hereby set at 18% per annum, and a copy of this resolution is to be filed with the Tax Collector - Treasurer and the Tax Assessor of the Town of Guttenberg.

TOWN OF GUTTENBERG

GENERAL COMMENTS, (continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 24, 2009 and was complete.

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

The following comparison is made of the number of tax title liens receivable on June 30, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2009	0
2008	0
2007	0

TOWN OF GUTTENBERG

OTHER COMMENTS

FINANCE/TAX COLLECTOR

- 1.* Goods and services are being ordered prior to being encumbered as prescribed by Technical Directive #1.
- 2.* Informal quotes were not obtained for some purchases above 15% of the bid threshold as required by N.J.S.A. 40AL 11-6.1(a).
- 3.* Not all employee W-4 forms were available for review.
- 4.* Some vouchers were not available for review at time of audit.
- 5.* The Town does not validate tax stubs.
- 6.* The Town does not keep a fixed asset report detailing additions and deletions.
- 7.* The Town does not keep a compensated absences report detailing accruals and pay-outs.
- 8.* There were instances in which expenditures were charged to the incorrect budget account and/or capital ordinance.
- 9.* The Net payroll account has a reconciled balance in excess of that required to cover outstanding payroll due.
10. Vendor invoices were not always available to support expenditures as required by the Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
11. Not all authorizing signatures are present on all purchase orders as required by Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements and the Town's purchasing procedures.
12. Not all bill lists are being presented to Mayor and Council for approval.
13. Bank reconciliations are not performed for both the Tax Collector and Redemption accounts.
14. Cash tax collections are not proved to the collections per the tax system on a monthly basis and are not in agreement at year end.
15. Not all tax stubs were made available for audit review.
16. Daily deposits were not always in agreement with daily receipt journals as required by Division of Local Government Services, Requirements of Audit for Revenue and Receipts.
17. Deposits are not always made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.
18. The Unemployment Trust Fund is not being properly utilized as prescribed by N.J.S.A. 40A.
19. There was an instance in which an employee who was eligible to be enrolled in the Public Employees Retirement System was not enrolled.
20. There was an instance in which a terminated employee was not removed from the health benefits policy for several months.
21. There are various old grant receivables in the Federal and State Grant Fund and Community Development Block Grant Trust Fund.

TOWN OF GUTTENBERG

OTHER COMMENTS, (continued)

FINANCE/TAX COLLECTOR (continued),

22. There exists a substantial amount of appropriated grant reserves available for expenditure.
23. Grant agreements pertaining to various projects were not made available for audit review.
24. Interfunds anticipated as revenue in the FY09 Budget were not paid over from their respective funds.
25. There were instances in which duplicate payments were made on the same invoice.
26. 1099's were not issued for the proper amounts and in some instances were not issued to vendors that were paid in excess of \$600.
27. Documentation to support tax adjustments made for county board judgments was not available for audit review.

MUNICIPAL COURT

- 1.* The analysis of open bail per the ATS/ACS reports is not in agreement with the reconciled cash balance in the bail account at June 30, 2009.
- 2.* Some disbursement checks are lacking two authorizing signatures.
- 3.* Stale-dated checks are being carried as part of the reconciliation.
- 4.* A review of the Court's ATS/ACS Monthly Management Report revealed the following:
 - a.) Tickets eligible for dismissal: 259
 - b.) Tickets assigned over 180 days: 419
 - c.) Complaints eligible for warrant: 90
 - d.) Tickets issued monthly, but not assigned: 1127
5. Deposits are not always made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.
6. Checks were not issued prior to the 15th of the subsequent month of receipt.
7. Municipal Court Personnel opened a new bank account for POAA monies without authorization of Mayor and Council.

TOWN OF GUTTENBERG

OTHER COMMENTS, (continued)

DEPARTMENTS

Building Department:

- 1.* Payments made for DCA fees are not being processed through the accounts payable department and thus are not approved prior to payment.
- 2.* Deposits are not always made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.
- 3.* Reconciliations are not being performed for the Building Department's bank account.

Animal License Clerk:

- 4.* Dog license reports are not being filed accurately on a quarterly basis as agreed upon with the State of New Jersey.
- 5.* The Dog clerk does not turn over funds collected in a timely manner.

Clerk:

- 6.* Fees collected are not being turned over to the Treasurer in a timely manner.
7. Not all bid documents were available for review.
8. Not all minutes of Mayor and Council Meetings are being signed by the Clerk.
9. Formal minutes of Mayor and Council meetings were not prepared for the time period of October 2008 to March of 2009.
10. Additional revenues and appropriations approved per N.J.S.A. 40A:4-87 were not submitted to the Division of Local Government Services.

TOWN OF GUTTENBERG

RECOMMENDATIONS

FINANCE/TAX COLLECTOR

- 1.* That all goods and services be encumbered against the budget prior to purchase.
- 2.* That quotes be obtained for all purchases above the state mandated threshold.
- 3.* All employee W-4 forms should be made available for audit review.
- 4.* That all vouchers be made available for review at time of audit.
- 5.* The Town validate its' tax stubs upon receipt of payment.
- 6.* A fixed asset report detailing additions and deletions be compiled and maintained.
- 7.* A compensated absences report detailing accruals and pay-outs be calculated on a yearly basis.
- 8.* All expenditures be reviewed carefully to ensure the appropriate budget accounts and/or capital ordinances are charged.
- 9.* The excess reconciled cash balance in the Net payroll account should be investigated for disposition.
10. That supporting documentation for all purchases be made available for audit review.
11. That all authorizing signatures are present on all purchase orders.
12. That all bill lists be presented to the Mayor and Council for approval.
13. Bank reconciliations should be performed on all bank accounts maintained by the Tax Collector.
14. Monthly tax proofs be performed to ensure cash collections are in agreement with those posted to the system.
15. That all tax stubs be made available for audit review.
16. That more care be taken when reviewing the daily revenue journal and the daily deposit to ensure both agree and any discrepancies be resolved.
17. All deposits be made within 48 hours of receipt.
18. The employee share of unemployment deductions and budget appropriations be properly deposited in the established Unemployment Trust Fund and all claims received be paid from the same account.
19. That more care be taken to ensure all employees eligible to be in the Public Employees Retirement System are properly enrolled.
20. That more care be taken to ensure that all terminated employees are properly removed from the health benefits plan.
21. The various old grant receivables in the Federal and State Grant Fund and the Community Development Block Grant Trust Fund should be investigated to see if collection is possible and cancelled if necessary.
22. That greater effort be made to charge allowable grant expenditures to applicable appropriated grant reserves.
- 23.. All grant agreements requested be made available for audit review.
24. Greater effort be made to liquidate all interfunds prior to year-end.

TOWN OF GUTTENBERG

RECOMMENDATIONS, (continued)

FINANCE/TAX COLLECTOR (continued),

25. Invoices be reviewed carefully prior to payment to ensure correct month is being paid.
26. 1099's be issued to those vendors that were compensated in excess of \$600 and greater care be exercised in the preparation of 1099's to ensure the correct amount of compensation paid is reported.
27. Approved county board judgments be made available for review to ensure proper tax adjustments were made.

MUNICIPAL COURT

- 1.* The Bail on account per ATS/ACS must be reconciled to the Bail Account cash on a monthly basis.
- 2.* It is recommended that all disbursement checks have at least two authorized signatures.
- 3.* That all stale-dated checks be properly cancelled and removed as reconciling items
- 4.* The Court review the Monthly Management reports and take steps to reduce the number of tickets eligible for dismissal, assigned over 180 days, issued monthly, but not assigned and complaints eligible for warrant.
5. All deposits be made within 48 hours of receipt.
6. All checks be issued to the proper agencies by the 15th of the subsequent month of receipt.
7. That court personnel obtain Mayor and Council authorization prior to opening a new bank account.

DEPARTMENTS

Building Department:

- 1.* A voucher system be utilized by the Building Department for all disbursements.
- 2.* That all deposits be made within 48 hours of receipt..
- 3.* A bank reconciliation be performed on a monthly basis.

TOWN OF GUTTENBERG

RECOMMENDATIONS, (continued)

Animal License Clerk:

- 4.* Dog license reports be filed with the State of New Jersey on a monthly or quarterly basis.
- 5.* All fees collected by the Dog Clerk be turned over to the Treasurer in a timely manner.

Clerk:

- 6.* Fees collected be remitted to the Treasure on a monthly basis.
7. That all bid documents be maintained by the Town and made available for audit review.
8. All minutes of Mayor and Council meetings be signed for approval by the Town Clerk.
9. That formal minutes be prepared in a timely manner.
10. Any additional revenues and appropriations approved by the Mayor and Council after budget adoption be submitted to the Division of Local Government Services as required.

TOWN OF GUTTENBERG

Status of Prior Year Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an “*”.

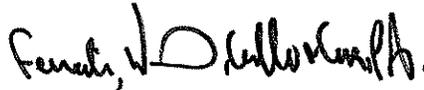
Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 8, 2010