

**BOROUGH OF HILLSDALE  
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

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

BOROUGH OF HILLSDALE  
BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Borough Council  
Borough of Hillsdale, New Jersey

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

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

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

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

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-regulatory basis of the various funds of the Borough as of December 31, 2009 and 2008, and the results of its operations and changes in fund balance of such funds-regulatory basis for the years then ended, and the revenues-regulatory basis and expenditures-regulatory basis of the various funds for the year ended December 31, 2009 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated April 19, 2010 on our consideration of the Borough'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 read in conjunction with this report in considered the results of our audit.

Our audit was conduct for the purpose of forming an opinion on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance programs are presented for the purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the financial statements. In addition, the supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds taken as a whole.

*Paul C. Garbarini*

Paul C. Garbarini, CPA  
Registered Municipal Accountant  
No. 120

*Garbarini & Co.*

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

April 19, 2010  
Carlstadt, New Jersey

BOROUGH OF HILLSDALE  
CURRENT FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
- REGULATORY BASIS**

A

	Reference	<u>At December 31:</u>	
		<u>2009</u>	<u>2008</u>
<b>ASSETS</b>			
Current Assets:			
Cash	A-4	\$ 3,776,733.74	\$ 4,115,850.30
Change Fund	A-5	250.00	250.00
Other Accounts Receivable	A-7	164,538.00	337,038.00
		3,941,521.74	4,453,138.30
Due from State:			
Senior Citizen and Veterans' deductions	A-6		1,331.96
Receivable and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	361,879.80	314,113.25
Tax Title Liens Receivable	A-9	31,019.52	29,840.29
Property Acquired for Taxes - Assessed Valuations	A-10	726,900.00	655,700.00
Revenue Accounts Receivable	A-11	18,617.64	21,524.70
Interfunds Receivable			
Assessment Trust Fund	A-23	9,428.41	199.72
Trust Fund	A-23	20,964.01	18,729.43
General Capital Fund	A-23	93,384.89	23,605.26
	Contra	1,262,194.27	1,063,712.65
Deferred Charges :			
Special Emergency Authorizations NJSA 40A:4-53	A-12		51,000.00
Emergency Authorizations	A-13		98,200.00
		5,203,716.01	5,667,382.91
Federal and State Grant Fund:			
Cash	A-4	3,030.30	3,020.59
Due from Current Fund	A-25	144,959.41	63,687.40
Grants Receivable	A-26	24,389.56	99,136.55
		172,379.27	165,844.54
<b>TOTAL ASSETS</b>		<b>\$ 5,376,095.28</b>	<b>\$ 5,833,227.45</b>

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
- REGULATORY BASIS  
(CONTINUED)**

A

	Reference	<u>At December 31:</u>	
		<u>2009</u>	<u>2008</u>
<b>LIABILITIES, RESERVES AND FUND BALANCES</b>			
Liabilities:			
Appropriation Reserves	A-3,14	\$ 426,321.40	\$ 403,461.63
Encumbrances Payable	A-15	58,111.33	209,412.43
Local School District Taxes Payable	A-16	499.98	499.98
Regional High School Taxes Payable	A-17	1,244,021.02	2,369,438.11
County Taxes Payable	A-18	5,114.67	
Due to State: Senior Citizen and Veterans' Deductions	A-6	250.00	
Tax Overpayments	A-19	27,512.45	94,758.11
Prepaid Taxes	A-20	260,073.60	192,178.43
State Fees Payable			
Marriage License/ Domestic Partnership	A-21	175.00	125.00
DCA Fees	A-22	1,931.00	1,101.00
Interfund Payable:			
Recreation Trust Fund	A-23	19,814.88	19,814.88
Federal and State Grant Fund	A-25	144,959.41	63,687.40
Prepaid 2010 Reimbursements	A-4	11,085.40	
Reserve for:			
Various Reserves	A-24	106,178.04	243,501.02
		<u>2,306,048.18</u>	<u>3,597,977.99</u>
Reserve for Receivable and Other Assets	Contra	1,262,194.27	1,063,712.65
Fund Balance	A-1	<u>1,635,473.56</u>	<u>1,005,692.27</u>
		<u>5,203,716.01</u>	<u>5,667,382.91</u>
Federal and State Grant Fund :			
Appropriated Reserve for Grants	A-27	156,826.44	133,998.12
Unappropriated Reserves	A-28	15,552.83	31,846.42
		<u>172,379.27</u>	<u>165,844.54</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u>\$ 5,376,095.28</u>	<u>\$ 5,833,227.45</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

A-1

		For the Years Ended December 31,	
	Reference	2009	2008
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 790,000.00	\$ 700,000.00
Miscellaneous Revenue Anticipated	A-2	2,892,394.06	3,361,921.92
Receipts from Delinquent Taxes	A-2	318,041.39	309,036.57
Receipts from Current Taxes	A-2	37,622,821.39	36,496,754.59
Non-Budget Revenues	A-2	22,820.61	53,800.85
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	203,705.20	247,892.63
Deferred Regional High School Taxes	A-17	1,244,021.00	
Unexpended Balance of Appropriations	A-3	212.31	
County Open Space Taxes Payable Canceled			115.89
Senior & Veteran's Deductions Adjustment	A-6	1,918.04	
Canceled Tax Overpayments	A-19	8,714.13	
Total Revenues and Other Income		43,104,648.13	41,169,522.45
Expenditures:			
Budget and Emergency Appropriations			
Operations:			
Salaries and Wages	A-3	4,434,847.00	4,300,645.00
Other Expenses	A-3	5,661,239.02	6,671,199.36
Capital Improvements	A-3	50,000.00	0.00
Municipal Debt Service	A-3	502,462.00	509,608.76
Deferred Charges and Statutory Expenditures - Municipal	A-3	907,300.00	272,114.88
County Taxes including Added Taxes	A-18	3,955,555.96	3,677,625.96
Local District School Taxes	A-16	16,938,702.00	16,288,031.00
Regional High School Taxes	A-17	9,133,015.19	8,895,807.39
Local Open Space Taxes			196,756.43
Interfund Advanced		73,837.90	23,523.57
Tax Appeals	A-19	27,907.77	42,491.63
Prior Year Senior Citizens' and Veterans' Deductions Disallowed			3,505.03
Total Expenditures		41,684,866.84	40,881,309.01
Excess/(Deficit) in Revenue		1,419,781.29	288,213.44
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred			
Charges to Budget of Succeeding Year			98,200.00
Statutory Excess to Fund Balance		1,419,781.29	386,413.44
Fund Balance January 1	A	1,005,692.27	1,319,278.83
		2,425,473.56	1,705,692.27
Decreased by:			
Fund Balance Utilizes as Budget Revenue	A-2	790,000.00	700,000.00
Fund Balance December 31	A	\$ 1,635,473.56	\$ 1,005,692.27

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

STATEMENT OF REVENUES

A-2

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$790,000.00	\$790,000.00	\$0.00
Miscellaneous Revenues:				
Licenses				
Alcoholic Beverages		18,000.00	17,500.00	(500.00)
Other		16,400.00	15,016.00	(1,384.00)
Fees and Permits		75,500.00	72,829.33	(2,670.67)
Fines and Costs - Municipal Court		99,900.00	85,607.77	(14,292.23)
Interest and Costs on Taxes		61,297.00	75,043.01	13,746.01
Parking Meters		63,399.00	59,526.04	(3,872.96)
Interest on Investments and Deposits		86,608.00	19,420.92	(67,187.08)
Anticipated Utility Operating Surplus		175,000.00	175,000.00	0.00
Sewer Agreement Revenue		20,600.00	1,230.38	(19,369.62)
Payments in Lieu of Taxes- Senior Housing		48,832.00	43,832.45	(4,999.55)
Communication Tower and Cable		206,600.00	236,177.08	29,577.08
Consolidated Municipal Property Tax Relief Act		99,317.00	99,317.00	0.00
Energy Receipts Tax		1,384,114.00	1,384,114.00	0.00
Water Shed Aid		2,303.00	2,303.00	0.00
Uniform Construction Code Fees		164,802.00	183,081.00	18,279.00
Pistol Range Rental - River Vale		4,000.00	4,000.00	0.00
River Vale Daycare		15,000.00	15,000.00	0.00
Public and Private Revenues:				
Body Armor Grant		4,862.24	4,862.24	0.00
Clean Communities		15,947.46	15,947.46	0.00
N.J. Transportation Trust Fund Authority Act		200,000.00	200,000.00	0.00
Grant Reserves:				
Clean Communities		21,794.47	21,794.47	0.00
Drunk Driving Enforcement Fund		7,113.53	7,113.53	0.00
GDL Enforcement & Education Grant		543.22	543.22	0.00
Alcohol Education & Rehabilitation Grant		728.42	728.42	0.00
Body Armor Replacement Grant		1,666.68	1,666.68	0.00
Special Items of Revenue Anticipated with Prior Written Consent of the Director of Local Government Services:				
Uniform Fire Safety Act		8,000.00	9,103.90	1,103.90
Recycling Revenue		80,000.00	54,305.16	(25,694.84)
Municipal Open Space Reserve		31,831.00	31,831.00	0.00
Meadowbrook School Paving Reimbursements		15,500.00	15,500.00	0.00
Hillsdale BOE - Cops in School		5,000.00	5,000.00	0.00
Pascack Valley Regional High School		35,000.00	35,000.00	0.00
Total Miscellaneous Revenues	A-1	2,969,659.02	2,892,394.06	(77,264.96)

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF REVENUES  
(CONTINUED)**

A-2

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Receipts from Delinquent Taxes	A-1, Next Pg.	<u>303,000.00</u>	<u>318,041.39</u>	<u>15,041.39</u>
Subtotal General Revenues		4,062,659.02	4,000,435.45	(62,223.57)
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	Next Pg.	<u>7,948,689.00</u>	<u>8,051,048.24</u>	<u>102,359.24</u>
Total General Revenues - Adopted	A-3	<u><u>\$12,011,348.02</u></u>	12,051,483.69	<u><u>\$40,135.67</u></u>
Non-Budget Revenues	A-1, Next Pg.		<u>22,820.61</u>	
			<u><u>\$12,074,304.30</u></u>	

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF REVENUES  
(CONTINUED)**

A-2

	<u>Reference</u>	<u>2009</u>
Analysis of Realized Revenues		
Allocation of Current Tax Collections		
Revenue from Collections	A-1	\$ 37,622,821.39
Allocated to School and County Taxes	A-8	30,027,273.15
		7,595,548.24
Balance for Support of Municipal Appropriations		7,595,548.24
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	455,500.00
Amount for Support of Municipal Budget Appropriations	Previous Pg.	\$ 8,051,048.24
Receipts from Delinquent Taxes		
Prior Year Taxes	Previous Pg.	\$ 318,041.39
Analysis of Miscellaneous Revenues		
Cash Received - Treasurer	A-4	\$ 2,604,443.13
Grant Receivable - Grant Fund	A-26	4,862.24
Grants - Reserve Transfer	A-28	31,846.32
Canceled- Rivervale Daycare	A-3	15,000.00
Municipal Open Space Reserve- Debt Service	A-3	31,831.00
Interest Income Other Funds		4,401.66
Interest Income Grant Fund	A-25	9.71
Grants Receivable- Transportation Grant Due to Capital	A-3	200,000.00
		\$ 2,892,394.06
<b>Analysis of Non-Budget Revenues</b>		
Miscellaneous Revenues Not Anticipated:		
Host Community Fees		\$ 2,370.37
Motor Vehicle Inspections		723.00
County Snow Plowing Reimbursement 2008		7,440.00
BCUA Sewage Reimbursement		207.45
Reimbursement Bergen County Prosecutor's Office		5,152.20
Solicitor Forfeit		475.00
Miscellaneous Refunds/Reimbursements		1,993.07
Film Permit		1,800.00
Prior Year Voided Checks		74.50
Bank Adjustment		0.02
Senior & Vets 2% Administrative Fees		2,585.00
		\$ 22,820.61
A-4, Previous Pg.		

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF EXPENDITURES**

A-3

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS		EXPENDED			Over- Expenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>	
GENERAL GOVERNMENT:						
Mayor and Council						
Salaries and Wages	\$ 44,100.00	\$ 44,100.00	\$ 44,013.98	\$ 86.02	\$ -	\$ -
Other Expenses	8,300.00	8,300.00	6,321.34	1,978.66	-	-
Administrative and Executive						
Salaries and Wages	175,655.00	174,555.00	171,642.69	2,912.31	-	-
Other Expenses					-	-
Public Information	22,000.00	12,000.00	7,625.33	4,374.67		
Miscellaneous	40,250.00	35,450.00	34,426.39	1,023.61		
Financial Administration						
Salaries and Wages	108,954.00	106,954.00	106,218.97	735.03	-	-
Other Expenses	36,000.00	36,000.00	35,028.21	971.79	-	-
Auditing and Accounting Services	27,000.00	48,500.00	37,854.00	10,646.00	-	-
Collection of Taxes						
Salaries and Wages	45,465.00	45,465.00	39,489.34	5,975.66	-	-
Other Expenses	9,600.00	9,100.00	7,742.43	1,357.57	-	-
Assessment of Taxes						
Salaries and Wages	30,073.00	31,873.00	31,849.81	23.19	-	-
Other Expenses	7,700.00	7,400.00	7,189.16	210.84	-	-
Clerk's Office						
Salaries and Wages	70,114.00	70,114.00	69,361.00	753.00		
Other Expenses	25,250.00	29,450.00	28,803.02	646.98		
Legal & Engineering						
Other Expenses	112,000.00	120,100.00	118,289.58	1,810.42	-	-
Train Station						
Salaries and Wages	16,000.00	15,600.00	15,569.75	30.25		
Other Expenses	11,300.00	11,300.00	9,851.10	1,448.90		

(Continued Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF EXPENDITURES**

A-3

OPERATIONS - WITHIN "CAPS" (CONT'D)	APPROPRIATIONS		EXPENDED			Over- Expenditure
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	
MUNICIPAL LAND USE:						
Planning Board						
Other Expenses	\$ 40,380.00	\$ 33,880.00	\$ 32,900.26	\$ 979.74	\$ -	\$ -
Building and Grounds						
Salaries and Wages	40,384.00	49,884.00	49,422.05	461.95	-	-
Other Expenses	35,000.00	30,000.00	29,434.13	565.87	-	-
Environmental Commission						
Other Expenses	1,450.00	1,450.00	1,309.10	140.90		
Municipal Court						
Salaries and Wages	88,048.00	88,048.00	83,737.32	4,310.68		
Other Expenses	33,000.00	28,000.00	27,120.70	879.30		
Public Defender						
Salaries and Wages	4,088.00	4,088.00	3,922.00	166.00		
Insurance						
Unemployment Compensation	11,500.00	13,500.00	12,449.97	1,050.03		
PUBLIC SAFETY:						
Police						
Salaries and Wages	2,627,291.00	2,696,291.00	2,687,724.38	8,566.62	-	-
Other Expenses	117,450.00	99,450.00	96,743.20	2,706.80	-	-
Emergency Management						
Salaries and Wages	1,500.00	1,500.00	1,500.00	-		
Other Expenses	4,650.00	2,650.00	1,753.22	896.78	-	-
First Aid Organization - Other Expenses	32,000.00	31,000.00	30,447.48	552.52	-	-
Fire						
Salaries and Wages	22,995.00	22,995.00	22,586.80	408.20		
Other Expenses	75,025.00	78,225.00	78,154.01	70.99	-	-
Fire Prevention						
Salaries and Wages	37,000.00	35,000.00	32,859.83	2,140.17	-	-
Other Expenses	8,700.00	8,700.00	7,578.61	1,121.39	-	-

(Continued Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF EXPENDITURES**

A-3

	APPROPRIATIONS		EXPENDED			Over- Expenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
STREETS AND ROADS:						
Road Repair and Maintenance						
Salaries and Wages	512,899.00	502,899.00	497,066.87	5,832.13	-	-
Other Expenses	120,500.00	165,900.00	165,397.54	502.46	-	-
SANITATION:						
Garbage and Trash Removal						
Salaries and Wages	15,000.00	15,500.00	14,981.80	518.20	-	-
Other Expenses	710,000.00	696,000.00	695,077.33	922.67	-	-
Recycling						
Other Expenses	109,000.00	137,000.00	136,353.50	646.50		
Insurance						
General Liability Premiums	173,500.00	201,500.00	139,894.15	61,605.85		
Group Insurance Plan for Employees	1,098,000.00	1,018,000.00	1,004,899.60	13,100.40		
Workers Compensation	168,000.00	138,000.00	91,773.74	46,226.26		
HEALTH AND WELFARE:						
Board of Health						
Salaries and Wages	82,000.00	83,300.00	83,241.04	58.96	-	-
Other Expenses	55,000.00	56,100.00	56,058.19	41.81	-	-
Animal Control Services						
Other Expenses	5,000.00	5,000.00	5,000.00	-	-	-

(Continued Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF EXPENDITURES**

**A-3**

	APPROPRIATIONS		EXPENDED			Over- Expenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>	
<b>OPERATIONS - WITHIN "CAPS" (CONT'D)</b>						
Administration of Public Assistance						
Salaries and Wages	\$ 13,662.00	\$ 13,662.00	\$ 13,566.00	\$ 96.00	\$ -	\$ -
Other Expenses	6,500.00	-	-	-	-	-
<b>PARKS AND RECREATION:</b>						
Recreation Commission						
Salaries and Wages	55,573.00	42,073.00	38,927.00	3,146.00	-	-
Other Expenses	52,000.00	44,000.00	43,273.77	726.23	-	-
Senior Citizens Committee						
Salaries and Wages	24,000.00	23,500.00	23,099.32	400.68		
Other Expenses	29,000.00	22,000.00	21,679.14	320.86		
Parks and Playgrounds						
Salaries and Wages	124,138.00	130,638.00	127,703.17	2,934.83		
Other Expenses	75,500.00	66,000.00	65,932.03	67.97		
Celebration of Public Events						
Other Expenses	10,000.00	10,000.00	9,980.14	19.86		
<b>UNIFORM CONSTRUCTION CODE:</b>						
Construction Code Official						
Salaries and Wages	155,000.00	165,600.00	165,493.51	106.49	-	-
Other Expenses	22,000.00	23,500.00	23,383.95	116.05	-	-
Telephone	4,600.00	4,600.00	294.12	4,305.88		
Gasoline	6,100.00	6,100.00	3,444.26	2,655.74		
Vehicle Maintenance	800.00	800.00	289.87	510.13		
Insurance:						
Employee	43,800.00	39,800.00	34,147.94	5,652.06		
Workers Compensation	1,700.00	1,700.00		1,700.00		
Liability	1,700.00	1,700.00		1,700.00		

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See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF EXPENDITURES**

A-3

	APPROPRIATIONS		EXPENDED			Over- Expenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
UNCLASSIFIED:						
Gas and Electricity	\$ 258,000.00	\$ 258,000.00	\$ 247,407.23	\$ 10,592.77	\$ -	\$ -
Street Lighting				-	-	-
Telephone and Telegraph	56,000.00	56,000.00	45,856.58	10,143.42	-	-
Water	158,000.00	154,000.00	125,229.79	28,770.21	-	-
Gas	80,000.00	79,000.00	50,029.77	28,970.23	-	-
Vehicle Maintenance						
Other Expenses	55,000.00	62,000.00	58,304.96	3,695.04	-	-
Blood Born Pathogens	1,000.00	1,900.00	1,153.57	746.43	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OPERATIONS WITHIN "CAPS"	\$ 8,253,194.00	\$ 8,256,694.00	\$ 7,959,859.04	\$ 296,834.96	\$ -	\$ -
Detail:						
Salaries and Wages	4,293,939.00	4,363,639.00	4,323,976.63	39,662.37	-	-
Other Expenses (Including Contingent)	3,959,255.00	3,893,055.00	3,635,882.41	257,172.59	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEFERRED CHARGES						
STATUTORY EXPENDITURES:						
Social Security System (O.A.S.I.)	170,062.00	165,562.00	163,949.52	1,612.48	-	-
Public Employees' Retirement System	169,229.00	169,229.00	169,229.00	-	-	-
Police and Firemen's Retirement System of N.J.	423,309.00	423,309.00	423,309.00	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	762,600.00	758,100.00	756,487.52	1,612.48	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	9,015,794.00	9,014,794.00	8,716,346.56	298,447.44	-	-
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(Continued Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF EXPENDITURES**

A-3

	APPROPRIATIONS		EXPENDED			Over- Expenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>	
OPERATIONS - EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library With State Aid (P.L. 1985, Chap. 82&541)	\$ 683,528.00	\$ 683,528.00	\$ 639,007.33	\$ 44,520.67	\$ -	\$ -
Emergency Services Volunteer Length of Services Award (P.L. 1997, c.388)	74,000.00	74,000.00	-	74,000.00	-	-
Bergen County Utilities Authority Service Charges - Contractual	735,000.00	732,000.00	727,708.39	4,291.61	-	-
Stormwater Regs. NJS A 40A:4-45.3(cc)						
Salaries and Wages	67,208.00	71,208.00	70,146.32	1,061.68		
Other Expenses	7,000.00	7,000.00	7,000.00	-	-	-
<b>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</b>	<u>\$ 1,566,736.00</u>	<u>\$ 1,567,736.00</u>	<u>\$ 1,443,862.04</u>	<u>\$ 123,873.96</u>	<u>\$ -</u>	<u>\$ -</u>
Interlocal Municipal Service Agreements:						
Pistol Range Rental - River Vale	4,000.00	4,000.00	-	4,000.00		
River Vale Daycare	15,000.00	15,000.00	15,000.00	-		
<b>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>	<u>\$ 19,000.00</u>	<u>\$ 19,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 4,000.00</u>	<u>\$ -</u>	

(Continued Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF EXPENDITURES**

A-3

	APPROPRIATIONS		EXPENDED			Over- Expenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>	
OPERATIONS - EXCLUDED FROM "CAPS"						
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
Grant Reserves						
Alcohol Education and Rehabilitation	\$ 728.42	\$ 728.42	\$ 728.42	\$ -	\$ -	\$ -
Stormwater				-		
Body Armor	1,666.68	1,666.68	1,666.68	-	-	-
GDL Enforcement	543.22	543.22	543.22	-		
Clean Communities	21,794.47	21,794.47	21,794.47	-		
Drunk Driving Enforcement Fund	7,113.53	7,113.53	7,113.53	-	-	-
Body Armor Replacement Funds	4,862.24	4,862.24	4,862.24	-		
Clean Communities	15,947.46	15,947.46	15,947.46	-	-	-
Department of Transportation Grant	200,000.00	200,000.00	200,000.00	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Public and Private Programs Offset by Revenues	252,656.02	252,656.02	252,656.02	-	-	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	<u>\$ 1,838,392.02</u>	<u>\$ 1,839,392.02</u>	<u>\$ 1,711,518.06</u>	<u>\$ 127,873.96</u>	<u>\$ -</u>	<u>\$ -</u>
Detail:						
Salaries and Wages	67,208.00	71,208.00	70,146.32	1,061.68	-	-
Other Expenses	1,771,184.02	1,768,184.02	1,641,371.74	126,812.28	-	-

(Continued Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

STATEMENT OF EXPENDITURES

A-3

	APPROPRIATIONS		EXPENDED			Over- Expenditure
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes	410,581.00	410,581.00	410,581.00	-	-	-
Interest on Notes	91,881.00	91,881.00	91,668.69		212.31	-
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>\$ 502,462.00</u>	<u>\$ 502,462.00</u>	<u>\$ 502,249.69</u>	<u>\$ -</u>	<u>\$ 212.31</u>	<u>\$ -</u>
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Emergency Authorizations	98,200.00	98,200.00	98,200.00	-		-
Special Emergency Authorizations - 5 years	51,000.00	51,000.00	51,000.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE-EXCLUDED FROM "CAPS"	<u>2,540,054.02</u>	<u>2,541,054.02</u>	<u>2,412,967.75</u>	<u>127,873.96</u>	<u>212.31</u>	<u>-</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>11,555,848.02</u>	<u>11,555,848.02</u>	<u>11,129,314.31</u>	<u>426,321.40</u>	<u>212.31</u>	<u>-</u>
Reserve for Uncollected Taxes	<u>455,500.00</u>	<u>455,500.00</u>	<u>455,500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 12,011,348.02</u>	<u>\$ 12,011,348.02</u>	<u>\$ 11,584,814.31</u>	<u>\$ 426,321.40</u>	<u>\$ 212.31</u>	<u>\$ -</u>
Reference	A-2	A-2	Below	A	A-1	

Reference	Reference	
Cash Disbursements	A-4	\$ 10,797,559.53
Due to Grant Fund	A-27	52,656.02
Reserve for Uncollected Taxes	A-2	455,500.00
Budget Offsets	A-4	(175,043.57)
Encumbrance Payable	A-15	58,111.33
Due to Capital Fund- Transportation Grant Magnolia	A-2	200,000.00
Deferred Charges	A-12	51,000.00
Cancel Due From Rivervale	A-2	15,000.00
Deferred Charges	A-13	98,200.00
Open Space Debt Service	A-2	31,831.00
	Above	<u>\$ 11,584,814.31</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
TRUST FUNDS  
AT DECEMBER 31, 2009 AND 2008

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
- REGULATORY BASIS**

		At December 31,	
<u>Reference</u>	<u>2009</u>	<u>2008</u>	<b>B</b>
<b><u>ASSETS</u></b>			
Animal License Fund:			
Cash and Cash Equivalents	B-1	\$ 12,077.17	\$ 14,283.55
		<u>12,077.17</u>	<u>14,283.55</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	774,230.55	695,545.85
Recreation Trust Fund			
Cash and Cash Equivalents	B-1	101,790.30	82,390.93
Due from Current Fund	B-5	19,814.88	19,814.88
		<u>121,605.18</u>	<u>102,205.81</u>
Assessment Fund			
Cash	B-1	30,588.19	21,467.90
Assessment Receivable	B-9	37,060.22	44,356.82
		<u>67,648.41</u>	<u>65,824.72</u>
<b>TOTAL ASSETS</b>		<u>\$ 975,561.31</u>	<u>\$ 877,859.93</u>
 <b><u>LIABILITIES AND RESERVES</u></b>			
Animal Control Fund:			
Due to NJ Department of Health	B-4	\$ 127.40	\$ 705.20
Prepaid Animal Licenses	B-3		4,484.80
Reserve for Animal License Fund Expenditures	B-2	11,949.77	9,093.55
		<u>12,077.17</u>	<u>14,283.55</u>
Other Trust Fund:			
Due to Current Fund	B-5	20,964.01	18,729.43
Reserve for:			
Other Trust Deposits	B-6	499,543.22	343,407.27
Medical Benefits	B-11	7,904.38	
Escrow Deposits	B-7	245,818.94	333,409.15
Total Other Trust Fund		<u>774,230.55</u>	<u>695,545.85</u>
Recreation Trust Fund:			
Due to Capital Fund	C,B-5	23,610.00	
Reserve for Recreation Expenditures	B-8	97,995.18	102,205.81
		<u>121,605.18</u>	<u>102,205.81</u>
Assessment Fund			
Bond Anticipation Notes	B-10	58,220.00	65,625.00
Due to Current Fund	B-5	9,428.41	199.72
		<u>67,648.41</u>	<u>65,824.72</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u>\$ 975,561.31</u>	<u>\$ 877,859.93</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

C

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
- REGULATORY BASIS**

<b>ASSETS</b>	<u>Reference</u>	<u>At December 31:</u>	
		<u>2009</u>	<u>2008</u>
Cash	C-1,2	\$ 311,933.01	\$ 582,500.49
Grants Receivable	C-15	490,621.00	
Due from Recreation Trust Fund	B	23,610.00	
Deferred Charges to Future Taxation Unfunded	C-3	<u>5,460,688.51</u>	<u>5,149,231.51</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 6,286,852.52</u></u>	<u><u>\$ 5,731,732.00</u></u>
 <b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
Bond Anticipation Notes	C-4	\$ 4,617,569.00	\$ 5,096,112.00
Improvement Authorizations Unfunded	C-5	893,323.08	289,145.37
Reserve for Grants Receivable	C-15	479,271.00	
Due to Current Fund	C-10	93,384.89	23,605.26
Reserve for Capital Improvements	C-6	57,098.28	28,071.99
Capital Improvement Fund	C-7	1,142.95	20.95
Encumbrances Payable	C-8	26,556.20	69,116.30
Down Payments on Improvements	C-9	3,000.00	3,000.00
Reserve for Municipal Open Space Fund	C-12	<u>115,507.12</u>	<u>222,660.13</u>
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<u><u>\$ 6,286,852.52</u></u>	<u><u>\$ 5,731,732.00</u></u>

Bonds and notes authorized but not issued on December 31, 2009  
(Exhibit C-14). Amounted to \$ 843,119.51

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
SWIMMING POOL UTILITY FUND  
AT DECEMBER 31, 2009 AND 2008

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
- REGULATORY BASIS**

	<u>Reference</u>	At December 31,	
		<u>2009</u>	<u>2008</u>
<b>D</b>			
<b>ASSETS</b>			
Operating Fund:			
Cash and Cash Equivalents		\$ 434,987.54	\$ 335,061.33
Cash - Stonybrook Swim Team		13,189.53	8,435.02
	D-5	<u>448,177.07</u>	<u>343,496.35</u>
Petty Cash		200.00	200.00
		<u>448,377.07</u>	<u>343,696.35</u>
Total Operating Fund		<u>448,377.07</u>	<u>343,696.35</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	7,490.20	7,490.20
Due from Swimming Pool Operating Fund	D-7	34,619.50	30,756.92
Fixed Capital	D-10	4,741,944.58	4,645,264.92
Fixed Capital Authorized and Uncompleted	D-11	<u>71,323.23</u>	<u>111,642.00</u>
Total Capital Fund		<u>4,855,377.51</u>	<u>4,795,154.04</u>
<b>TOTAL ASSETS</b>		<u>\$ 5,303,754.58</u>	<u>\$ 5,138,850.39</u>
 <b><u>LIABILITIES, RESERVES AND FUND BALANCE:</u></b>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3, 6	\$ 47,243.60	\$ 6,843.63
Encumbrance Payable	D-8	3,991.07	8,506.21
Due to Swimming Pool Capital Fund	D-7	34,619.50	30,756.92
Accrued Interest on BAN	D-9	12,026.98	11,513.94
Reserve for Swim Team Expenditures	D-15	<u>13,189.53</u>	<u>8,435.02</u>
		<u>111,070.68</u>	<u>66,055.72</u>
Fund Balance	D-1	<u>337,306.39</u>	<u>277,640.63</u>
Total Operating Fund		<u>448,377.07</u>	<u>343,696.35</u>
Capital Fund:			
Liabilities:			
Bond Anticipation Notes Payable	D-12	774,685.00	862,467.00
Improvement Authorizations:			
Unfunded	D-13	71,323.23	71,323.23
Reserve for Improvements	D-17	19,678.58	15,816.00
Capital Improvement Fund	D-16	107.89	107.89
Reserve for Amortization	D-14	3,959,582.81	3,815,439.92
Reserve for Deferred Amortization	D-18	<u>30,000.00</u>	<u>30,000.00</u>
		<u>4,855,377.51</u>	<u>4,795,154.04</u>
Total Capital Fund		<u>4,855,377.51</u>	<u>4,795,154.04</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u>\$ 5,303,754.58</u>	<u>\$ 5,138,850.39</u>

There were bonds and notes authorized but not issued on December 31, 2009 in the amount of \$49,000 (Exhibit D-19).

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
SWIMMING POOL UTILITY FUND - OPERATING FUND  
AT DECEMBER 31, 2009 AND 2008

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE**

**D-1**

	<u>Reference</u>	For the Years Ended December 31,	
<b><u>REVENUE AND OTHER INCOME REALIZED</u></b>		<u>2009</u>	<u>2008</u>
Fund Balance Utilized		\$ -	\$ 65,000.00
Membership Fees	D-2, 5	944,039.70	895,742.00
Use of Facility	D-2, 5	49,043.00	53,937.00
Interest on Investments	D-2, 5	2,259.05	9,521.51
Special Activities	D-2, 5	79,009.00	92,293.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-6	810.32	2,678.92
Unexpended Balance of Appropriations	D-3	0.69	19,007.34
Total Income		1,075,161.76	1,138,179.77
 <b><u>EXPENDITURES</u></b>			
Operations:			
Salaries and Wages	D-3	305,100.00	294,941.00
Other Expenses	D-3	347,104.00	340,475.00
Capital Outlay/Improvements	D-3	85,150.00	75,000.00
Debt Service:			
BAN Principal	D-3	87,782.00	67,509.00
BAN Interest	D-3	15,360.00	39,562.00
Surplus (General Budget)	D-3	175,000.00	160,000.00
Total Expenditures		1,015,496.00	977,487.00
Excess in Revenue		59,665.76	160,692.77
Fund Balance, Beginning of Year	D	277,640.63	181,947.86
		337,306.39	342,640.63
Decreased by:			
Utilized by Operating Budget			65,000.00
Fund Balance, End of Year	D	\$ 337,306.39	\$ 277,640.63

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - OPERATING FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF REVENUES**

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<b>D-2</b> <u>Excess or</u> <u>(Deficit)</u>
Membership Fees	D-1, 5	\$ 895,000.00	\$ 944,039.70	\$ 49,039.70
Use of Facility	D-1, 5	50,000.00	49,043.00	(957.00)
Interest on Investments	D-1, 5	8,500.00	2,259.05	(6,240.95)
Special Activities	D-1, 5	61,996.00	79,009.00	17,013.00
		<hr/>	<hr/>	<hr/>
	D-3	<u>\$ 1,015,496.00</u>	<u>\$1,074,350.75</u>	<u>\$ 58,854.75</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - OPERATING FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**STATEMENT OF EXPENDITURES**

**D-3**

	<u>Ref.</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Cancelled Appropriations</u>	<u>Appropriation Reserve</u>
Operating:						
Salaries and Wages	D-1	\$ 305,100.00	\$ 305,100.00	\$ 293,788.10	\$ -	\$ 11,311.90
Other Expenses	D-1	347,104.00	346,641.00	339,498.41		7,142.59
Capital Improvements	D-1, 10	85,150.00	85,150.00	56,360.89		28,789.11
Debt Service:						-
Payment of Bond Anticipation Notes	D-1, 12	87,782.00	87,782.00	87,782.00	-	-
Interest on Notes	D-1, 9	15,360.00	15,823.00	15,822.31	0.69	-
Surplus (General Budget)	D-1	<u>175,000.00</u>	<u>175,000.00</u>	<u>175,000.00</u>		<u>-</u>
		<u>\$ 1,015,496.00</u>	<u>\$ 1,015,496.00</u>	<u>\$ 968,251.71</u>	<u>\$ 0.69</u>	<u>\$ 47,243.60</u>
	<u>Ref.</u>	D-2	D-1	Below	D-1	D
Cash Disbursements	D-5			\$ 948,438.33		
Accrued Interest				15,822.31		
Encumbrance Payable	D-8			<u>3,991.07</u>		
Above				<u>\$ 968,251.71</u>		

BOROUGH OF HILLSDALE  
PUBLIC ASSISTANCE FUND  
AT DECEMBER 31, 2009 AND 2008

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
- REGULATORY BASIS**

**E**

	<u>Reference</u>	At December 31,	
		<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>			
Cash	E-1	\$ 12,984.74	\$ 12,647.54
Petty Cash		100.00	100.00
<b>TOTAL ASSETS</b>		<u>13,084.74</u>	<u>12,747.54</u>
 <b><u>LIABILITIES AND RESERVES</u></b>			
Reserve for Public Assistance Expenditures	E-3	<u>\$ 13,084.74</u>	<u>\$ 12,747.54</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><u>\$ 13,084.74</u></u>	<u><u>\$ 12,747.54</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AT DECEMBER 31, 2009 AND 2008

**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS  
("Unaudited")**

**F**

	At December 31,	
	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>		
Land	\$ 49,148,500.00	\$ 48,505,300.00
Buildings and Improvements	4,178,200.00	4,178,200.00
Vehicles and Equipment	<u>6,807,367.00</u>	<u>6,807,367.00</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 60,134,067.00</u></u></b>	<b><u><u>\$ 59,490,867.00</u></u></b>
<b><u>LIABILITIES AND RESERVES</u></b>		
Investment in General Fixed Assets	<u>\$ 60,134,067.00</u>	<u>\$ 59,490,867.00</u>
<b>TOTAL LIABILITIES AND RESERVES</b>	<b><u><u>\$ 60,134,067.00</u></u></b>	<b><u><u>\$ 59,490,867.00</u></u></b>

See Accompanying Notes to Financial Statements.

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

**1. Summary of Significant Accounting Policies**

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

The financial statements of the Borough of Hillsdale (the "Borough") have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a 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 Borough accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Borough operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

However, the municipalities in the State of New Jersey do not issue financial statements in accordance with GAAP, and thus, do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers, or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Volunteer Fire Department, First Aid Organization or Public Library which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**B. Fund Accounting**

Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough 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 Borough 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.

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

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

B. Fund Accounting (Continued)

Trust Fund – Trust funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough 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 Borough 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.

Public Assistance Fund – This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

Swimming Pool Utility Fund – This fund is used to account for the operations and acquisition of these capital facilities and municipally-owned swim pool utility.

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

C. Basis of Accounting

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

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 Borough.

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

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

C. Basis of Accounting (Continued)

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 Borough. 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 statement of financial position of the Borough's Current Fund and Swimming Pool Utility 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 Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and Swimming Pool Utility Fund.

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

Trust Funds  
General Capital Fund  
Public Assistance Fund  
Swimming Pool Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 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.

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

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

C. Basis of Accounting (Continued)

Expenditures - Expenditures are recorded in the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves, unless canceled by the governing body. Except for unmatured interest on general long-term debt which should be recognized when due, GAAP requires expenditures, if measurable, to be recognized in the accounting period in which the fund liability is incurred.

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

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

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

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

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

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

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

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

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

C. Basis of Accounting (Continued)

Deferred Charges to Future Taxation Funded and Unfunded – Upon the authorization of capital projects, the Borough 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 Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough 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 – The Borough has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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 capitals 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.

Use of estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Comparative Data – Comparative data for the prior year has been presented in the accompanying statements of financial position and statements of operations in order to provide an understanding of changes in the Borough’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.

BOROUGH OF HILLSDALE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008  
 (Continued)

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

D. Basic Financial Statements

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

**2. Cash and Cash Equivalents**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of December 31, 2009, \$0 of the Borough’s bank balance of \$5,497,576.67 was exposed to custodial credit risk.

**3. Investments**

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

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

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

As of December 31, 2009, the Borough had investments totaling \$ 251,848.99 in the State of New Jersey Cash Management Plan, which is accounted for in the following funds:

	12/31/09	12/31/08
Current Fund	\$ 101,640.36	\$ 100,995.11
Capital Fund	66,959.36	66,615.97
Swimming Pool Utility Fund	83,249.27	82,822.36
	\$ 251,848.99	\$ 250,433.44

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

**4. Municipal Debt**

Long-term debt as of December 31, 2009 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec.31, 2009</u>	<u>Due in</u> <u>One Year</u>
Capital Leases Payable	\$ 88,212.15	\$ -	\$ 38,148.98	\$ 50,063.17	\$ 39,295.32
	<u>\$ 88,212.15</u>	<u>\$ -</u>	<u>\$ 38,148.98</u>	<u>\$ 50,063.17</u>	<u>\$ 39,295.32</u>

Summary of Municipal Debt

	<u>Year 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
Issued:			
General:			
Bonds and Notes	\$ 4,617,569.00	\$ 5,096,112.00	\$ 5,571,781.00
Assessment Trust:			
Bonds and Notes	58,220.00	65,625.00	
Swim Pool Utility			
Bonds and Notes	<u>774,685.00</u>	<u>862,467.00</u>	<u>902,467.00</u>
Debt Issued	<u>5,450,474.00</u>	<u>6,024,204.00</u>	<u>6,474,248.00</u>
Authorized but not Issued:			
General:			
Bonds and Notes	843,119.51	53,119.51	466,923.00
Swim Pool Utility			
Bonds and Notes	<u>49,000.00</u>	<u>49,000.00</u>	<u>74,000.00</u>
	<u>892,119.51</u>	<u>102,119.51</u>	<u>540,923.00</u>
Less Deductions	<u>823,685.00</u>	<u>911,467.00</u>	<u>976,467.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 5,518,908.51</u>	<u>\$ 5,214,856.51</u>	<u>\$ 6,038,704.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.274%.

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

**4. Municipal Debt (Continued):**

	Gross Debt	Deductions	Net Debt
School Debt	20,880,311.00	20,880,311.00	-
General Debt	5,460,688.51		5,460,688.51
Assessment Debt	58,220.00		58,220.00
Swim Pool Utility Debt	823,685.00	823,685.00	-
	27,222,904.51	21,703,996.00	5,518,908.51

Net Debt of \$ 5,518,908.51 divided by of Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$2,014,412,632 = 0.274%.

Calculation of "Self-Liquidating Purpose", Swim Pool Utility

Cash Receipts from Fees, Rents or Other Changes		\$ 1,075,161.76
Deductions:		
Operating and Maintenance Cost	\$ 737,354.00	
Debt Service	103,142.00	
		840,496.00
Excess in Revenue		\$ 234,665.76

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 70,504,442.12
Net Debt	5,518,908.51
Remaining Borrowing Power	\$ 64,985,533.61

**5. Capital Leases Payable**

In 2008, the Borough has entered into three-year sublease purchase agreements with the Bergen County Improvement Authority to lease certain capital equipments. The Bergen County Improvement Authority leased those equipments from Commerce Commercial Leasing, Inc. The lease payments consist of basic rent, which is compromised of principal and interest. The Borough paid \$40,698.17 in 2009 and \$29,709.58 in 2008 under the lease agreements. The future lease payments are as follows:

Year	Principal	Interest	Total
2010	\$ 39,295.32	\$ 1,402.85	\$ 40,698.17
2011	10,767.85	220.74	10,988.59
Total	\$ 50,063.17	\$ 1,623.59	\$ 51,686.76

BOROUGH OF HILLSDALE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008  
 (Continued)

**6. Bond Anticipation Notes**

Short-term debt of \$5,450,474 was issued to T.D. Bank. The debt consisted of \$4,617,569 of general notes, \$58,220 in assessment notes and \$774,685 in utility notes. It is the intention of management to permanently finance these notes in 2010.

**7. Fund Balance Appropriated**

Fund Balance at December 31, 2009 which was appropriated and included as anticipated revenue in the 2010 budget was as follows:

Current Fund	Unavailable at 04/19/10
--------------	-------------------------

**8. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are to be deferred to budgets of succeeding years. Existing deferred charges are reflected in the statement of financial positions of the various funds.

**9. Local District School, Regional High School and County Taxes**

The Borough collects school, regional county taxes and is responsible for the full amount of the levy. School, Regional and County taxes have been raised on the calendar year.

**10. Property Tax Calendar**

The Borough of Hillsdale property taxes are due the first of February, May, August, and November. The levy is determined upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year. The tax sale for 2008 taxes was held on October 27, 2009.

**11. Property Acquired by Tax Title Lien Liquidation**

There were four properties acquired by liquidation in years 2009 with total assessed valuations of \$ 726,900.00.

**12. Taxes Collected in Advance**

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

	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
Prepaid Taxes	<u>\$260,073.60</u>	<u>\$192,178.43</u>

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

**13. Pension Plans**

*Description of Plans*

Substantially all of the Borough'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 Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). Those systems are sponsored and administered by the State of New Jersey and 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. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for PERS and PFRS. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625.

*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 retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

*Police and Firemen's Retirement System (PFRS)*

The Police and Firemen's 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.

*Funding Policy*

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 employees. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 8.5% for PFRS of the employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount
2009	\$ 169,229.00	\$ 423,309.00
2008	128,638.80	428,749.00

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

**14. Deferred Compensation Plan**

The Borough of Hillsdale maintains a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457.

Any employee of the Borough is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Borough does not and is not required to make contributions to the Plan.

The deferred compensation plan is administered by unrelated financial institutions. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held in trust for the exclusive benefit of participants and their beneficiaries and is not a part of the financial statements of the Borough.

**15. Post Employment Benefits**

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In July, 2009, the Borough of Hillsdale authorized participation in the SHBP's post-retirement benefit program through resolution number 09103. Any employee who retires after twenty-five (25) years or more of service within the Borough shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough. This does not include dental benefits.

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

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

**15. Post Employment Benefits (Continued)**

**Funding Policy.** Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough of Hillsdale on a monthly basis.

The Borough of Hillsdale contributions to SHBP for the year ended December 31, 2009 was \$64,057.62, which equaled the required contributions for October through December 2009. There were approximately 20 retired participants eligible at December 31, 2009.

**16. Compensated Absences**

Under the existing policies and labor agreements of the Borough, certain employees are allowed to accumulate (with restrictions) unused vacation and sick pay beyond the current year. The estimated cost of any unpaid employee compensation benefits as of December 31, 2009 was \$ 201,417.78. This amount is not reported either as an expenditure or liability.

**17. Contingencies**

*Litigation*

The Borough is party to various legal proceedings, which normally occur in governmental operations. The Borough Attorney has reported that of the litigation, which remains pending, there are no matters, which will materially effect the December 31, 2009 financial position.

*Deferred Medical Insurance Premium*

On July 23, 2009, the Borough adopted a resolution #09104 to elect the two-month premium delay option under the New Jersey State Health Benefits Program (SHBP). Under this option, the Borough delayed the first two month premiums totaling \$110,410.46. When the Borough elects to terminate SHBP participation in the future or the Program ceases to exist, the Borough will pay any delayed premiums immediately.

**18. Claims and Judgments**

The Borough participated in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2009, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

**19. Risk Management**

The Borough 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 Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2009 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough is a member of the Bergen County Joint Insurance Fund (BCJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensations. The BCJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

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

**20. Emergency Services Volunteer Length of Service Award Plan (LOSAP)**

On August 17, 1999, the Division of Local Government Services approved the Borough's LOSAP Plan, provided by Lincoln National Life Insurance Company. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln National Life Insurance Company will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$300 per year of active emergency service and the maximum contribution for each active volunteer member shall be \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current year's budget.

BOROUGH OF HILLSDALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008  
(Continued)

**20. Emergency Services Volunteer Length of Service Award Plan (LOSAP) - Continued**

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

The plan has been reviewed by an independent accountant for the year ended December 31, 2009 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**21. Interfund Receivables and Payables**

Interfund receivables and payables at December 31, 2009 were as follows:

<u>Fund Type</u>	<u>Receivables</u>	<u>Payables</u>
Current Fund	\$ 123,777.31	\$ 164,774.29
Grant Fund	144,959.41	
Trust Fund	19,814.88	54,002.42
Capital Fund	23,610.00	93,384.89
Swim Pool Utility Fund	34,619.50	34,619.50
Total Interfund Receivables/Payables	<u>\$ 346,781.10</u>	<u>\$ 346,781.10</u>

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF CASH - TREASURER**

A-4

	<u>Reference</u>	Current <u>Fund</u>	Federal and State Grant <u>Fund</u>
Balance December 31, 2008	A	\$ 4,115,850.30	\$ 3,020.59
Increased by:			
Miscellaneous Revenue Anticipated	A-2	2,604,443.13	
Miscellaneous Revenue Not Anticipated	A-2	22,820.61	
Budget Refunds	A-3	175,043.57	
Due From State - Senior Citizens and Veterans Deductions	A-6	129,250.00	
Interest Income - Grant Fund Due to Current Fund	A-25		9.71
Taxes Receivable	A-8	37,622,934.35	
Prepaid Reimbursements	A	11,085.40	
Tax Overpayments	A-19	1,116.75	
Prepaid Taxes	A-20	260,073.60	
Marriage License Fees	A-21	750.00	
DCA Fees	A-22	9,994.00	
Interfunds	A-23	158.17	
Grants Receivable	A-26	73,612.90	
Unappropriated Reserves	A-28	15,552.73	
Intrafunds- Investments	Contra	37,917,800.00	
		<u>78,844,635.21</u>	<u>9.71</u>
		<u>82,960,485.51</u>	<u>3,030.30</u>
Decreased by:			
Current Year Budget Appropriations	A-3	10,797,559.53	
Appropriation Reserves for Grants	A-27	23,831.37	
Appropriation Reserves	A-14	409,168.86	
Local District School Taxes	A-16	16,938,702.00	
Regional High School Taxes	A-17	9,014,411.28	
County Taxes	A-18	3,950,441.29	
Tax Overpayments	A-19	87,556.05	
Marriage License Fees	A-21	700.00	
DCA Fees	A-22	9,164.00	
Interfunds	A-23	158.17	
Various Reserve Expenditures	A-24	34,259.22	
Intrafunds- Investments	Contra	37,917,800.00	
		<u>79,183,751.77</u>	
Balance December 31, 2009	A	\$ 3,776,733.74	\$ 3,030.30

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

A-5

**SCHEDULE OF CASH - CHANGE FUND**

	<u>Reference</u>	
Balance December 31, 2008	A	\$ 250.00
Balance December 31, 2009	A	\$ 250.00
 <u>Analysis of Balance:</u>		
Court Clerk		200.00
Tax Collector		50.00
		\$ 250.00

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF AMOUNT DUE FROM/ (TO) STATE OF NEW JERSEY  
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS - CH73 P.L. 1076**

A-6

	<u>Reference</u>	
Balance December 31, 2008	A	\$ 1,331.96
Increased by:		
Senior Citizens' Deductions Per Tax Billing		\$ 17,750.00
Veterans' Deductions Per Tax Billing		108,250.00
Senior Citizens' and Veterans' Adjustment	A-1	1,918.04
		127,918.04
		129,250.00
Decreased by:		
Senior Citizens' and Veterans' Disallowed	Below	250.00
State Share of Senior Citizens and Veteran		
Deductions Received in Cash	A-4	129,250.00
		129,500.00
Balance December 31, 2009	A	\$ (250.00)
 <b>Calculation of Amount Realized</b>		
Senior Citizens		\$ 17,750.00
Veterans		108,250.00
Senior Citizens & Veterans Deductions Allowed		\$ 126,000.00
		126,000.00
Less: Current Year/Seniors & Veterans Disallowed	Above	250.00
Realized as Tax Revenue	A-8	\$ 125,750.00

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF OTHER ACCOUNTS RECEIVABLE**

A-7

<u>Grant</u>	Balance Dec. 31, <u>2008</u>	<u>Accrued</u>	<u>Received</u>	Transfer to <u>Capital</u>	Balance Dec. 31, <u>2009</u>
Due from Bergen County:					
Broadway Bridge Design	\$ 55,080.00	\$ -		\$ -	\$ 55,080.00
Hillsdale Avenue Culvert	72,250.00				72,250.00
Due From Bergen County Open Space Trust Fund					
Reimbursement - Saddlewood	36,000.00				36,000.00
Ralph Avenue Tot Park	1,208.00				1,208.00
Centennial Field Access Improvements	47,500.00			47,500.00	0.00
Hillsdale Avenue Culvert	60,000.00			60,000.00	0.00
Memorial Field	65,000.00			65,000.00	0.00
	<u>\$ 337,038.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,500.00</u>	<u>\$ 164,538.00</u>
Reference	A			A-24	A

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

A-8

	Balance Dec. 31, 2008	2009 Levy	Collections 2008	2009	Transfer to Lien	Added Canceled/ Judgments	Balance Dec. 31, 2009
2008 Taxes	\$ 314,113.25	\$ -	\$ -	\$ 318,041.39	\$ -	\$ 3,928.14	\$ (0.00)
2009 Taxes	<u>                    </u>	<u>38,028,403.66</u>	<u>192,178.43</u>	<u>37,430,642.96</u>	<u>1,179.23</u>	<u>(42,523.24)</u>	<u>361,879.80</u>
	<u>\$ 314,113.25</u>	<u>\$ 38,028,403.66</u>	<u>\$ 192,178.43</u>	<u>\$ 37,748,684.35</u>	<u>\$ 1,179.23</u>	<u>\$ (38,595.10)</u>	<u>\$ 361,879.80</u>
Reference	A	Below	A-20	Below	A-9		A
			<u>Reference</u>				
Cash Receipts			A-4	\$ 37,622,934.35			
State of NJ - Realized							
Seniors and Veterans Deductions			A-6	125,750.00			
			Above	<u>\$ 37,748,684.35</u>			
 <u>Analysis of 2008 Property Tax Levy</u>							
 Tax yield:							
General Property Tax		\$ 37,972,531.60					
Added Tax (R.S. 54:4-63.1 et seq.)		49,254.46					
Added Penalty		6,617.60					
		<u>\$ 38,028,403.66</u>					
 Tax Levy							
Local District School Tax		\$ 16,938,702.00	A-16				
Regional High School Tax		9,133,015.19	A-17				
County Tax including Open Space Tax		3,950,441.29	A-18				
Added County Taxes		<u>5,114.67</u>	A-18				
		30,027,273.15	A-2				
Local Tax for Municipal Purposes		7,948,689.00	A-2				
Additional Taxes		<u>52,441.51</u>					
		<u>\$ 38,028,403.66</u>	Above				

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF TAX TITLE LIENS**

**A-9**

	<u>Reference</u>	
Balance December 31, 2008	A	\$ 29,840.29
Increased by:		
Transfer from Taxes Receivable	A-8	<u>1,179.23</u>
Balance December 31, 2009	A	<u><u>\$ 31,019.52</u></u>

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)**

**A-10**

	<u>Reference</u>	
Balance December 31, 2008	A	\$ 655,700.00
Increased By:		
Foreclosures		<u>71,200.00</u>
Balance December 31, 2009	A	<u><u>\$ 726,900.00</u></u>

Schedule of Property Acquired for Taxes

<u>Block</u>	<u>Lot</u>	<u>Amount</u>
506	2	\$ 23,300.00
1106	4.01	233,900.00
1106	4.02	145,400.00
1106	4.03	138,200.00
1106	4.04	138,200.00
1706	40	22,100.00
1706	41	15,400.00
1706	42	<u>10,400.00</u>
		<u><u>\$ 726,900.00</u></u>

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

A-11

**Revenue Accounts Receivable:**

	<u>Ref.</u>	Balance December 31, 2008	Accrued in 2009	Collected in 2009	Balance December 31, 2009
Municipal Court Fines and Costs	A-2	\$ 7,524.70	\$ 82,700.71	\$ 85,607.77	\$ 4,617.64
Meadowbrook School Paving Reimbursement	A-2	14,000.00			14,000.00
		<u>\$ 21,524.70</u>	<u>\$ 82,700.71</u>	<u>\$ 85,607.77</u>	<u>\$ 18,617.64</u>
<u>Reference</u>		A			A

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

A-12

<u>Purpose</u>	<u>Amount Authorized</u>	1/5 of Net Amount Authorized	Balance Dec. 31, 2008	Reduced in 2009	Balance Dec. 31, 2009
Revaluation of Real Property	255,000.00	\$ 51,000.00	\$ 51,000.00	\$ 51,000.00	\$ -
	<u>\$ 255,000.00</u>	<u>\$ 51,000.00</u>	<u>\$ 51,000.00</u>	<u>\$ 51,000.00</u>	<u>\$ -</u>
			A	A-3	A

**SCHEDULE OF DEFERRED CHARGES  
EMERGENCY AUTHORIZATIONS**

A-13

<u>Purpose</u>	Balance Dec. 31, 2008	Emergency Appropriations Authorized in 2009	Reduced in 2009	Balance Dec. 31, 2009
Emergency Authorizations	\$ 98,200.00		\$ 98,200.00	\$ -
	<u>\$ 98,200.00</u>	<u>\$ -</u>	<u>\$ 98,200.00</u>	<u>\$ -</u>
	A		A-3	A

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF EXPENDITURES FOR 2008 RESERVES

A-14

	Balance <u>Dec. 31, 2008</u>	<u>Transfers</u>	<u>Encumbrances</u>	Modified by <u>Transfers</u>	<u>Paid or Charged</u>	<u>Lapsed</u>	Reserved/ <u>Overexpenditures</u>
SALARIES AND WAGES WITHIN "CAPS":							
General Administration							
Mayor and Council							
Other Expenses	\$ 382.45	\$ -	\$ 2,019.27	\$ 2,401.72	\$ 2,123.20	\$ 278.52	\$ -
Administrative and Executive							
Salaries and Wages	1,287.50	(400.00)		887.50	835.71	51.79	
Other Expenses	5,670.19	4,900.00	6,861.24	17,431.43	7,329.44	10,101.99	
Public Information	956.89	(900.00)	167.50	224.39	167.50	56.89	
Financial Administration							
Salaries and Wages	832.44			832.44	666.02	166.42	
Other Expenses	1,992.53		366.90	2,359.43	2,358.90	0.53	
Audit Services							
Other Expenses	25,162.50			25,162.50	25,162.00	0.50	
Collection of Taxes							
Salaries and Wages	298.74			298.74	298.74	-	
Other Expenses	904.97	(700.00)		204.97		204.97	
Assessment of Taxes							
Salaries and Wages	468.92			468.92	387.32	81.60	
Other Expenses	30.98		81.00	111.98	81.00	30.98	
Clerk's Office							
Salaries and Wages	128.00			128.00		128.00	
Other Expenses	403.71		12,358.98	12,762.69	5,254.62	7,508.07	
Legal Services and Engineering							
Other Expenses	8,805.38		24,209.98	33,015.36	33,015.36	-	
Train Station							
Salaries and Wages	951.02			951.02	951.02	-	
Other Expenses	742.50	(400.00)	1,016.40	1,358.90	1,166.40	192.50	
Planning Board							
Other Expenses	5,290.82		761.68	6,052.50	780.69	5,271.81	
Police							
Salaries and Wages	12,750.28			12,750.28	12,750.28	-	
Other Expenses	2,175.07		8,293.96	10,469.03	6,783.03	3,686.00	
Emergency Management Services							
Other Expenses	1,048.16	(500.00)		548.16		548.16	
First Aid Organization:							
Aid and maintenance other expenses	200.00	(200.00)		-	(100.00)	100.00	
Fire:							
Salaries and Wages	158.75			158.75		158.75	
Other Expenses	2,452.68	1,600.00	9,241.50	13,294.18	7,363.99	5,930.19	
Fire Prevention Bureau:							
Salaries and Wages	1,551.73			1,551.73	1,311.93	239.80	
Other Expenses	656.28	(400.00)	967.80	1,224.08	967.80	256.28	
Road Repairs and Maintenance							
Salaries and Wages	5,969.91			5,969.91	5,955.21	14.70	
Other Expenses	8,456.23		9,367.99	17,824.22	17,735.01	89.21	
Garbage and Trash Removal							
Salaries and Wages	132.19			132.19	132.19	-	
Other Expenses	5,322.77	(4,540.00)	11,443.01	12,225.78	7,986.55	4,239.23	
Recycling							
Other Expenses	787.95		42,717.05	43,505.00	42,717.05	787.95	
Public Building and Grounds							
Other Expenses	547.60	(300.00)	1,677.75	1,925.35	1,815.76	109.59	
Environmental Commission							
Other Expenses	19.85		162.37	182.22	162.37	19.85	
Municipal Court							
Salaries and Wages	1,706.58			1,706.58	825.97	880.61	
Other Expenses	3,061.66		693.03	3,754.69	453.03	3,301.66	
Public Defender							
Salaries and Wages	161.00			161.00		161.00	
Board of Health							
Salaries and Wages	862.78			862.78	698.86	163.92	
Other Expenses	199.63		600.00	799.63	364.98	434.65	
Administration of Public Assistance							
Salaries and Wages	93.00			93.00		93.00	
Other Expenses	200.00	(200.00)	5,000.00	5,000.00	5,000.00	-	

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BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF EXPENDITURES FOR 2008 RESERVES

A-14

	Balance Dec. 31, 2008	Transfers	Encumbrances	Modified by Transfers	Paid or Charged	Lapsed	Reserved / Overexpenditures
Board of Recreation							
Salaries and Wages	\$ 322.55	\$ -	\$ 50.00	\$ 372.55	\$ 150.94	\$ 221.61	\$ -
Other Expenses	6,436.80		1,130.29	7,567.09	6,846.48	720.61	
Senior Citizen Committee							
Salaries and Wages				-		-	
Other Expenses	1,209.49		1,676.16	2,885.65	2,577.02	308.63	
Parks and Playgrounds							
Other Expenses	530.79	(300.00)	1,639.94	1,870.73	1,539.81	330.92	
Celebration of Public Events, Anniversary, or Holidays							
Other Expenses	22.64		975.67	998.31	975.67	22.64	
Appropriations Offset by Dedicated Revenues							
Bloodborne Pathogens							
Other Expenses	12.16		755.00	767.16	680.00	87.16	
Uniform Construction Code Official							
Salaries and Wages	1,014.96			1,014.96	1,014.96	-	
Other Expenses	563.20		306.50	869.70	385.63	484.07	
Insurance	1,658.80			1,658.80	1,596.00	62.80	
Telephone	3,823.49			3,823.49	493.11	3,330.38	
Gasoline	1,311.54	40.00	116.87	1,468.41	1,462.59	5.82	
Vehicle maintenance	258.67			258.67		258.67	
Insurance							
Employee	12,080.90		1,500.00	13,580.90	13,219.50	361.40	
Unemployment	978.32	(800.00)		178.32		178.32	
Workers' Compensation	15,625.14			15,625.14		15,625.14	
Liability	13,203.49	(2,500.00)	710.00	11,413.49	3,210.00	8,203.49	
Unclassified:							
Utilities:							
Gas and Electricity	20,143.10	2,600.00	22,897.38	45,640.48	45,324.79	315.69	
Telephone	3,070.65		5,488.50	8,559.15	6,903.96	1,655.19	
Water/Fire Hydrants	12,259.26	1,200.00	12,194.40	25,653.66	24,388.80	1,264.86	
Gasoline	5,969.35	1,800.00	6,850.17	14,619.52	14,327.52	292.00	
Vehicle maintenance	1,735.81		2,013.26	3,749.07	3,211.10	537.97	
Reserve for Tax Appeals	103,544.30		6,512.18	110,056.48	7,965.68	102,090.80	
<b>TOTAL OTHER EXPENSES WITHIN "CAPS"</b>	<b>308,599.05</b>	<b>-</b>	<b>202,823.73</b>	<b>511,422.78</b>	<b>329,775.49</b>	<b>181,647.29</b>	<b>-</b>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS":</b>							
Social Security System (O.A.S.I.)	459.55		-	459.55		459.55	-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</b>	<b>459.55</b>	<b>0.00</b>	<b>0.00</b>	<b>459.55</b>	<b>0.00</b>	<b>459.55</b>	<b>0.00</b>
<b>TOTAL RESERVES WITHIN "CAPS"</b>	<b>309,058.60</b>	<b>0.00</b>	<b>202,823.73</b>	<b>511,882.33</b>	<b>329,775.49</b>	<b>182,106.84</b>	<b>0.00</b>
<b>OTHER EXPENSES EXCLUDED FROM "CAPS":</b>							
Maintenance of Free Public Library	7,642.47		2,183.98	9,826.45	5,220.65	4,605.80	
LOSAP	74,000.00			74,000.00	69,768.00	4,232.00	
Flood Emergency				-		-	
Group Insurance Plan for Employees				-		-	
Police and Firemen's Retirement System				-		-	
Public Employees' Retirement System	0.20			0.20		0.20	
Bergen County Utilities Authority							
Service Charges-Contractual	12,463.81			12,463.81		12,463.81	
Storm Water:							
Salaries and Wages	46.55			46.55		46.55	
Other Expenses	-		654.72	654.72	654.72	-	
Municipal Alliance on Alcohol & Drug Abuse						-	
Interlocal Municipal Service Agreements							
Pistol Range Rental - River Vale	250.00		3,750.00	4,000.00	3,750.00	250.00	
<b>TOTAL OTHER EXPENSES EXCLUDED FROM "CAPS"</b>	<b>94,403.03</b>	<b>-</b>	<b>6,588.70</b>	<b>100,991.73</b>	<b>79,393.37</b>	<b>21,598.36</b>	<b>-</b>
<b>TOTAL RESERVES EXCLUDED FROM "CAPS"</b>	<b>94,403.03</b>	<b>-</b>	<b>6,588.70</b>	<b>100,991.73</b>	<b>79,393.37</b>	<b>21,598.36</b>	<b>-</b>
<b>TOTAL RESERVES</b>	<b>\$ 403,461.63</b>	<b>\$ -</b>	<b>\$ 209,412.43</b>	<b>\$ 612,874.06</b>	<b>\$ 409,168.86</b>	<b>\$ 203,705.20</b>	<b>\$ -</b>
	A		A-15		A-4	A-1	

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF ENCUMBRANCES PAYABLE**

**A-15**

	<u>Reference</u>	
Balance December 31, 2008	A	\$ 209,412.43
Increased by:		
Transfer from Current Appropriations	A-3	58,111.33
		267,523.76
Decreased by:		
Transfer to Appropriations Reserves	A-14	209,412.43
		209,412.43
Balance December 31, 2009	A	\$ 58,111.33

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

**A-16**

	<u>Reference</u>	
Balance December 31, 2008	A	\$ 499.98
Increased by:		
2009 Levy	A-1,8	16,938,702.00
		16,939,201.98
Decreased by:		
Payments	A-4	16,938,702.00
		16,938,702.00
Balance December 31, 2009	A	\$ 499.98

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX**

A-17

	<u>Reference</u>		
Balance December 31, 2008	A		\$ 2,369,438.11
Increased by:			
2009 Levy	A-1,8		9,133,015.19
			11,502,453.30
Decreased by:			
Canceled	A-1	\$ 1,244,021.00	
Payments	A-4	9,014,411.28	10,258,432.28
			\$ 1,244,021.02
Balance December 31, 2009	A		\$ 1,244,021.02

**SCHEDULE OF COUNTY TAXES PAYABLE**

A-18

	<u>Reference</u>		
Balance December 31, 2008	A		\$ -
Increased by:			
Levy Including Open Space Tax	A-8	\$ 3,950,441.29	
Added and Omitted Taxes	A-8	5,114.67	
	A-1		3,955,555.96
			3,955,555.96
Decreased by:			
Payments	A-4		3,950,441.29
Balance December 31, 2009	A		\$ 5,114.67

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF TAX OVERPAYMENTS**

**A-19**

	<u>Reference</u>		
Balance December 31, 2008	A		\$ 94,758.11
Increased by:			
2009 Overpaid	A-4	\$ 1,116.75	
Tax Appeals	A-1	<u>27,907.77</u>	<u>29,024.52</u>
			123,782.63
Decreased by:			
Canceled	A-1	8,714.13	
Cash Disbursements	A-4	<u>87,556.05</u>	<u>96,270.18</u>
Balance December 31, 2009	A		<u><u>\$ 27,512.45</u></u>

**SCHEDULE OF PREPAID TAXES**

**A-20**

	<u>Reference</u>		
Balance December 31, 2008	A		\$ 192,178.43
Increased by:			
Receipts - Prepaid 2010 Taxes	A-4		<u>260,073.60</u>
			452,252.03
Decreased by:			
Applied to 2009 Taxes	A-8		<u>192,178.43</u>
Balance December 31, 2009	A		<u><u>\$ 260,073.60</u></u>

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR MARRIAGE LICENSE/DOMESTIC PARTNERSHIP FEES**

**A-21**

	<u>Reference</u>	
Balance December 31, 2008	A	\$ 125.00
Increased by:		
Cash Receipts	A-4	<u>750.00</u> 875.00
Decreased by:		
Cash Disbursements	A-4	<u>700.00</u>
Balance December 31, 2009	A	<u><u>\$ 175.00</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY DCA FEES**

**A-22**

	<u>Reference</u>	
Balance December 31, 2008	A	\$ 1,101.00
Increased by:		
Cash Receipts	A-4	<u>9,994.00</u> 11,095.00
Decreased by:		
Cash Disbursements	A-4	<u>9,164.00</u>
Balance December 31, 2009	A	<u><u>\$ 1,931.00</u></u>

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF DUE FROM / (TO) OTHER FUNDS**

A-23

		Balance Dec. 31, <u>2008</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2009</u>
Animal Trust Fund	A	\$ -	\$ 47.50	\$ 47.50	\$ -
Payroll Account	A		118.93	118.93	0.00
Due From Swim Pool Utility Fund	A		36.24	36.24	0.00
Other Trust Fund	A	18,729.43	2,554.26	319.68	20,964.01
Assessment Trust Fund	A	199.72	9,228.69		9,428.41
Recreation Trust Fund	A	(19,814.88)	403.50	403.50	(19,814.88)
General Capital Fund	A	23,605.26	243,591.59	173,811.96	93,384.89
		<u>\$ 22,719.53</u>	<u>\$ 255,980.71</u>	<u>\$ 174,737.81</u>	<u>\$ 103,962.43</u>
			Below	Below	
Interest Income Received - Trust Fund	B-5		\$ 3,002.26	\$ 767.68	
Interest Income Received - Capital Fund	C-10		1,655.35	1,311.96	
Interest on Assessment	B-5		1,823.69		
Paydown on Assessment Fund Bond Anticipation Note	B-5		7,405.00		
Transfer Grant Receivables and Reserves to Capital Fund	A-24,C-10		172,500.00	172,500.00	
Transfer Grant Expenditures to Capital Fund	A-24,C-10		69,436.24		
Cash Disbursements	A-4			158.17	
Cash Receipts	A-4		158.17		
			<u>\$ 255,980.71</u>	<u>\$ 174,737.81</u>	
			Above	Above	

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF VARIOUS RESERVES**

A-24

<u>Reserve for:</u>	Balance Dec. 31, <u>2008</u>	<u>Increased</u>	<u>Decreased</u>	Transfer to Capital Fund	Balance Dec. 31, <u>2009</u>
Open Space - Centennial	\$ 12,322.98	\$ -	\$ 25,292.22	\$ (12,969.24)	\$ -
Open Space - Land Acquisition (2002)	23,000.00				23,000.00
Broadway Bridge	29,048.18				29,048.18
Flood Mitigation - Brook	10,516.86				10,516.86
Water Shed Aid	2,303.00				2,303.00
Open Space - Pascack Bridge	41,310.00				41,310.00
Open Space - Bergen County	60,000.00			60,000.00	0.00
Open Space - Memorial Field	65,000.00		8,967.00	56,033.00	0.00
	<u>\$ 243,501.02</u>	<u>\$ -</u>	<u>\$ 34,259.22</u>	<u>\$ 103,063.76</u>	<u>\$ 106,178.04</u>
	A		A-4	Below	A

Reserve Transferred to Capital Fund	A-7,23	\$ 172,500.00
Expenditures Transferred to Capital Fund	A-23	(69,436.24)
	Above	\$ 103,063.76

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF DUE FROM/ (TO) CURRENT FUND  
FEDERAL AND STATE GRANT FUND**

A-25

	<u>Reference</u>		
Balance December 31, 2008	A		\$ 63,687.40
Increased by:			
Grants Receivable - Received	A-26	\$ 73,612.90	
Grants Received - Appropriated	A-27	20,809.70	
Unappropriated Grants Received	A-28	<u>15,552.73</u>	<u>109,975.33</u>
			173,662.73
Decreased by:			
Interest - Due to Current Fund	A-4	9.71	
Budget Charges	A-27	23,831.37	
Grants Receivable - Accrued	A-26	<u>4,862.24</u>	<u>28,703.32</u>
Balance December 31, 2009	A		<u><u>\$ 144,959.41</u></u>

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF GRANTS RECEIVABLE - FEDERAL AND STATE GRANT FUND

A-26

<u>Grant</u>	Balance Dec. 31, <u>2008</u>	Budget Revenue	<u>Received</u>	<u>Cancelled</u>	Balance Dec. 31, <u>2009</u>
Body Armor Replacement Fund	\$ -	\$ 4,862.24	\$ -	\$ -	\$ 4,862.24
Environmental Grant	2,500.00				2,500.00
Municipal Recycling Assistance	7,373.43		7,373.43		(0.00)
Stormwater Management Grant	4,941.00				4,941.00
COPS in School	5,000.00				5,000.00
Municipal Alliance	12,901.32		7,430.00		5,471.32
Community Development - Accessibility Improv.-Smith School	1,615.00				1,615.00
NJ Transportation Trust	64,805.80		58,809.47	5,996.33	0.00
	<u>\$ 99,136.55</u>	<u>\$ 4,862.24</u>	<u>\$ 73,612.90</u>	<u>\$ 5,996.33</u>	<u>\$ 24,389.56</u>
Reference	A	A-2,25	A-4,25	A-27	A

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF APPROPRIATED RESERVES FOR GRANTS - FEDERAL AND STATE GRANT FUND**

A-27

<u>Grant</u>	Balance Dec. 31, <u>2008</u>	Budget Revenue	<u>Expended</u>	<u>Cancelled</u>	Balance Dec. 31, <u>2009</u>
Clean Communities	\$ 37,450.50	\$ 37,741.93	\$ 4,314.42	\$ -	\$ 70,878.01
Municipal Alliance	27,772.32		5,855.13		21,917.19
Municipal Recycling Assistance Grant	8,100.00		8,100.00		-
Drunk Driving Enforcement Fund	688.76	7,113.53	1,722.87		6,079.42
Stormwater Management Grant	9,721.50		625.00		9,096.50
Alcohol Education and Rehabilitation Grant	1,278.92	728.42			2,007.34
FAIU Grant	6,755.93		1,803.95		4,951.98
Body Armor Replacement Fund	1,827.42	6,528.92	850.00		7,506.34
Recycling Tonnage Grant	8,398.58		560.00		7,838.58
NJ Department of Transportation	531.82			531.82	-
BCUA Recycling Grant	6,824.26				6,824.26
NJ Transportation Trust	24,648.11			5,464.51	19,183.60
GDL Enforcement Grant	-	543.22			543.22
	<u>\$ 133,998.12</u>	<u>\$ 52,656.02</u>	<u>\$ 23,831.37</u>	<u>\$ 5,996.33</u>	<u>\$ 156,826.44</u>
	A	A-3, Below	A-4,25	A- 26	A
	<u>Ref.</u>				
Budget Appropriation	A-25	\$ 20,809.70			
Transfer Unappropriated Reserve	A-28	31,846.32			
	Above	<u>\$ 52,656.02</u>			

BOROUGH OF HILLSDALE  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF UNAPPROPRIATED RESERVES FOR GRANTS**

A-28

<u>Grant</u>	Balance Dec. 31, <u>2008</u>	Transfer to 2009 <u>Budget</u>	<u>Received</u>	<u>Canceled</u>	Balance Dec. 31, <u>2009</u>
Alcohol Education and Rehabilitation	\$ 728.42	\$ 728.42	\$ 510.50	\$ -	\$ 510.50
Drunk Driving Enforcement Fund	7,113.53	7,113.53			0.00
Clean Communities Grant	21,794.47	21,794.47			-
COPS in School Pascack Valley	-				-
FAIU Grant	-				-
Recycling Tonnage Grant	-		15,042.23		15,042.23
Stormwater Management Fund	-				-
BCUA Recycling Grant	-				-
GDL Enforce. & Ed. Grant	543.32	543.22			0.10
Body Armor Replacement Fund	1,666.68	1,666.68			-
	\$ 31,846.42	\$ 31,846.32	\$ 15,552.73	\$ -	\$ 15,552.83
	A	A-27	A-4,25		A

BOROUGH OF HILLSDALE  
TRUST FUND

**SCHEDULE OF CASH - COLLECTOR - TREASURER**

**B-1**

	<u>Reference</u>	<u>Animal License Fund</u>	<u>Other Trust Funds</u>	<u>Recreation Trust</u>	<u>Assessment Trust</u>
Balance December 31, 2008	B	<u>\$14,283.55</u>	<u>\$695,545.85</u>	<u>\$82,390.93</u>	<u>\$21,467.90</u>
Increased by:					
Dog License Fees Collected	B-2	4,259.20			
Cat License Fees Collected	B-2	915.00			
State Fees	B-4	742.80			
Budget Appropriation	B-2	5,000.00			
Other Trust Receipts	B-6		487,063.50		
Escrow Deposits	B-7		57,508.13		
Recreation Receipts	B-8			296,829.90	
Medical Benefits	B-11		7,904.38		
Prior Year Voided Check	B-2	200.00			
Late Fees	B-2	1,770.00			
Interest Income	B-5	44.50	2,554.26	403.50	1,823.69
Assessments Receivable	B-9				7,296.60
		<u>12,931.50</u>	<u>555,030.27</u>	<u>297,233.40</u>	<u>9,120.29</u>
		<u>27,215.05</u>	<u>1,250,576.12</u>	<u>379,624.33</u>	<u>30,588.19</u>
Decreased by:					
Animal License Expenditures	B-2	13,772.78			
State Fees	B-4	1,320.60			
Other Trust Fund Disbursements	B-6		330,927.55		
Escrow Disbursements	B-7		145,098.34		
Recreation Disbursements	B-8			277,430.53	
Due to Current Fund	B-5	44.50	319.68	403.50	
		<u>15,137.88</u>	<u>476,345.57</u>	<u>277,834.03</u>	<u>0.00</u>
Balance December 31, 2009	B	<u><u>\$12,077.17</u></u>	<u><u>\$774,230.55</u></u>	<u><u>\$101,790.30</u></u>	<u><u>\$30,588.19</u></u>

BOROUGH OF HILLSDALE  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF RESERVE FOR ANIMAL LICENSE TRUST FUND EXPENDITURES**

**B-2**

	<u>Reference</u>		
Balance December 31, 2008	B		\$ 9,093.55
Increased by:			
Cat License Fees	B-1	\$ 915.00	
Dog License Fees	B-1	4,259.20	
Late Fees	B-1	1,770.00	
Prior Year Voided Checks	B-1	200.00	
Transferred From Prepaid Animal Licenses	B-3	4,484.80	
Budget Appropriation	B-1	<u>5,000.00</u>	
			<u>16,629.00</u>
			25,722.55
Decreased by:			
Expenditures	B-1		<u>13,772.78</u>
Balance, December 31, 2009	B		<u><u>\$ 11,949.77</u></u>

BOROUGH OF HILLSDALE  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**ANIMAL LICENSE TRUST FUND  
SCHEDULE OF PREPAID ANIMAL LICENSES**

**B-3**

	<u>Reference</u>	
Balance December 31, 2008	B	\$ 4,484.80
Decreased by:		
Transferred to Reserve for Animal Licenses		
Trust Expenditures	B-2	<u>4,484.80</u>
Balance December 31, 2009	B	<u><u>\$ -</u></u>

**ANIMAL LICENSE TRUST FUND  
SCHEDULE OF AMOUNT DUE TO STATE OF NJ -DEPT. OF HEALTH**

**B-4**

	<u>Reference</u>	
Balance December 31, 2008	B	\$ 705.20
Increased by:		
Fees Collected	B-1	<u>742.80</u>
		1,448.00
Decreased by:		
Paid to State	B-1	<u>1,320.60</u>
Balance December 31, 2009	B	<u><u>\$ 127.40</u></u>

BOROUGH OF HILLSDALE  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF INTERFUNDS**

**B-5**

	<u>Reference</u>	Balance December 31, 2008	Increased	Decreased	Balance December 31, 2009
Animal License Trust:					
Current Fund		\$ -	\$ 44.50	\$ 44.50	\$ -
Other Trust Fund		-			-
Current Fund	B	(18,729.43)	319.68	2,554.26	(20,964.01)
Recreation Trust Fund					
Current Fund	B	19,814.88	403.50	403.50	19,814.88
Capital Fund	B			23,610.00	(23,610.00)
Assessment Trust Fund					
Current Fund	B	(199.72)		9,228.69	(9,428.41)
		<u>\$ 885.73</u>	<u>\$ 767.68</u>	<u>\$ 35,840.95</u>	<u>\$ (34,187.54)</u>
		B	Below	Below	B
Interest Income	B-1		\$ -	\$ 3,002.26	
Transfer Interest to Current Fund	B-1		767.68		
Assessment Interest	A-23,B-1			1,823.69	
Due to Capital Recreation Improvements	B-8			23,610.00	
Due to Current Fund Bond Ant. Note Paydown	A-23,B-10			7,405.00	
			<u>\$ 767.68</u>	<u>\$ 35,840.95</u>	
			Above	Above	

BOROUGH OF HILLSDALE  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF RESERVE FOR OTHER TRUST FUND**

**B-6**

	Balance December 31, 2008	Cash Receipts	Cash Disbursements	Adjustment	Balance December 31, 2009
Prescription Plan	\$ 4,337.15	\$ 35.47	\$ 128.74	\$ -	\$ 4,243.88
Street Lighting Fund	5,199.16				5,199.16
UCA/Fire Penalties	21,368.61	9,200.00			30,568.61
BOE Gasoline	1,285.12	2,930.87	3,749.06		466.93
Dedicated Fire Penalties	1,200.00				1,200.00
Art Program	3,600.00	2,365.00	1,875.00		4,090.00
POAA	3,553.64	344.00	300.00		3,597.64
DARE Program	6,214.98	4,434.75	3,200.25		7,449.48
Robot Replacement	91.00				91.00
Tax Title Lien Premiums	97,510.96	39,099.99	59,100.00		77,510.95
Recreation	0.83				0.83
Tax Map Revisions	1,247.50				1,247.50
Memorial Day Parade	1,726.32	725.00	1,017.50		1,433.82
Trees-Memorial	415.00				415.00
Community Development- Senior Citizens	4,634.00	2,828.21	2,525.00		4,937.21
Centennial	1,396.92	59.00			1,455.92
Reserve For COAH Payments	-	47,687.20			47,687.20
Stonybrook Police Donation	4,277.22				4,277.22
2002 Disability	74,977.27	5,369.91	8,274.99		72,072.19
Developer's Contribution	38,890.91	17,600.00	8,800.00		47,690.91
Paterson Bridge Design	22,950.00				22,950.00
Pascack Valley Regional High School	-				-
Hillsdale Board of Education	500.00				500.00
Celebration of Public Events	4,230.44	10,430.00	9,954.40		4,706.04
Curbs/Roads Sidewalks	2,630.22	8,225.00	450.00		10,405.22
Solicitor	850.00	125.00	775.00		200.00
Police Reserves	40,320.02	335,604.10	230,777.61		145,146.51
	<u>\$ 343,407.27</u>	<u>\$ 487,063.50</u>	<u>\$ 330,927.55</u>	<u>\$ -</u>	<u>\$ 499,543.22</u>

Ref.

B

B-1

B-1

B

BOROUGH OF HILLSDALE  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF RESERVE FOR ESCROW DEPOSITS**

**B-7**

	<u>Reference</u>	
Balance December 31, 2008	B	\$ 333,409.15
Increased by:		
Escrow Deposits Received	B-1	57,508.13
		390,917.28
Decreased by:		
Cash Disbursements	B-1	145,098.34
		145,098.34
Balance December 31, 2009	B	\$ 245,818.94

**SCHEDULE OF RESERVE FOR RECREATION EXPENDITURES**

**B-8**

	<u>Reference</u>	
Balance December 31, 2008	B	\$ 102,205.81
Increased by:		
Cash Receipts	B-1	296,829.90
		399,035.71
Decreased by:		
Due to Capital- Recr. Improvements	B-5	\$ 23,610.00
Cash Disbursements	B-1	277,430.53
		301,040.53
Balance December 31, 2009	B	\$ 97,995.18

BOROUGH OF HILLSDALE  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF ASSESSMENT RECEIVABLE**

B-9

Improvement Description	Confirmation Date	Balance December 31, 2008	Increases	Cash Collected	Balance December 31, 2009
Ord # 06-08- Sidewalk Improvements	04/08/2008	\$ 44,356.82	\$ -	\$ 7,296.60	\$ 37,060.22
		<u>\$ 44,356.82</u>	<u>\$ -</u>	<u>\$ 7,296.60</u>	<u>\$ 37,060.22</u>
	<u>Ref.</u>	B		B-1	B

**SCHEDULE OF BOND ANTICIPATION NOTES**

**B-10**

Improvement Description	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2008	Paid	Balance December 31, 2009
Ord # 06-08- Sidewalk Improvements	03/30/07	03/27/09	03/26/10	2.07%	\$ 65,625.00	\$ 7,405.00	\$ 58,220.00
					<u>\$ 65,625.00</u>	<u>\$ 7,405.00</u>	<u>\$ 58,220.00</u>
	<u>Ref.</u>				B	B-5	B

BOROUGH OF HILLSDALE  
TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF RESERVE FOR MEDICAL BENEFITS**

	<u>Reference</u>	<b>B-11</b>
Balance December 31, 2008	B	\$ -
Increased by:		
Medical Benefits Received		\$ 7,902.00
Interest		2.38
	B-1	<u>7,904.38</u>
Balance December 31, 2009	B	<u><u>\$ 7,904.38</u></u>

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF CASH - TREASURER**

C-1

	<u>Reference</u>		
Balance December 31, 2008	C, C-2	\$	582,500.49
Increased by:			
Bond Anticipation Notes	C-4	\$	4,617,569.00
Bond Anticipation Notes - Assessment Trust	Contra		65,625.00
BAN Paid Down	C-4		478,543.00
Improvement Authorizations Reimbursements	C-5		41,091.00
Capital Improvement Fund	C-7		14,922.00
Due to Current Fund	C-10		1,655.35
Reserve for Capital Improvements	C-6		35,078.00
Due to Swim Pool Utility Fund	C-13		862,467.00
Due to Escrow Account	C-11		2,825.00
Interfund BAN Interest	Contra		106,932.97
			<hr/>
	C-2		6,226,708.32
			<hr/> 6,809,208.81
Decreased by:			
Bond Anticipation Notes	C-4		5,096,112.00
Reserve for Capital Improvements	C-6		35,016.65
Improvement Authorizations	C-5		219,832.21
Due to Swim Pool Utility Fund	C-13		862,467.00
Due to Escrow Account	C-11		2,825.00
Due to/(from) Current Fund	C-10		1,311.96
BAN Paid Down by Municipal Open Space	C-12		91,000.00
BAN Interest Paid by Municipal Open Space	C-12		16,153.01
Bond Anticipation Notes- Assessment Fund	Contra		65,625.00
Interfund BAN Interest	Contra		106,932.97
			<hr/>
	C-2		6,497,275.80
			<hr/>
Balance December 31, 2009	C, C-2	\$	<u>311,933.01</u>

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH**

C-2

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfer</u> <u>To/(From)</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Reserve for Open Space	\$ 222,660.13		\$ 107,153.01		\$ 115,507.12
Capital Improvement Fund	20.95	14,922.00		(13,800.00)	1,142.95
Interfund - Current Fund	23,605.26	1,655.35	1,311.96	69,436.24	93,384.89
Interfund - Escrow Fund	0.00	2,825.00	2,825.00		-
Reserve for Down Payments on Improvements	3,000.00				3,000.00
Encumbrances Payable	69,116.30			(42,560.10)	26,556.20
Reserve for Capital Improvements	28,071.99	35,078.00	35,016.65	28,964.94	57,098.28
Due from Bergen County DPW 2009 ADA	0.00			(11,350.00)	(11,350.00)
Due from Recreation Trust Fund				(23,610.00)	(23,610.00)
BAN - Reissued	0.00	5,096,112.00	5,096,112.00		-
Interfund - BAN Interest	0.00	106,932.97	106,932.97		-
Due to Assessment Fund		65,625.00	65,625.00		-
Due to Swim Pool Utility Fund	0.00	862,467.00	862,467.00		-
 Improvement Authorizations:					
Ord. #	Improvement Description				
03-01	Acquisition of Real Property for Open Space and Recreation	74,775.73		2,946.80	71,828.93
03-09	General Improvements			(20,317.01)	(20,317.01)
04-21	Various Capital Improvements	5,980.26		15,413.11	15,243.37
06-14	Acquisition of Fire Pumper Truck	31,101.47		5,762.70	8,166.97
07-27	Various Capital Improvements	124,168.40	41,091.00	182,038.21	4,717.55
09-15	Various Capital Improvements			(29,436.24)	(29,436.24)
		<u>\$ 582,500.49</u>	<u>\$ 6,226,708.32</u>	<u>\$ 6,497,275.80</u>	<u>\$ 311,933.01</u>
Reference	C,C-1	C-1	C-1	-	C,C-1

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

C-3

Ord. #	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Funded/Canceled Transferred	Balance Dec. 31, 2009	Analysis of Balance - Dec. 31, 2009		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
93-10/96-4	Renovation of Fire Truck and Improvements to Firehouse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97-20/98-18	DPW Equipment	43,921.00		43,921.00	0.00		0.13	
98-23	Purchase of Fire Equipment	231,458.00		95,000.02	136,457.98	136,457.98	136,457.98	-
01-13	Library Renovations	1,106,000.00		75,000.00	1,031,000.00	1,031,000.00	1,031,000.00	-
03-1	Acquisition of Real Property for Open Space and Recreation	910,000.00		91,000.00	819,000.00	819,000.00	747,171.07	71,828.93
03-9	Various Capital Improvements	814,367.02		130,110.62	684,256.40	657,143.34	677,460.35	6,796.05
04-21	Various Capital Improvements	1,111,986.00		69,863.32	1,042,122.68	1,042,122.68	1,026,879.31	15,243.37
06-8	Sidewalk Improvement Project	17,500.00		1,970.00	15,530.00	15,530.00	15,530.00	-
06-14	Acquisition of a Fire Pumper Truck	523,800.00		27,569.00	496,231.00	496,231.00	488,064.03	8,166.97
07-27	Various Capital Improvements	390,199.49		(55,890.96)	446,090.45	420,084.00	415,366.45	30,724.00
09-15	Various Capital Improvements		830,000.00	40,000.00	790,000.00	0.00	29,436.24	760,563.76
		<u>\$ 5,149,231.51</u>	<u>\$ 830,000.00</u>	<u>\$ 518,543.00</u>	<u>\$ 5,460,688.51</u>	<u>\$ 4,617,569.00</u>	<u>\$ 4,567,365.56</u>	<u>\$ 893,323.08</u>
		C	C-14	Below	C	C		C-5
	Capital Improvement Fund		C-7	\$ 40,000.00				
	Budget Appropriation		C-4	387,543.00				
	Reserve for Open Space		C-4	91,000.00				
				<u>\$518,543.00</u>				
				Above				

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

C-4

**SCHEDULE OF BOND ANTICIPATION NOTES**

Ordinance Number	Purpose	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2008	Paid	Balance Dec. 31, 2009
98-23	Acquisition of a Fire Truck	01/29/99	03/27/09	03/26/10	2.07%	\$ 231,457.98	\$ 95,000.00	\$ 136,457.98
98-18/97-15						-		-
97-16/97-20	Public Improvements	12/29/98	03/27/09	03/26/10	2.07%	43,920.87	43,920.87	-
01-13	Renovation of Library	04/04/02	03/27/09	03/26/10	2.07%	1,106,000.00	75,000.00	1,031,000.00
03-1	Acquisition of Real Property for Open Space and Recreation	04/05/03	03/27/09	03/26/10	2.07%	910,000.00	91,000.00	819,000.00
03-9	Various Capital Improvements	04/05/03	03/27/09	03/26/10	2.07%	708,128.34	50,985.00	657,143.34
04-21	Various Capital Improvements	04/01/05	03/27/09	03/26/10	2.07%	588,985.81	69,863.13	519,122.68
04-21	Various Capital Improvements	03/31/06	03/27/09	03/26/10	2.07%	523,000.00		523,000.00
06-08	Sidewalk Improvement Project	03/30/07	03/27/09	03/26/10	2.07%	17,500.00	1,970.00	15,530.00
06-14	Acquisition of a Fire Pumper Truck	03/30/07	03/27/09	03/26/10	2.07%	523,800.00	27,569.00	496,231.00
07-27	Various Capital Improvements	03/30/07	03/27/09	03/26/10	2.07%	443,319.00	23,235.00	420,084.00
						<u>\$ 5,096,112.00</u>	<u>\$ 478,543.00</u>	<u>\$ 4,617,569.00</u>
					Reference	C, C-1	C-1, Below	C, C-1
						Budget Appropriation	C-3	\$ 387,543.00
						Reserve for Open Space	C-3	91,000.00
							<u>\$ 478,543.00</u>	
							Above	

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-5

Ord. No.	<u>Improvement Description</u>	Balance December 31, 2008		2009 <u>Authorizations</u>	Paid or <u>Charged</u>	<u>Canceled</u>	Balance December 31, 2009	
		<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
03-1	Acquisition of Real Property for Open Space and Recreation	\$ -	\$ 74,775.73	\$ -	\$ 2,946.80	\$ -	\$ -	\$ 71,828.93
03-9	Various Capital Improvements		(0.00)		(6,796.05)			6,796.05
04-21	Various Capital Improvements		5,980.26		(9,263.11)			15,243.37
06-14	Acquisition of a Fire Pumper Truck		31,101.47		22,934.50			8,166.97
07-27	Various Capital Improvements		177,287.91		146,563.91			30,724.00
09-15	Various Capital Improvements			830,000.00	69,436.24			760,563.76
		<u>\$ -</u>	<u>\$ 289,145.37</u>	<u>\$ 830,000.00</u>	<u>\$ 225,822.29</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 893,323.08</u>
		C	C	C-14	Below			C
				<u>Ref.</u>				
	Encumbrances Payable			C-8	\$ 11,661.70			
	Disbursed			C-1	219,832.21			
	Reimbursements			C-1	(41,091.00)			
	Prior Year Encumbrances Payable			C-8	(34,016.86)			
	Transfer of Expenditures From Current Fund			C-10	69,436.24			
					<u>\$ 225,822.29</u>			
					Above			

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

C-6

**SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENTS**

	Balance December 31, 2008	Increased By:	Paid or Charged	Balance December 31, 2009
Acquisition of Fire Apparatus and Renovation of Firehouse	\$ 112.00	\$ -	\$ -	\$ 112.00
Recreation Improvements	2,590.00	23,610.00	26,200.00	-
Office of Emergency Management	1,707.33			1,707.33
Road Program/Bridges	16,860.00			16,860.00
Centennial Park Development	806.73			806.73
Landfill Closure Reserve			(35,099.44)	35,099.44
Reserve for DPW Equipment		11,000.00	11,000.00	-
Reserve for Police Equipment		24,078.00	24,076.65	1.35
Reserve for 2009 ADA Ramp & Resurfacing Program		11,350.00	11,350.00	
Municipal Building Improvement	5,995.93		3,484.50	2,511.43
	\$ 28,071.99	\$ 70,038.00	\$ 41,011.71	\$ 57,098.28
<u>Ref.</u>	C	Below	Below	C
	<u>Ref.</u>			
Prior Year Encumbrance Payable	C-8		\$ (35,099.44)	
Encumbrance Payable	C-8		14,894.50	
Transfer to Capital Improvement Fund	C-7		26,200.00	
Due From Bergen County DPW 2009 ADA	C-15	\$ 11,350.00		
Due From Recreation Trust Fund	B	23,610.00		
Transfer From Budget Appropriation	C-1	35,078.00		
Cash Disbursements	C-1		35,016.65	
		\$ 70,038.00	\$ 41,011.71	
		Above	Above	

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

C-7

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Reference</u>	
Balance December 31, 2008	C	\$ 20.95
Increased By:		
Transfer from Recreation Improvements	C-6	\$ 26,200.00
Transfer From Budget Appropriations	C-1	14,922.00
		41,122.00
		41,142.95
Decreased by:		
Down Payment on Improvements	C-3,14	40,000.00
		40,000.00
Balance December 31, 2009	C	\$ 1,142.95

C-8

**SCHEDULE OF ENCUMBRANCES PAYABLE**

	<u>Reference</u>	
Balance December 31, 2008	C	\$ 69,116.30
Increased by:		
Charges to Reserve for Improvements	C-6	\$ 14,894.50
Charges to Improvement Authorizations	C-5	11,661.70
		26,556.20
		95,672.50
Decreased by:		
Prior Year Encumbrances Disbursed - Improvement Authorizations	C-5	34,016.86
Prior Year Encumbrances Disbursed - Reserve for Improvements	C-6	35,099.44
		69,116.30
Balance December 31, 2009	C	\$ 26,556.20

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS**

**C-9**

	<u>Reference</u>	
Balance December 31, 2008	C	<u>\$ 3,000.00</u>
Balance December 31, 2009	C	<u><u>\$ 3,000.00</u></u>

**SCHEDULE OF DUE FROM/(TO) CURRENT FUND**

**C-10**

	<u>Reference</u>	
Balance December 31, 2008	C	\$ (23,605.26)
Increased by:		
Interest Transferred to Current Fund	A-23, C-1	\$ 1,311.96
Transfer Grant Receivables from Current Fund	A-23	<u>172,500.00</u>
		<u>173,811.96</u>
		150,206.70
Decreased by:		
Interest Earned	A-23, C-1	1,655.35
Transfer Grant Expenditures From Current Fund	A-23, C-5	69,436.24
Transfer Grant Reserves from Current Fund	A-23	<u>172,500.00</u>
		<u>243,591.59</u>
Balance December 31, 2009	C	<u><u>\$ (93,384.89)</u></u>

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF DUE FROM/(TO) ESCROW FUND**

**C-11**

	<u>Reference</u>	
Balance December 31, 2008	C	\$ -
Increased by:		
Transfer to Escrow Fund - CDBG Grant	C-1	2,825.00
		2,825.00
Decreased by:		
CDBG Grant	C-1	2,825.00
		2,825.00
Balance December 31, 2009	C	\$ -

**SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE FUND**

**C-12**

	<u>Reference</u>	
Balance December 31, 2008	C	\$ 222,660.13
Increased by:		
Interest on Investments		435.79
		223,095.92
Decreased by:		
Transfer Interest to Current Fund		\$ 435.79
Interest on Bond Anticipation Notes	C-1	16,153.01
Paydown on Bond Anticipation Notes	C-1	91,000.00
		107,588.80
Balance December 31, 2009	C	\$ 115,507.12

BOROUGH OF HILLSDALE  
 CAPITAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF DUE TO/(FROM) SWIMMING POOL UTILITY FUND**

**C-13**

	<u>Reference</u>	
Balance December 31, 2008		\$ -
Increased by:		
Bond Anticipation Notes	C-1	862,467.00
		<u>862,467.00</u>
Bond Anticipation Notes		\$ 774,685.00
BAN Paid Down		87,782.00
	C-1	<u>862,467.00</u>
Balance December 31, 2009		<u><u>\$ -</u></u>

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

**C-14**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2008</u>	<u>2009 Authorizations</u>	<u>Funded / Transferred</u>	<u>Balance Dec. 31, 2009</u>
03-9	General Improvements	\$ -	\$ -	\$ (27,113.06)	\$ 27,113.06
07-27	Various Capital Improvements	53,119.51		27,113.06	26,006.45
09-15	Various Public Improvements		830,000.00	40,000.00	790,000.00
		\$ 53,119.51	\$ 830,000.00 C3,-5	\$ 40,000.00 C-7	\$ 843,119.51 C

BOROUGH OF HILLSDALE  
CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF GRANTS RECEIVABLE**

C-15

<u>Grant</u>	<u>Ordinance Number</u>	Balance Dec. 31, <u>2008</u>	Grants <u>Awarded</u>	Grants <u>Received</u>	Balance Dec. 31, <u>2009</u>
New Jersey Department of Transportation - Magnolia Avenue	09-15	\$ -	\$ 200,000.00	\$ -	\$ 200,000.00
Bergen County Open Space:		-			0.00
Centennial Field Handicap Access	09-15	-	47,500.00		47,500.00
Centennial Field Bicycle Path	09-15	-	60,000.00		60,000.00
Memorial Field	09-15	-	98,385.00		98,385.00
St. Nicholas Park	09-15	-	33,386.00		33,386.00
Bergen County Community Development:		-			0.00
Chambers Dias Handicap Access	09-15	-	40,000.00		40,000.00
Bergen County ADA Improvements	09-15	-	11,350.00		11,350.00
		\$ -	\$ 490,621.00	\$ -	\$ 490,621.00
	Reference	C			C, Below
Grant Receivable With Full Reserves	C				\$ 479,271.00
Grant Receivable Without Full Reserves	C-6				11,350.00
	Above				\$ 490,621.00

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - CAPITAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF ANALYSIS OF CASH**

**D-4**

<u>Improvement Authorizations</u>	<u>Ref.</u>	<u>Balance December 31, 2008</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Transfers</u>		<u>Balance December 31, 2009</u>
					<u>To</u>	<u>From</u>	
Reserve for Improvements	D-17	\$ 15,816.00	\$ -	\$ -	\$ -	\$ 3,862.58	\$ 19,678.58
Capital Improvement Fund	D-16	107.89					107.89
Due from Swimming Pool Operating Improvement Authorizations:	D-7	(30,756.92)			3,862.58		(34,619.50)
Ord. #95-9: Capital Improvements to Stonybrook	D-13, 19	22,323.23					22,323.23
		<u>7,490.20</u>	<u>-</u>	<u>-</u>	<u>3,862.58</u>	<u>3,862.58</u>	<u>7,490.20</u>
	Ref.	D	D-5, 12	D-5	D-7	D-7	D

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER**

**D-5**

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2008	D	\$ 343,496.35	\$ 7,490.20
Increased by Cash Receipts:			
Membership Fees	D-1, 2	944,039.70	
Use of Facility	D-1, 2	49,043.00	
Interest on Investments	D-1, 2	2,259.05	
Special Activities	D-1, 2	79,009.00	
Swim Team	D-15	11,931.00	
		1,086,281.75	-
Decreased by Cash Disbursements:			
Budget Appropriations	D-3	948,438.33	
Appropriation Reserves	D-6	10,676.94	
Reserve for Swim Team	D-15	7,176.49	
Accrued Interest	D-9	15,309.27	
		981,601.03	-
Balance December 31, 2009	D	\$ 448,177.07	\$ 7,490.20

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - OPERATING FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF 2008 APPROPRIATION RESERVES**

**D-6**

	<u>Balance Dec. 31, 2008</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Canceled</u>	<u>Balance Transferred</u>	<u>Balance Lapsed</u>
Operating:						
Salaries and Wages	\$241.43	\$ 241.43	\$ -	\$ -	\$ -	\$ 241.43
Other Expenses	11,522.33	11,245.83	10,676.94			568.89
Capital Improvements:						
Capital Improvement Fund	3,586.08	3,862.58			3,862.58	-
	-					-
	<u>\$ 15,349.84</u>	<u>\$ 15,349.84</u>	<u>\$ 10,676.94</u>	<u>\$ -</u>	<u>\$ 3,862.58</u>	<u>\$ 810.32</u>
<u>Ref.</u>	D	Below	D-5	D-7A	D-17	D-1
	<u>Ref.</u>					
Appropriation Reserves	D	\$ 6,843.63				
Encumbrances	D	8,506.21				
		<u>\$ 15,349.84</u>				

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF INTERFUNDS RECEIVABLE/ (PAYABLE)**

**D-7**

	<u>Ref.</u>	<u>Swimming Pool Utility Fund Operating Fund</u>	<u>Swimming Pool Utility Fund Capital Fund</u>
Balance, December 31, 2008			
Receivable	D	\$ -	\$ 30,756.92
Payable	D	(30,756.92)	
		<u>(30,756.92)</u>	<u>30,756.92</u>
Increased by:			
Reserve for Improvements	D-4		3,862.58
Cash Receipts		-	
		<u>-</u>	<u>3,862.58</u>
Decreased by:			
Transfer Balance of Reserve	D-4	3,862.58	
Cash Disbursements		-	
		<u>3,862.58</u>	<u>-</u>
Balance, December 31, 2009			
Receivable	D	\$ -	\$ 34,619.50
Payable	D	(34,619.50)	
		<u>(34,619.50)</u>	<u><u>34,619.50</u></u>

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - OPERATING FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF ENCUMBRANCE PAYABLE**

**D-8**

	<u>Reference</u>	
Balance December 31, 2008	D	\$ 8,506.21
Increased by:		
Encumbrance Payable	D-3	3,991.07
		12,497.28
Decreased by:		
Cash Disbursements		8,506.21
		\$ 3,991.07

**SCHEDULE OF ACCRUED INTEREST**

**D-9**

	<u>Reference</u>	
Balance December 31, 2008	D, D-5	\$ 11,513.94
Increased by:		
Budget Appropriations	D-3	15,823.00
		27,336.94
Decreased by:		
Cash Disbursements	D-5	\$ 15,309.27
Unexpended Balance of Appropriations	D-3	0.69
		15,309.96
Balance December 31, 2009	D	\$ 12,026.98
		Below
<u>BAN Outstanding</u>	<u>Interest</u>	<u>Accrued</u>
December 31, 2009	Rate	Interest
\$774,685.00	2.07%	\$ 12,026.98
	From	Above
	To	
	Period	
	3/27/2009	
	12/31/2009	
	9 months	

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - CAPITAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**D-10**

**SCHEDULE OF FIXED CAPITAL**

	Balance December 31, 2008	Increased by: Budget Capital Outlay	Completed Projects Transferred From Fixed Capital Authorized and Uncompleted	Balance December 31, 2009
General & Playground Equipment	\$ 37,377.47	\$ 1,444.80	\$ -	\$ 38,822.27
Renovations of Main Clubhouse	75,000.00		-	75,000.00
Improvements to Stonybrook Field Club	204,588.00		-	204,588.00
Reconstruction of Swim Pool	493,724.00		-	493,724.00
Acquisition of Land	1,100,000.00		-	1,100,000.00
Redevelopment of Stonybrook	23,785.00		-	23,785.00
Capital Improvements at Stonybrook	1,444,424.00	30,288.67	40,318.77	1,515,031.44
Barrier-Free Improvements	45,504.00		-	45,504.00
Landscaping Improvements	17,192.45	12,156.28	-	29,348.73
Bathroom Upgrades		8,092.00		8,092.00
Construction of a Lap Pool	163,670.00		-	163,670.00
Construction of a New Swim Pool	1,025,000.00		-	1,025,000.00
Pool Renovations	15,000.00	4,379.14		19,379.14
	<u>\$ 4,645,264.92</u>	<u>\$ 56,360.89</u>	<u>\$ 40,318.77</u>	<u>\$ 4,741,944.58</u>
<u>Ref.</u>	D	D-3, 14	D-11	D

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - CAPITAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

**D-11**

Ord. Number	Improvement Description	Original Issue		Balance December 31, 2008	Completed Projects Transferred to Fixed Capital	Balance December 31, 2009
		Date	Amount			
95-9	Capital Improvements at Stonybrook	7/11/1995	\$ 530,000.00	\$ 111,642.00	\$ 40,318.77	\$ 71,323.23
						-
				-		-
				\$ 111,642.00	\$ 40,318.77	\$ 71,323.23
			<u>Reference</u>	D	D-10	D

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND -CAPITAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

D-12

**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Ordinance Number	Purpose	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2008	Issued	Paid	Balance Dec. 31, 2009
04-12	Construction of a New Swim Pool	04/01/05	03/27/09	03/26/10	2.07%	\$ 527,134.00	\$ -	\$ 75,000.00	\$ 452,134.00
06-09	Construction of a New Swim Pool	03/30/07	03/27/09	03/26/10	2.07%	310,333.00		11,466.00	298,867.00
95-9/98-12	Capital Improvements to Stony Brook	03/28/08	03/27/09	03/26/10	2.07%	25,000.00		1,316.00	23,684.00
						<u>\$ 862,467.00</u>	<u>\$ -</u>	<u>\$ 87,782.00</u>	<u>\$ 774,685.00</u>
				<u>Reference</u>		D		D-3	D

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - CAPITAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

**D-13**

Number	Improvement Description	Original Issue		Balance @ December 31, 2008		2009	Paid or Charged	Balance @ December 31, 2009	
		Date	Amount	Funded	Unfunded	Improvement Authorization		Funded	Unfunded
95-9	Capital Improvement to Stonybrook	7/11/1995	\$ 530,000.00	\$ -	\$ 71,323.23	\$ -	\$ -	\$ -	\$ 71,323.23
								-	-
				\$ -	\$ 71,323.23	\$ -	\$ -	\$ -	\$ 71,323.23
			Ref.		D				D

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - CAPITAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF RESERVE FOR AMORTIZATION**

**D-14**

	<u>Reference</u>		
Balance December 31, 2008	D		\$ 3,815,439.92
Increased by:			
Capital Outlay:			
Operating Budgets	D-3, 10	\$ 56,360.89	
Bond Anticipation Notes Paid via Budget Appropriation	D-3	<u>87,782.00</u>	
			<u>144,142.89</u>
Balance December 31, 2009	D		<u><u>\$ 3,959,582.81</u></u>

**SCHEDULE OF RESERVE FOR SWIM TEAM EXPENDITURES**

**D-15**

	<u>Reference</u>		
Balance December 31, 2008	D		\$ 8,435.02
Increased by:			
Interest Earned	Below	\$ 44.20	
Cash Receipts	D-5	<u>11,931.00</u>	
			<u>11,975.20</u>
			20,410.22
Decreased by:			
Transfer to Swim Pool Operating	Above	44.20	
Cash Disbursements	D-5	<u>7,176.49</u>	
			<u>7,220.69</u>
Balance December 31, 2009	D		<u><u>\$ 13,189.53</u></u>

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - CAPITAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**D-16**

	<u>Reference</u>	
Balance December 31, 2008	D	<u>\$ 107.89</u>
Balance December 31, 2009	D	<u><u>\$ 107.89</u></u>

**SCHEDULE OF RESERVE FOR IMPROVEMENTS**

**D-17**

	<u>Reference</u>	
Balance December 31, 2008	D	\$ 15,816.00
Increased by:		
Balance of 2008 Appropriation Reserves		
Capital Outlay	D-6	<u>3,862.58</u>
Balance December 31, 2009	D	<u><u>\$ 19,678.58</u></u>

BOROUGH OF HILLSDALE  
 SWIMMING POOL UTILITY FUND - CAPITAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION**

**D-18**

Ord. Number	Improvement Description	Date	Original Issue Amount	Balance December 31, 2008	Decreased by Completed Projects Transfer to Reserve for Amortization	Balance December 31, 2009
	Prior Years		\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
				<u>\$ 30,000.00</u>	<u>\$ -</u>	<u>\$ 30,000.00</u>
		<u>Ref.</u>		D		D

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

**D-19**

Ord. Number	Improvement Description	Balance December 31, 2008	Decreased By:	Balance December 31, 2009
95-9	Capital Improvements to Stonybrook	\$ 49,000.00		\$ 49,000.00
		<u>\$ 49,000.00</u>	<u>\$ -</u>	<u>\$ 49,000.00</u>
				D

BOROUGH OF HILLSDALE  
PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH - TREASURER

E-1

	<u>Reference</u>	<u>Total</u>	<u>P.A.T.F. Account #2</u>
Balance December 31, 2008	E	<u>\$12,647.54</u>	<u>\$12,647.54</u>
Increased by Receipts:			
State Aid	E-2	31,900.00	31,900.00
SSI	E-2	1,511.00	1,511.00
Prior Year Voided Checks	E-2	420.00	420.00
Due to Current Fund	E-4	29.67	29.67
		<u>33,860.67</u>	<u>33,860.67</u>
		<u>46,508.21</u>	<u>46,508.21</u>
Decreased by Disbursements:			
Public Assistance - 2009	E-2	33,493.80	33,493.80
Due to Current Fund	E-4	29.67	29.67
		<u>33,523.47</u>	<u>33,523.47</u>
Balance December 31, 2009	E	<u><u>\$12,984.74</u></u>	<u><u>\$12,984.74</u></u>

BOROUGH OF HILLSDALE  
PUBLIC ASSISTANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF CASH AND RECONCILIATION PER N.J.S.A. 40A: 5-5**

E-2

	<u>Reference</u>		
Balance December 31, 2008	E		\$ 12,647.54
Increased by:			
State Aid	E-1	\$ 31,900.00	
Prior Year Voided Checks	E-1	420.00	
SSI Reimbursements	E-1	1,511.00	
Interest Earned	E-4	29.67	
			33,860.67
			46,508.21
Decreased by:			
Public Assistance - 2009	E-1	33,493.80	
Interest Earnings Paid to Current	E-4	29.67	
			33,523.47
Balance, December 31, 2009	E		\$ 12,984.74
			Below
Reconciliation - December 31, 2009:			
	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
	<u>Account</u>	<u>Account</u>	
Balance Deposit per Bank Statement:			
Checking	\$ -	\$ 13,474.74	\$ 13,474.74
Less: Outstanding Checks		(490.00)	(490.00)
Balance - December 31, 2009	\$ -	\$ 12,984.74	\$ 12,984.74
			Above

BOROUGH OF HILLSDALE  
PUBLIC ASSISTANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES**

**E-3**

	<u>Reference</u>	
Balance December 31, 2008	E	\$ 12,747.54
Increased by:		
State Aid	E-1	\$ 31,900.00
Prior Year Voided Checks	E-1	420.00
SSI Reimbursement	E-1	1,511.00
		33,831.00
		46,578.54
Decreased by:		
Public Assistance Expenditures	E-1	33,493.80
		33,493.80
Balance December 31, 2009	E	\$ 13,084.74

**SCHEDULE OF DUE TO CURRENT FUND**

**E-4**

	<u>Reference</u>	
Balance December 31, 2008	E	\$ -
Increased by:		
Interest Earned	E-2	29.67
	E-1,2	29.67
Decreased by:		
Transfer to Current Fund	E-1,2	29.67
		29.67
Balance December 31, 2009	E	\$ -

BOROUGH OF HILLSDALE  
PUBLIC ASSISTANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SCHEDULE OF REVENUES - CASH BASIS**

**E-5**

	<u>Reference</u>	<u>Total</u>	<u>P.A.T.F. Account #2</u>
State Aid Payments	E-1	\$ 31,900.00	\$ 31,900.00
Prior Year Voided Checks	E-1	420.00	420.00
SSI	E-1	1,511.00	1,511.00
		<hr/>	<hr/>
Total Revenues (P.A.T.F.)		<u>\$ 33,831.00</u>	<u>\$ 33,831.00</u>

**SCHEDULE OF EXPENDITURES - CASH BASIS**

**E-6**

	<u>Reference</u>	<u>Total</u>	<u>P.A.T.F. Account #2</u>
Maintenance Payments	E-1	\$ 33,493.80	\$ 33,493.80
		<hr/>	<hr/>
Total Payments Reported		<u>\$ 33,493.80</u>	<u>\$ 33,493.80</u>
Non-Reimbursable Assistance		<hr/>	<hr/>
Total Disbursements (P.A.T.F.)		<u>\$ 33,493.80</u>	<u>\$ 33,493.80</u>

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Hillsdale, New Jersey

We have audited the financial statements of the Borough of Hillsdale (“Borough”), State of New Jersey, as of and for the year ended December 31, 2009, and have issued our report thereon dated April 19, 2010. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (“Division”), that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough’s internal control over financial reporting.

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

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

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

#### Compliance and Other Matters

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

We noted certain matters that we reported to management of the Borough in a separate letter dated April 19, 2010. The Borough's responses to findings identified in our audit are described in the accompanying schedule of findings and recommendations. We did not audit the Borough's response, and accordingly, we express no opinion on it.

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

*Paul C. Garbarini*

Paul C. Garbarini, CPA  
Registered Municipal Accountant  
No. 120

*Garbarini & Co.*

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

April 19, 2010  
Carlstadt, New Jersey

BOROUGH OF HILLSDALE

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

Grantor	Program	C.F.D.A. Number	Grant Year	Grant Award	Balance Dec. 31, 2008	Cash Received	Expended	Adjustment	Balance Dec. 31, 2009	MEMO Cumulative Expenditures
U.S. Department of Justice	Cops in School		PY		(5,000.00)				(5,000.00)	23,617.00
									-	
Department of Environmental Protection	Municipal Stormwater Regulation Program	66.605	PY	12,760.00	4,780.50		625.00		4,155.50	11,319.00
		66.605	2009						-	
U.S. Department of Housing and Urban Development Community Development Block Grant Pass Through Funds: County of Bergen	ADA Improvements at Smith School	14.218	2006	50,000.00	(1,615.00)				(1,615.00)	47,385.00
	ADA Improvements		2009	11,350.00			11,350.00		(11,350.00)	11,350.00
					\$ (1,834.50)	\$ -	\$ 11,975.00	\$ -	\$ (13,809.50)	

BOROUGH OF HILLSDALE

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

State Grantor	Program	Grant Number	Grant Year	Grant Award	Balance Dec. 31, 2008	Cash Received	Expended	Adjustment	Balance Dec. 31, 2009	MEMO Cumulative Expenditures
Department of Transportation	Highway Planning and Construction Program Knickerbocker Avenue, Section 2 Liberty Avenue, Section 2 Magnolia Avenue	6320-480-078-6320-AJQ-TCAP-6010 6320-480-078-6320-AJQ-TCAP-6010 6320-480-078-6320-AJ3-TCAP-6010	2006	\$ 130,000.00	\$ -				\$ -	\$ 130,000.00
			2007	150,000.00	531.82			(531.82)	-	150,000.00
			2008	150,000.00	(40,157.69)	58,809.47	531.82	19,183.60	150,000.00	
			2009	200,000.00						
Administrative Office of the Courts	Alcohol Education and Rehabilitation	1110-448-031020-22 9735-760-098-Y900-001-X100-6020	PY		2,007.34				2,007.34	1,300.00
			2009	510.50		510.50			510.50	
Division of Criminal Justice	Body Armor	1020-718-066-1020-001-YCJS 1020-718-066-1020-001-YCJS-6120	PY		3,494.10		850.00		2,644.10	5,457.20
			2009	4,862.24					-	
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400 6400-100-078-6400	PY	7,113.53	7,802.29		1,722.87		6,079.42	5,234.11
			2009						-	
Division of Highway Safety	NJ State Police SLA HEOP Grant GDL Enforcement Grant		PY	925.00	-				-	
			PY		543.32				543.32	
Department of Environmental	Clean Communities Act	4900-765-042-4900-004	PY	44,020.22	59,244.97		4,314.42		54,930.55	28,475.42
			2009	15,947.46		15,947.46			15,947.46	
	Environmental Grant		PY	5,000.00	(2,500.00)				(2,500.00)	
	Tree Planting Grant		PY	2,755.50	-				-	
	Recycling Tonnage Grant	4900-752-042-4900-001	PY		9,125.15	7,373.43	8,660.00		7,838.58	19,526.54
Department of Human Services	Public Assistance	7550-150-158010-60	2008	28,400.00	4,159.00		4,159.00		-	
			2009	31,900.00		31,900.00	29,334.80		2,565.20	
					\$ 44,250.30	\$ 129,583.09	\$ 49,041.09	\$ -	\$ 124,792.30	

BOROUGH OF HILLSDALE

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

Grantor	Program	Grant Number	Grant Year	Grant Award	Balance Dec. 31, 2008	Cash Received	Expended	Adjustment	Balance Dec. 31, 2009	MEMO Cumulative Expenditures
County of Bergen	Municipal Recycling Assistance Program		PY	\$ 6,824.26	\$ 6,824.26				\$ 6,824.26	
County of Bergen	Municipal Alliance on Alcoholism and Drug Abuse		PY		14,871.00	7,430.00	5,855.13		16,445.87	31,829.13
	Open Space Trust Fund									
	Saddlewood		PY		(36,000.00)				(36,000.00)	36,000.00
	Ralph Avenue Park Improvements	006-910-785-20-31	2006	25,000.00	(1,208.00)				(1,208.00)	25,000.00
	Centennial Field Access Improvements		2006	47,500.00	(35,177.02)			35,177.02	-	-
	Centennial Field Bicycle Path		PY							
	Pascack Bridge		PY		41,310.00				41,310.00	
	Land Acquisition		PY		23,000.00				23,000.00	
	Broadway Bridge Design		PY		(55,080.00)				(55,080.00)	55,080.00
	Hillsdale Avenue Culvert		PY	85,000.00	(72,250.00)				(72,250.00)	85,000.00
	FAIU Grant		PY		6,755.93		1,803.95		4,951.98	6,254.59
									-	
					\$ (106,953.83)	\$ 7,430.00	\$ 7,659.08	\$ 35,177.02	\$ (72,005.89)	

BOROUGH OF HILLSDALE  
 NOTES TO THE SCHEDULES OF EXPENDITURES  
 OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED DECEMBER 31, 2009

**1. General**

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

**2. Basis of Accounting**

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

**3. Relationship of Financial Statements**

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

	<u>State</u>	<u>Federal</u>	<u>County</u>	<u>Total</u>
Current / Grant Fund	\$15,547.29	\$625.00	\$7,659.08	\$23,831.37
Capital Fund		11,350.00		11,350.00
Public Assistance Fund	33,493.80			33,493.80
	<u>\$49,041.09</u>	<u>\$11,975.00</u>	<u>\$7,659.08</u>	<u>\$68,675.17</u>

**4. Relationship to Federal and State Financial Reports**

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

**5. State Loans Outstanding**

The Borough's state loans outstanding at December 31, 2009, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State</u>
	NONE	

## **Supplementary Data**

BOROUGH OF HILLSDALE

Supplementary Data

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2009	\$1,635,473.56	**
	2008	1,005,692.27	790,000.00
	2007	1,319,278.83	700,000.00
	2006	1,344,327.96	712,698.00

**Comparative Schedule of Tax Rate Information**

	<u>2009</u>	<u>2008</u>	<u>2007*</u>	<u>2006</u>
Tax Rate	<u>\$1.930</u>	<u>\$1.873</u>	<u>\$1.790</u>	<u>\$3.800</u>
<u>Apportionment of Tax Rate</u>				
Municipal	0.404	0.392	0.354	0.761
County	0.202	0.198	0.181	0.375
Local School	0.860	0.830	0.800	1.742
Regional School	0.464	0.453	0.455	0.922

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

2009	<u><u>\$1,967,488,684</u></u>		
2008	<u><u>\$1,963,564,332</u></u>		
2007	*	<u><u>\$1,964,439,900</u></u>	
2006			<u><u>\$849,534,947</u></u>

\* Revaluation

\*\* 2010 Budget is not adopted at 4/19/10.

BOROUGH OF HILLSDALE

Supplementary Data

**Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2009	\$38,028,403.66	\$37,622,821.39	98.93%
2008	36,859,269.00	36,496,754.59	99.02%
2007	35,198,460.00	34,860,456.00	99.04%
2006	32,550,971.00	32,287,584.00	99.19%

**Delinquent Taxes and Tax Title Liens**

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

<u>December Year</u>	<u>Amount of Tax Title Lien</u>	<u>Amount of Delinq. Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2009	\$31,019.52	\$361,879.80	\$392,899.32	1.03%
2008	29,840.29	314,113.25	343,953.54	0.93%
2007	25,568.00	297,242.67	322,810.67	0.92%
2006	23,206.00	256,163.00	279,369.00	0.86%

BOROUGH OF HILLSDALE  
OFFICIALS IN OFFICE AND SURETY BONDS  
AT DECEMBER 31, 2009

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
John Sapanara	Mayor	
Max Arnowitz	Councilman	
Jonathan DeJoseph	Councilman	
Michael Giancarlo	Councilman	
Marie Hanlon	Councilwoman	
Donna Schiavone	Councilwoman	
Andrew Weinstein	Councilman	
Victor Polce	Administrator	
Catherine Henderson	Chief Financial Officer	
Marilyn A. Feigle	Tax Collector	*
Robert P. Sandt	Borough Clerk	
Clementina McDonald	Assistant Tax Collector	
Richard Mohr	Assessor	
Lawrence Meyerson	Municipal Court Judge	
John Kindergan	Court Administrator/Violations Clerk	
Maureen Adkinson	Deputy Court Administrator	
Elwood "Chip" Stalter	Police Chief	
Kate Leonard	Recreation Director	
Gianna Sapanara	Registrar of Vital Statistics	
Michelle Wood	Construction Official	
Keith Durie	DPW Superintendent	
Katherine E. Elgert	Welfare Director	
Patty Hughes	Swim Pool Manager/Community Activity Director	

All employees are covered by Public Employees Blanket Bond in the amount of \$1,000,000 by Bergen County Municipal Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund.

\*Statutory bond coverage for Tax Collector is provided by Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000.

Borough of Hillsdale  
General Comments  
For the Year Ended December 31, 2009

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

NJS40A:11-4 states “Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 “a contract year the total sum of \$21,000...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$29,000.”], shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law.”

NJS40A:11-9 states “The governing body of any contracting unit may by ordinance, in the case of a municipality, by ordinance or resolution, as the case may be, in the case of a county, or by resolution in all other cases, establish the office of purchasing agent, or a purchasing department or a purchasing board, with the authority, responsibility, and accountability as its contracting agent, for the purchasing activity for the contract in unit, to prepare public advertising for bids and to receive bids for the provision or performance of goods or services on behalf of the contracting unit and to award contracts permitted pursuant to subsection a. of section 3 of P.L.1971, c. 198 (C.40A:11-3) in the name of the contracting unit, and conduct any activities as may be necessary or appropriate to the purchasing function of the contracting unit.”

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000.00 within the calendar year or any twelve-month period. Where questions arise as to whether any contract or agreement might result in a violation of the statute, the Borough Attorney’s opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$21,000.00 “for the performance of any work, or the furnishing or hiring of any materials or supplies,” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Expenditure of \$3,150.00 or more and less than \$21,000 Per N.J.S.A. 40A:11-6.1

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

Borough of Hillsdale  
General Comments (Continued)  
For the Year Ended December 31, 2009

Collection of Interest of Delinquent Taxes and Assessments

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

The Governing Body on January 4, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

WHEREAS N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 prior to the end of the calendar year;

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

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, and additional penalty of 6% shall be charged against the delinquency.
2. Effective January 4, 2009 there will be a ten-day grace period of quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

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

**FINANCE/ACCOUNTS PAYABLE**

**#08-01 RECOMMENDATION:**

That all expenditures be charged to the period in which the expenses were incurred.

**STATUS:**

Corrective action has been taken.

**#08-02 RECOMMENDATION:**

That all orders be encumbered prior to purchase.

**STATUS:**

Corrective action has not been taken.

**#08-03 RECOMMENDATION:**

That the general ledgers be reviewed in a timely basis to assure that all items are posted and reconciled.

**STATUS:**

Corrective action has been taken.

**MUNICIPAL COURT**

**#08-04 RECOMMENDATION:**

- a. That tickets assigned over 180 days be recalled and re-assigned
- b. That all tickets be assigned.

**STATUS:**

- a. Corrective action has not been taken.
- b. Corrective action has been taken.

Borough of Hillsdale  
Schedule of Audit Findings and Recommendations  
For the Year Ended December 31, 2009

**FINANCE/PURCHASING**

**\*Finding #09-01**

That some orders were made prior to being encumbered.

**Criteria:**

All local units shall maintain an encumbrance accounting system in accordance with N.J.A.C. 5:30-5.

**Recommendation:**

All orders must be encumbered prior to purchase.

**Borough's Proposed Corrective Action Plan:**

The purchasing policy will be in place for each department within the Borough.

**Finding #09-02**

That a fixed asset accounting system was not maintained.

**Criteria:**

N.J.A.C.5:30-5.6 Codifies Fixed Asset Accounting – Technical Accounting Directive #86-2 (TAD).

**Recommendation:**

A complete fixed asset inventory should be completed and updated periodically. All fixed assets should be tagged and the corresponding tag number should be reflected on the fixed asset list.

**Borough's Proposed Corrective Action Plan:**

The Borough will consult with an outside firm in order to complete a fixed asset accounting inventory.

Borough of Hillsdale  
Schedule of Audit Findings and Recommendations (Continued)  
For the Year Ended December 31, 2009

**Finding #09-03**

That one vendor exceeded the bidding threshold and was not advertised for bids:

Tree work

**Criteria:**

Contracts and agreements required to be advertised as per N.J.S.A.40A:11-4.

**Recommendation:**

The expenditures should be monitored to be in compliance with Local Public Contracts Law.

**Borough's Proposed Corrective Action Plan:**

Expenditures will be monitored to avoid violations of the Local Public Contracts Law.

**TAX**

**Finding #09-04**

That not all refunds of tax overpayments were approved by resolution.

**Criteria:**

State of N.J. Division of Local Government Services Requirements of Audit.

**Recommendation:**

Refunds of tax overpayments should be approved by resolution.

**Borough's Proposed Corrective Action Plan:**

All refunds of tax overpayments will be approved by resolution.

**MUNICIPAL COURT**

**\*Finding #09-05**

That ATS/ACS monthly management report dated January 1, 2010 indicated that there were 317 tickets assigned over 180 days.

**Criteria:**

ATS/ACS Financial Procedures Manual – Registered Municipal Auditor’s Edition.

**Recommendation:**

Tickets assigned over 180 days should be recalled and re-assigned.

**Borough’s Proposed Corrective Action Plan:**

The Court Administer will review AOC Monthly Management Report to insure that the court is processing case follow-up in a timely manner.

\* Repeated from prior year’s audit

Borough of Hillsdale  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2009

Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

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

Borough of Hillsdale  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2009

Summary of Auditor's Results (Continued)

State Awards Section

J) Dollar threshold used to determine Type A Program	\$300,000	
K) Audited qualified as low-risk auditee?	Yes	No
L) Type of auditor's report on compliance for major Programs	N/A	
M) Internal Control over Compliance		
1) Material weakness identified	Yes	No
2) Were reportable conditions identified that Were not considered to be material weaknesses?	Yes	No
N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended?	Yes	No
O) Identification of major programs		
<u>Grant Number</u>		
<u>Name of State Program</u>		

Borough of Hillsdale  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2009

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

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

N/A

Status of Prior Year Findings

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

N/A

**Appreciation**

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

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