

**NEW ISSUE
SERIAL BONDS****RATING:** Standard & Poor's:

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Town, assuming compliance by the Town with its Tax Certificate described herein, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations; nor is it included in "adjusted current earnings" for purposes of computing the alternative minimum tax that may be imposed on corporations. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

\$15,608,000
TOWN OF SECAUCUS
COUNTY OF HUDSON, NEW JERSEY
GENERAL IMPROVEMENT BONDS
(Callable) (Bank-Qualified)
(Book-Entry Only)

Dated: April 1, 2010**Due:** April 1, as shown below

The General Improvement Bonds (the "Bonds") of the Town of Secaucus, in the County of Hudson, New Jersey (the "Town"), will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds, with the Bonds immobilized in the custody of DTC. Owners of beneficial interests in the Bonds will not receive physical delivery of bond certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Bonds in book-entry form in the denomination of \$5,000 or any integral multiple thereof (except for one odd piece in excess of \$5,000). See "BOOK-ENTRY ONLY SYSTEM" herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Bonds. Principal of the Bonds is payable on April 1 of each of the years set forth below, and interest on the Bonds is payable on each April 1 and October 1, commencing October 1, 2010, in each year until maturity or prior redemption.

The Bonds are subject to redemption prior to their stated maturities at the prices, at the times and in the manner described herein. See "PRIOR REDEMPTION" herein.

The Bonds are general obligations of the Town and are secured by a pledge of the full faith and credit of the Town for the payment of the principal thereof and the interest thereon. The Town is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Town for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

MATURITY SCHEDULE, INTEREST RATES AND YIELDS OR PRICES

<u>Year</u>	<u>Amount</u> <u>Maturing</u>	<u>Interest</u> <u>Rate</u>	<u>Yield or</u> <u>Price</u>	<u>Year</u>	<u>Amount</u> <u>Maturing</u>	<u>Interest</u> <u>Rate</u>	<u>Yield or</u> <u>Price</u>
2011	\$ 200,000	%	%	2021	\$1,050,000	%	%
2012	250,000			2022	1,050,000		
2013	250,000			2023	1,050,000		
2014	475,000			2024	1,050,000		
2015	525,000			2025	1,050,000		
2016	550,000			2026	1,100,000		
2017	620,000			2027	1,100,000		
2018	1,000,000			2028	1,100,000		
2019	1,040,000			2029	1,098,000		
2020	1,050,000						

The Bonds are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about April 1, 2010.

**ELECTRONIC BIDS VIA PARITY AND
SEALED PROPOSALS WILL BE RECEIVED
UNTIL 11:00 O'CLOCK A.M. ON MARCH 23, 2010
AT THE MUNICIPAL GOVERNMENT CENTER, 3rd FLOOR
1203 PATERSON PLANK ROAD
SECAUCUS, NEW JERSEY 07094**

TOWN OF SECAUCUS
COUNTY OF HUDSON, NEW JERSEY

MICHAEL GONNELLI, MAYOR

TOWN COUNCIL MEMBERS

JOHN BUECKNER
JAMES CLANCY
ROBERT COSTANTINO
GARY JEFFAS
WILLIAM MCKEEVER
JOHN SHINNICK

OFFICIALS

DAVID DRUMELER.....TOWN ADMINISTRATOR
MARGARET M. BARKALA.....CHIEF FINANCIAL OFFICER
MICHAEL MARRA.....TOWN CLERK
FRANK M. LEANZA, ESQ.....TOWN ATTORNEY

AUDITORS

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

BOND COUNSEL

ROGUT McCARTHY LLC

No broker, dealer, salesperson or other person has been authorized by the Town to give any information or to make any representations, with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Town. The information contained herein has been obtained from the Town and other sources which are believed to be reliable; however, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation or warranty of the Town. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, ordinances, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Town during normal business hours.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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**OFFICIAL STATEMENT
OF THE TOWN OF SECAUCUS
IN THE COUNTY OF HUDSON, NEW JERSEY**

\$15,608,000 GENERAL IMPROVEMENT BONDS

INTRODUCTION

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Town of Secaucus (the "Town") in the County of Hudson (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its \$15,608,000 General Improvement Bonds dated April 1, 2010 (the "Bonds"). This Official Statement has been executed by and on behalf of the Town by the Chief Financial Officer and the Town Clerk, and may be distributed in connection with the sale of the Bonds.

This Preliminary Official Statement is "deemed final," as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to (a) completion with certain pricing and other information to be made available by the successful bidder for the Bonds and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

THE BONDS

General Description

The Bonds shall be dated April 1, 2010 and will mature on April 1 of each year shown below. The Bonds shall bear interest from their date, payable on each April 1 and October 1, commencing October 1, 2010 (each, an "Interest Payment Date"), in each year until maturity or prior redemption at the rates shown on the cover page hereof. Principal of and interest on the Bonds will be paid to The Depository Trust Company, New York, New York ("DTC"), acting as Securities Depository, by the Chief Financial Officer, acting as "Bond Registrar/Paying Agent". Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of the fifteenth day of the month preceding the month in which such Interest Payment Date occurs (the "Record Dates" for the payment of interest on the Bonds).

<u>YEAR</u>	<u>MATURITY</u>	<u>YEAR</u>	<u>MATURITY</u>
2011	\$200,000	2021	\$1,050,000
2012	250,000	2022	1,050,000
2013	250,000	2023	1,050,000
2014	475,000	2024	1,050,000
2015	525,000	2025	1,050,000
2016	550,000	2026	1,100,000
2017	620,000	2027	1,100,000
2018	1,000,000	2028	1,100,000
2019	1,040,000	2029	1,098,000
2020	1,050,000		

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity and in the principal amount of such maturity. The Bonds will be issued in book-entry form only. Investors may purchase beneficial interests in the Bonds in the denomination of \$5,000 or any integral multiple thereof (except for one odd piece in excess of \$5,000). So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the Bond Registrar/Paying Agent directly to Cede & Co., (or any successor or assign), as nominee for DTC. Disbursement of such payments to the participants of DTC is the responsibility of DTC. Disbursement of such payments to the beneficial owners is the responsibility of the DTC participants. See "BOOK-ENTRY ONLY SYSTEM" below.

PRIOR REDEMPTION

The Bonds maturing on or before April 1, 2020 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after April 1, 2021 are subject to redemption at the option of the Town prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after April 1, 2020, upon notice as hereinafter set forth at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Town determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Town, and within any maturity, by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar/Paying Agent shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000.

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Bond Registrar/Paying Agent at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. Such mailing is not a condition precedent to redemption, and the failure to mail or to receive any redemption notice will not affect the validity of the redemption proceedings. If any Bond subject to redemption is a part of a greater principal amount of the Bonds not to be redeemed, such entire amount shall be surrendered to the Bond Registrar/Paying Agent and, for that portion of the Bond not to be redeemed, a new Bond shall be issued in the name of the registered owner in an amount equal to the principal amount of the Bond surrendered less the amount to be redeemed.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each year of maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participant to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Town or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

AUTHORIZATION

The Bonds have been authorized and are issued pursuant to the laws of the State, including the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended, the "Local Bond Law"). The Bonds are authorized by various bond ordinances adopted by the Town Council of the Town and resolutions adopted by the Town Council of the Town on February 23, 2010. On December 9, 2009, the Town received the approval of the Local Finance Board (the "Local Finance Board") in the Division of Local Government Services in the New Jersey Department of Community Affairs to issue the Bonds with a maturity schedule that does not conform with N.J.S.A. 40A:2-26(b). Such statute requires that no annual principal installment exceed by more than 100% the amount of the smallest prior installment. The Local Finance Board permitted the Town to use a maturity schedule with low principal installments in the early years in order to levelize the Town's total outstanding annual debt service over the next several years, after which it declines.

The bond ordinances included in the sale of the Bonds were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced, began to run from the date of the first publication of such statement. The Local Bond Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning the sale or the execution or the delivery of the Bonds by the Town.

PURPOSE OF FINANCING

The proceeds of the Bonds will be used to refund, on a current basis \$15,608,000 of the Town's Bond Anticipation Notes.

The projects to be financed from the Bond proceeds are listed below.

<u>ORDINANCE NUMBER</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2006-16	Various Improvements and Acquisitions	\$ 1,893,000.00
2006-22	Supplemental Funding for the Construction of the Secaucus Recreation Center	2,152,000.00
2007-31:2007-36	Various Improvements and Acquisitions	1,323,000.00
2007-37	Construction of the Secaucus Recreation Center and Installation of Artificial Turf and other Improvements at Kane Stadium	8,813,000.00
2008-20	Various Improvements and Acquisitions	<u>1,427,000.00</u>
		<u>\$ 15,608,000.00</u>

PAYMENT OF AND SECURITY FOR THE BONDS

The Bonds are general obligations of the Town and unless paid from other sources, the Town is authorized and required by law to levy ad valorem taxes on all real property taxable by the Town for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

Enforcement of a claim for payment of principal of or interest on bonds and notes of the Town is subject to applicable provisions of Federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State, providing extension for payment of principal of or interest on the Bonds or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the New Jersey Local Finance Board.

NO DEFAULT

No principal or interest payments on Town indebtedness are past due. The Town has never defaulted in the payment of any bonds or notes.

MARKET PROTECTION

The Town does not anticipate issuing tax anticipation notes or additional bonds during the remainder of the calendar year 2010. The Town may, however, issue bond anticipation notes, as needed.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Town has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) (3) of the Internal Revenue Code of 1986, as amended and has represented that it reasonably expects that, collectively, neither it nor its subordinate entities, if any, will issue more than \$30,000,000 of tax-exempt obligations during the current calendar year.

GENERAL INFORMATION

Location

The Town of Secaucus is a fully developed urban town in northwestern Hudson County and in view of the New York skyline. The Town encompasses approximately 6.2 square miles. The Town is located about five miles from midtown New York City.

The Town is a virtual island laying almost completely within the Hackensack Meadowlands district. Its borders are defined by the Hackensack River to the north, west and south, the Mill Creek to the northeast and the Penhorn Creek to the southeast. It is bounded by the east by North Bergen Township, to the southeast by Jersey City, to the southwest by the town of Kearny, and to the north and west by the southern Bergen County municipalities of Carlstadt, East Rutherford, Rutherford, and Lyndhurst.

Secaucus is intersected by the New Jersey Turnpike (Interstate Route 95), State Highway Route 3 and several rail lines. It lies just five miles from Times Square in New York City and the New Jersey Meadowlands Sports Complex is within one mile across the Hackensack River.

Secaucus contains a diverse mix of residential neighborhoods concentrated in the north and cleverly separated commercial, industrial and retail developments to the south. There are approximately 16,000 residents, but its daytime population explodes to 60,000 as people come from throughout the region to work and shop. Secaucus is the corporate home of many major corporations including Panasonic, United Parcel Service, and Hartz Mountain Industries and many others. It has become a distribution center serving Manhattan and Northern New Jersey and is widely known for warehouse outlet shopping. Secaucus has also become a communication hub with the broadcast studios of Major League Baseball Network, UPN-9 and Channel 41.

Despite such extensive development, commerce and industry, Secaucus has managed to preserve nature in areas large and small at Buchmuller Park, at Snipes Beach Park, Schmidts Woods, the Duck Pond and wetlands preserves.

Government

The Town, settled in 1692, was incorporated as a Borough in 1900 and adopted the "Town" form of government in 1917. This provides for an independently elected Mayor and six council members (two for each of its three wards with one seat in each ward up for election in each municipal election). The term of office for the mayor and council is four years, with municipal elections every two years. A full-time Municipal Administrator oversees the operation of municipal departments, personnel, and planning functions for municipal projects, prepares the municipal budget, and obtains grants on behalf of the Town.

The Town provides excellent municipal services and has consistently maintained the lowest tax rates in the County. The Town has, over the years, attracted valuable commercial, non-industrial ratables, resulting in almost 70% of the tax bill being shouldered by non-residential property owners.

Protection to Persons and Property

The Town has 60 paid policemen and 85 volunteer firemen; five firehouses and 10 pieces of fire fighting equipment.

Public Library

The Secaucus Library and Business Resource Center is a 25,000 sq. ft., state-of-the-art, fully handicapped-accessible facility, with parking for over 100 cars. The Library maintains a collection of 59,000 volumes and is a member of two consortiums, increasing the collection to over 500,000 volumes in its databases. Its computers are all Internet accessible and the Library has recently gone wireless. It serves a residential population of 15,931 and a business/corporate community that more than doubles that number each day. Its programs and resources define the Library as the informational, educational and cultural hub of the community.

Recreation

The Town's Recreation Department supervises an extensive and diversified year-round recreation program for residents of all ages, including Special Needs programs, a 7-week Summer Day Camp for children ages 7-12 years, an Aftercare Program 5 days a week for grades kindergarten through sixth, a Day Care Program for ages 2½ to 5, senior exercise and line dancing lessons and a birth to pre-K Fun Time – Play Time (Mommy & Me) Program.

There are ten ballfields in Town, a naturally wooded recreational area, two riverside nature parks, and a central park which has multiple sport and recreational facilities including a bocce ball court, skateboard park and multi-purpose covered ice rink, where in addition to open skating we offer a Hockey program and ice skating lessons, and a new band shell where the Town's children perform for various holidays and the Town's seniors are provided Summer Concerts once a week throughout the months of July and August.

The Town has a four pool swim center offering swim lessons and senior water aerobics. It is located on Town-owned property next to Schmidt's Woods in the northern end of Town. The pool complex is a membership based facility which is also open on a per-day fee basis to all Secaucus residents, and is operated as a municipal utility.

A new recreation facility was recently built which includes state-of-the-art fitness equipment, indoor running track, basketball courts and swimming pool which, in addition to providing residents new recreation opportunities, has allowed Secaucus High School to develop a new swim team.

Transportation

Transportation and communication facilities utilize close to 500 acres of the industrial related developed land in Secaucus. The Town's proximity to New York City places it in the Greater Metropolitan Free Trade Area making it an important warehouse and distribution center for the largest metropolitan area in the nation.

The Town is served by a well maintained highway system that includes State Route 3, a major east-west artery that provides direct access to the Lincoln Tunnel and midtown Manhattan; U.S. Routes 1 and 9 which provide direct access to the Holland Tunnel and downtown Manhattan; two portions of the New Jersey Turnpike (Interstate Route 95), a major north-south highway running from the George Washington Bridge to the City of Philadelphia, Pennsylvania, with 15-minute access to Newark International Airport. Additionally, direct bus service to Manhattan, Jersey City (and the PATH railroad system), and other points in New Jersey is available via public and private carriers, and a train stop links the Town to Hoboken, New Jersey and the PATH railroad system to Newark, Jersey City and Manhattan.

The Town's importance in the State's rail/highway chain is evident as construction has been completed on the Allied Junction Rail Transfer Station, a major rail hub built in a 26-acre, triangular shaped, formerly land-locked tract off County Avenue. Located at the junction of Amtrak and New Jersey Transit rail lines, and close to the New Jersey Turnpike, the facility gives New Jersey commuters a new and direct connection between New Jersey Transit and Amtrak lines and New York City. In addition, this station will also provide service for the new tunnel being constructed to Manhattan. This project received full funding under the recent Federal Economic Stimulus funding.

With the help of a grant from New Jersey Transit, the Town has acquired two brand new 23 passenger shuttle buses. These buses are used to provide transportation to and from the rail transfer station. Also, an additional New Jersey Turnpike interchange, Exit 15X, has been completed in the vicinity of the rail transfer station.

Other Services

The Town has a Department of Social Services which provides information and referrals for Secaucus residents. The Department administers education, social, and recreational programs for senior citizens, operates the Town's Senior Center and senior citizen bus program. The Department provides information and guidance on Medicare, Medicaid, Social Security Disability, food stamps, medically needy programs, community job banks, housing subsidies, shelters for the homeless, and such services as PAAD and other entitlement programs, hospice care, homemaker and nursing services, placement in nursing homes, as well as alternative solutions to institutional care. The Social Services Department also operates an emergency food pantry and distributes federal commodities to low income residents.

The Housing Authority of Secaucus leases and manages two 100 unit and one 75 unit apartment complexes for senior citizens. The Authority administers 150 units of rental assistance under the HUD Section 8 existing housing program and 250 HUD housing choice vouchers.

The Secaucus Municipal Utilities Authority operates a sewerage treatment system which serves all but a small area of the Town.

Land Use/Development Activity

Commercial and industrial concerns are situated primarily in the southern portion of the Town of Secaucus with the exception of Harmon Meadow and Mill Creek Mall, hotel, office and retail store complexes, which are located north of State Route 3 in the eastern part of the Town.

A developer has recently sold all 212 luxury townhouse units at the north end of Meadowlands Parkway. Because of the success, another developer is currently constructing 33 luxury townhouses on an abutting property. In addition, a 43 luxury townhouse project at the north end of Town on Koelle Boulevard has recently sold out.

Three hundred and four residential units (Phase I) in the south end of Town have begun construction. See "Major Development Activity" herein regarding the magnitude of the full project.

NEW CONSTRUCTION PERMITS AND ESTIMATED CONSTRUCTION COSTS

<u>YEAR</u>	<u>RESIDENTIAL</u>	<u>NON- RESIDENTIAL</u>	<u>ADDITIONS/ ALTERATIONS RESIDENTIAL/ NON-RESIDENTIAL</u>		<u>TOTAL</u>	<u>ESTIMATED CONSTRUCTION COSTS</u>
2009	8	0	311	152	471	\$66,227,459
2008	15	1	331	234	581	\$52,271,110
2007	22	6	381	199	608	\$67,791,899
2006	7	7	330	219	563	\$47,588,421
2005	14	2	388	268	672	\$25,938,626

Major Development Activity

The largest development currently taking place is in the south end of Town near the N.J. Turnpike 15X exchange and the Secaucus Rail Station. This project has been approved for 1,805 residential units with another 230 Affordable Housing units for a total of 2,035 units. It also has approvals for 300,000 square feet of commercial space. This area is part of a redevelopment zone. The first portion consisting of 364 luxury rental units was fully occupied ahead of schedule.

Recently completed projects are Raymour & Flanigan, Babies/Kids R Us, Sports Authority and T.J. Max as well as a state-of-the-art 14-screen movie theatre, all of which are now open for business.

Economic Development

In 1969, the Hackensack Meadowlands Development Commission, renamed in 2001 the New Jersey Meadowlands Commission, (the "NJMC"), a State Agency, was empowered by the New Jersey State Legislature to plan and oversee the orderly development of 19,730 acres of marsh, waterway, tidal basin and landfill, overlapping parts of 14 towns in Hudson and Bergen Counties. Some 88% of the Town falls under the zoning jurisdiction of the NJMC, and much of the recent and pending development in the Town has been guided by the land use plans of the NJMC.

The Hackensack Meadowlands Development Commission and Reclamation Act (the "HMDC Act"), as amended by Chapter 103, P.L. 1972, gives the NJMC authority to oversee the orderly development of the Meadowlands area, and to establish a master plan through which development is guided. All capital improvements within the area administered are subject to approval by the NJMC. The NJMC was further empowered to deal with land and waterway restoration and preservation and solid waste disposal planning.

As a result of NJMC involvement, innovative concepts have been encouraged, and the Town has become the focal point of residential and commercial development within the Meadowlands area. A massive infusion of private investment capital has produced national and international corporate headquarters in the Town's warehouse and office industrial park area.

Included in the NJMC Act is a program whereby all the affected municipalities would equitably share in the new financial benefits and new costs resulting from the development of the Meadowlands District as a whole. The broad purpose is to insure that each municipality will get a fair share of the real property taxes generated by new development, regardless of where it occurs, thus moderating competition for ratables. The device decided upon is called the intermunicipal account. In line with the usual features of a pool arrangement, standards are prescribed under which municipalities "put" into or "take" from the pool, depending primarily upon annual comparison with prior years' conditions.

The NJMC serves as a clearing house for the tax sharing transactions of the constituent municipalities. All tax moneys contributed into the intermunicipal account are divided among the fourteen constituent members. The NJMC does not have power of assessment or tax collection over and above those previously mentioned. Under the intermunicipal account programs, during this decade, the Town has paid the amounts shown below:

<u>YEAR</u>	<u>INTERMUNICIPAL ACCOUNT PAYMENT</u>
2009	\$3,096,913
2008	\$3,325,271
2007	\$3,418,246
2006	\$3,255,210
2005	\$3,069,560
2004	\$3,101,934
2003	\$3,101,646
2002	\$2,824,489
2001	\$2,824,489

SECAUCUS MUNICIPAL UTILITIES AUTHORITY

The Secaucus Municipal Utilities Authority (the "SMUA") was created by the Town in 1978. The SMUA is a designated public agency which provides for wastewater treatment to the Town, and which owns and operates an advanced wastewater (tertiary) treatment plant located on Koelle Boulevard (the "Koelle Plant"), near Mill Creek, serving the entire Town.

The collection of revenue for operation and maintenance of the wastewater treatment facilities is through the Town's ad valorem assessment of property taxes. A system has been established to charge the users of the system who are exempt from property taxes, and to provide rebates and surcharges to insure that each user pays their fair share according to actual use. In addition, the SMUA has adopted a capital cost recovery system to assess charges to new developers.

MAJOR TAXPAYERS

The larger taxpayers located in the Town are:

<u>TAXPAYER</u>	<u>2009 ASSESSMENT</u>
Hartz Mtn & Affiliates	\$365,000,000
First Penn Bk.	66,059,600
Hartz c/o Urban Poole	57,059,600
300-400 Park Plaza Drive Inc.	48,709,900
500 Plaza Drive Corp.	48,407,600
Hartz c/o Matsushita	46,625,000
BT-NewYo, LLC	32,795,400
Mach Co.	27,908,200
Atrium IV, LLC	26,459,100
Harmon, Pond, Rumson	21,320,200

MAJOR EMPLOYERS

<u>EMPLOYER</u>	<u>BUSINESS</u>	<u>APPROXIMATE EMPLOYMENT</u>
Private Sector:		
United Parcel Service	Package Overnight Delivery Systems	3,211
Ernst & Young	Public Accounting	1,000
Century 21 Inc.	General Merchandising Stores	685
Meadowlands Hospital Medical Center	Acute Hospital Care	653
Matsushita Electric Corporation of America	Panasonic, Electronic Products	650
Public Sector:		
Meadowview Hospital	Health Services Retirement Home, County Operated	650
N.B.A. Entertainment Inc.	Television & Communications	600
Walmart	Department Store	550
Empire CLS Services	Worldwide Chaffeures	500
Goya Foods	Food Manufacturer, Distribution Center	480
Buck Consultants	Actuaries, Tax Consultants	450
Major League Baseball Network	Television and Communications	450
Public Service Electric & Gas Co.	Public Utility, Palisades Division	400
Secaucus Board of Education	Primary & Secondary Public Education	355
Town of Secaucus	Municipal Government	350
Gucci	Accessory Store & Corporate Headquarters	300
Browne Business Comm.	Printing & Publishing	300
Cosco	Importing and Exporting	200
Hartz Mountain Real Estate	Property Developers, Lessee, Manager	200
Crown Plaza Meadowlands	Hotel, Eating & Accessories	180
Hartz Mountain Corporation	Pet Products	180
Kenneth Cole Productions	Accessory Store & Corporate Headquarters	165
Home Depot	Hardware, Lumber Supermarket	135
Embassy Suites Hotel	Hotel & Other Lodging Places	90

POPULATION

<u>CENSUS YEAR</u>	<u>POPULATION</u>
1960	12,154
1970	12,278
1980	12,017
1990	13,719
2000	15,931

EMPLOYMENT AND EMPLOYMENT COMPARISONS

The 2008 annual average unemployment rate data follows:

Town of Secaucus.....	2.9%
Hudson County.....	6.4%
State of New Jersey.....	5.5%

FINANCIAL INFORMATION

DEBT STATEMENTS

The Town must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year, the Town must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Town as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

**DEBT INCURRING CAPACITY
AS OF DECEMBER 31, 2009**

Municipal:

1. Equalized Valuations (last three years average)	\$5,503,491,863.
2. 3-1/2% Borrowing Margin	192,622,215.
3. Net Debt Issued and Outstanding	46,075,970.
4. Excess School Borrowing	-0-
5. Total Charges to Borrowing Margin	46,075,970.
6. Remaining Municipal Borrowing (line 2 minus line 5) Capacity	146,546,245.

**STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2009**

Gross Debt:

Local District School Debt:		
Serial Bonds Issued and Outstanding		\$ 10,733,000.
Swimming Pool Utility Debt:		
Authorized But Not Issued	\$ -0-	
Issued and Outstanding:		
Bond Anticipation Notes	<u>861,100.</u>	861,100.

Municipal Debt:

Issued and Outstanding:		
Serial Bonds	\$ 14,900,000.	
Environmental Infrastructure Loans	2,635,066.	
Green Trust Loans	551,221.	
Bond Anticipation Notes	22,460,274. (1)	
Authorized But Not Issued	<u>4,668,309.</u>	<u>45,214,870.</u>

<u>Total Gross Debt</u>	\$ 56,808,970.
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Less:

Statutory Deductions:		
School Debt	<u>\$10,733,000.</u>	<u>\$ 10,733,000.</u>

Statutory Net Debt	\$ 46,075,970.
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Average Equalized Valuation of Real Property (Years 2007, 2008, 2009)	\$ 5,503,491,863.
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Statutory Net Debt Percentage	0.83%
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(1) \$15,608,000 to be paid from the proceeds of the Bonds.

STATISTICS ON DEBT
AS OF DECEMBER 31, 2009

Gross Debt (Municipal and School)	\$56,808,970.
Overlapping Debt	<u>63,477,790.</u>
Gross Debt	\$120,286,760.
Statutory Debt	46,075,970.
Net Debt and Overlapping Debt	109,553,760.
Average Equalized Valuations	5,503,491,863.

OVERLAPPING DEBT
AS OF DECEMBER 31, 2009

The Overlapping Debt of the Town was as follows:

	<u>GROSS DEBT</u>	<u>TOWN SHARE</u>	<u>AMOUNT</u>
County of Hudson	\$723,708,316.	8.30%	\$60,067,790.
Secaucus Municipal			
Utilities Authority	3,410,000.	100.00%	<u>3,410,000.</u>
			<u>\$63,477,790.</u>

GROSS AND STATUTORY NET DEBT
AS OF DECEMBER 31
(EXCLUSIVE OF OVERLAPPING DEBT)

<u>YEAR</u>	<u>GROSS DEBT</u>		<u>STATUTORY NET DEBT</u>	
	<u>AMOUNT</u>	<u>PERCENTAGE*</u>	<u>AMOUNT</u>	<u>PERCENTAGE*</u>
2009	\$56,808,970.	1.03%	\$46,075,970.	.83%
2008	61,454,113.	1.11%	46,085,383.	.82%
2007	59,390,478.	1.20%	43,994,690.	.88%
2006	53,325,295.	1.25%	37,353,788.	.87%
2005	47,752,691.	1.35%	31,780,436.	.89%

*Of Average Equalizations

DEBT SERVICE REQUIREMENTS

RETIREMENT SCHEDULE

MUNICIPAL

<u>YEAR</u>	<u>OUTSTANDING BONDS</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$ 1,050,000.00	\$ 590,812.50	\$ 1,640,812.50
2011	1,050,000.00	548,437.50	1,598,437.50
2012	1,250,000.00	502,125.00	1,752,125.00
2013	1,250,000.00	451,250.00	1,701,250.00
2014	1,250,000.00	399,375.00	1,649,375.00
2015	1,250,000.00	346,750.00	1,596,750.00
2016	1,275,000.00	292,875.00	1,567,875.00
2017	1,275,000.00	237,750.00	1,512,750.00
2018	425,000.00	199,500.00	624,500.00
2019	525,000.00	178,500.00	703,500.00
2020	525,000.00	157,500.00	682,500.00
2021	525,000.00	136,500.00	661,500.00
2022	525,000.00	115,500.00	640,500.00
2023	525,000.00	94,500.00	619,500.00
2024	525,000.00	73,500.00	598,500.00
2025	525,000.00	52,500.00	577,500.00
2026	525,000.00	31,500.00	556,500.00
2027	525,000.00	10,500.00	535,500.00
	<u>\$ 14,800,000.00</u>	<u>\$ 4,419,375.00</u>	<u>\$ 19,219,375.00</u>

DEBT SERVICE REQUIREMENTS

RETIREMENT SCHEDULE

MUNICIPAL

<u>YEAR</u>	<u>INFRASTRUCTURE LOANS</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$ 165,270.73	\$ 33,593.76	\$ 198,864.49
2011	161,947.19	31,843.76	193,790.95
2012	158,623.67	30,093.76	188,717.43
2013	169,795.94	28,343.76	198,139.70
2014	165,997.61	26,343.76	192,341.37
2015	177,454.77	24,743.76	202,198.53
2016	174,936.28	22,943.76	197,880.04
2017	170,617.78	21,143.76	191,761.54
2018	180,840.48	18,893.76	199,734.24
2019-2024	<u>1,110,481.70</u>	<u>58,062.56</u>	<u>1,168,544.26</u>
	\$ <u>2,635,966.15</u>	\$ <u>296,006.40</u>	\$ <u>2,931,972.55</u>

<u>YEAR</u>	<u>GREEN ACRES LOANS</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2011	\$ 29,077.79	\$ 10,309.67	\$ 39,387.46
2012	29,662.26	9,725.20	39,387.46
2013	30,258.47	9,128.99	39,387.46
2014	30,866.66	8,520.80	39,387.46
2015	31,487.08	7,900.37	39,387.45
2016	32,119.97	7,267.49	39,387.46
2017	32,765.57	6,621.88	39,387.45
2018	33,424.17	5,963.29	39,387.46
2019	34,095.99	5,291.47	39,387.46
2020	34,781.32	4,606.13	39,387.45
2021	35,480.42	3,907.04	39,387.46
2022	36,193.59	3,193.87	39,387.46
2023	36,921.08	2,466.38	39,387.46
2024	37,663.19	1,727.27	39,390.46
2025	38,420.22	967.23	39,387.45
2026	<u>19,498.76</u>	<u>194.98</u>	<u>19,693.74</u>
	\$ <u>551,221.38</u>	\$ <u>98,674.68</u>	\$ <u>649,896.06</u>

ASSESSED VALUATIONS - LAND AND IMPROVEMENTS BY CLASS

<u>YEAR</u>	<u>VACANT LAND</u>	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL</u>	<u>APARTMENT</u>	<u>TOTAL</u>
2009	\$ 65,513,000	\$ 803,678,300	\$ 739,781,375	\$ 899,698,400	\$ 16,861,200	2,525,532,275
2008	71,412,400	788,258,000	741,522,475	804,364,000	16,861,200	2,422,418,075
2007	76,599,400	768,487,800	765,539,075	912,751,300	16,836,200	2,540,213,775
2006	79,650,900	752,283,000	773,621,075	899,011,700	16,836,200	2,521,402,875
2005	80,154,800	711,852,250	763,724,600	905,737,700	16,836,200	2,478,305,550
2004	95,836,100	707,731,400	765,835,400	916,254,400	16,836,200	2,502,493,500

ASSESSED VALUATIONS - NET VALUATIONS TAXABLE

<u>YEAR</u>	<u>REAL ESTATE LAND AND IMPROVEMENTS</u>	<u>BUSINESS PERSONAL PROPERTY</u>	<u>NET VALUATION TAXABLE</u>	<u>RATIO TO TRUE VALUE</u>	<u>AGGREGATE TRUE VALUE</u>
2009	\$ 2,525,532,275	\$ 3,258,321	\$ 2,528,790,596	49.72	\$ 5,079,509,805
2008	2,422,418,075	3,258,321	2,425,676,396	44.46	5,673,454,960
2007	2,540,313,775	3,787,223	2,544,100,998	45.38	5,597,650,452
2006	2,521,402,875	4,305,534	2,525,708,409	54.37	4,637,489,194
2005	2,478,305,550	4,664,447	2,482,969,997	63.47	3,904,668,120
2004	2,505,422,300	6,762,847	2,512,185,147	68.51	3,666,888,260

CURRENT TAX COLLECTIONS

<u>YEAR</u>		<u>TOTAL LEVY</u>	<u>COLLECTION DURING YEAR OF LEVY</u>	
			<u>AMOUNT</u>	<u>PERCENTAGE</u>
2009 (UNAUDITED)	\$	86,745,924	\$ 85,706,863	98.80%
2008		81,903,910	81,085,232	99.00
2007		76,803,137	75,775,991	98.66
2006		72,102,591	71,373,242	98.98
2005		71,822,406	70,950,798	98.78

TOTAL TAX REQUIREMENTS
INCLUDING SCHOOL AND COUNTY PURPOSES

<u>YEAR</u>		<u>TOTAL TAX REQUIREMENTS</u>	<u>LOCAL PURPOSES</u>	<u>LOCAL SCHOOL</u>	<u>COUNTY</u>
2009 (UNAUDITED)	\$	86,745,924	\$ 34,309,699	\$ 31,064,974	\$ 21,371,251
2008		81,903,910	30,471,935	30,135,238	21,296,737
2007		76,802,737	28,340,131	28,982,354	19,480,252
2006		71,555,867	26,437,774	27,464,389	17,653,704
2005		70,995,280	25,994,558	25,701,672	19,299,050

DELINQUENT TAXES AND TAX TITLE LIENS

DECEMBER 31

<u>YEAR</u>		<u>TAX TITLE LIENS</u>		<u>DELINQUENT TAXES</u>		<u>TOTAL</u>	<u>PERCENTAGE OF LEVY</u>
2009 (UNAUDITED)	\$	203,286	\$	1,035,056	\$	1,238,342	1.42%
2008		183,272		674,962		858,234	1.04%
2007		83,734		536,825		620,559	0.95%
2006		77,093		601,854		678,947	0.92%
2005		130,006		619,592		619,592	1.04%

ASSESSED VALUATIONS OF PROPERTY OWNED
BY THE TOWN - ACQUIRED FOR TAXES

<u>YEAR</u>	<u>AMOUNT</u>
2009 (UNAUDITED)	\$ 3,157,000
2008	3,157,000
2007	3,157,000
2006	3,157,000
2005	3,157,000

COMPONENTS OF REAL ESTATE TAX RATE
(PER \$1000. OF ASSESSMENT)

<u>YEAR</u>		<u>TOTAL</u>		<u>MUNICIPAL</u>		<u>LOCAL SCHOOL</u>		<u>COUNTY</u>
2009 (UNAUDITED)	\$	33.83	\$	13.09	\$	12.29	\$	8.45
2008		32.30		11.96		11.93		8.41
2007		29.96		10.99		11.40		7.57
2006		28.96		10.46		10.88		7.62
2005		28.60		10.46		10.36		7.78

COMPARATIVE SCHEDULE OF CURRENT FUND BALANCES

<u>YEAR</u>		<u>FUND BALANCE DECEMBER 31</u>		<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
2009 (UNAUDITED)	\$	2,400,002.56	\$	*
2008		2,003,076.29		1,960,000.00
2007		3,489,085.80		3,365,000.00
2006		4,813,677.03		4,370,000.00
2005		4,482,073.29		3,870,000.00

*2010 Budget not introduced.

2009 MUNICIPAL BUDGET

CURRENT FUND

Anticipated Revenues:		
Fund Balance	\$	1,960,000
Miscellaneous Revenues:		
State and Federal Aid		2,766,144
Other		5,928,711
Receipts From Delinquent Taxes		500,000
Amount to be Raised by Taxation for Municipal Purposes		<u>33,114,137</u>
<u>Total Anticipated Revenues</u>	\$	<u>44,268,992</u>
Appropriations:		
Within "Caps":		
Operations	\$	27,475,162
Deferred Charges And Statutory Expenditures		1,906,605
Excluded From "Caps":		
Operations		9,782,936
Capital Improvements		100,000
Municipal Debt Service		3,223,000
Deferred Charges		563,289
Reserve for Uncollected Taxes		<u>1,218,000</u>
<u>Total Appropriations</u>	\$	<u>44,268,992</u>

The Town's school district, coterminous with the Town, is a type II school district, and is an independent legal entity administered by a nine member Board of Education elected by the voters of the school district. The school district is not part of any regional or consolidated school district, and neither receives nor sends students, except for a limited number of special education students. The school district is authorized by law to issue debt for school purposes upon the vote of the electorate.

The District operates the following educational facilities:

School Facilities And Enrollment

<u>Type And Name</u>	<u>Date Built</u>	<u>Capacity</u>	<u>Enrollment October 15, 2009</u>
Elementary Schools:			
Clarendon	1969	610	636
Huber Street	1958, 1960, 1966	506	582
Junior/Senior High School	1976	1,066	927

The Board Administration Offices are located in a separate Administration Building.

Total School Enrollment

2009	2,145
2008	2,104
2007	2,091
2006	1,925
2005	1,900

Every board of education is required by State statute to provide an annual audit of the district's accounts and financial transactions. The audit must be performed by a licensed public school accountant within four months of the end of the school fiscal year. This audit, in conformity with statutory requirements, must be filed with the State Commissioner of Education. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within 40 days of its completion.

PROVISIONS OF CERTAIN STATUTES WITH RESPECT TO GENERAL OBLIGATION DEBT

Local Bond Law (N.J.S. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes.

Debt Limits

The authorized bonded indebtedness of the municipality is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its equalized valuation basis. The equalized valuation basis of the municipality is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit. Pursuant to law, the Town has deducted its proportionate share of the full amount of authorized School Debt. The Town's statutory net debt as of December 31, 2009 is 0.83% compared to a statutory limit of 3.5%.

Exceptions to Debt Limits - Extensions of Credit

The debt limit of a municipality may be exceeded with the approval of the Local Finance Board ("the Local Finance Board"), in the Division of Local Government Services, Department of Community Affairs, State of New Jersey, a State regulatory agency. If all or any part of a proposed debt authorization would exceed its debt limit, the municipality must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the ability of the municipality to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued without the approval of the Board to fund certain notes, for self-liquidating purposes and, in each fiscal year in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes).

Short-Term Financing

A municipality may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year and at each subsequent anniversary date, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

School Debt Subject to Voter Approval

State law permits local school districts, upon approval of the voters, to authorize school district debt, including debt in excess of its independent debt limitation by using the municipality's share of available borrowing capacity. If such debt be in excess of school district debt limit and the remaining borrowing capacity of the municipality, the State Commissioner of Education and the Local Finance Board must approve the proposed authorization before it is submitted to the voters.

The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist the efforts of restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

Investment of Municipal Funds

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A.40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"); (2) U. S. Government money market mutual funds; (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less approved by the Division of Investment of the State Department of the Treasury; (6) local government investment pools, rated in the highest rating category, investing in U. S. government securities and repurchase agreements fully collateralized by securities set forth in (1) and (3) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A.17:9-41 et seq. or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in Government Obligations, Federal Government Agency Obligations, certain short-term investment grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving Government Obligations and Federal Government Agency Obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Town has no investments in derivatives.

The Local Budget Law (N.J.S. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed operating budget must be certified by the Director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

Tax anticipation notes are limited in amount by law and must be paid off in full by a municipality within one hundred and twenty days after the close of the fiscal year in which they were issued. The Director has no authority over individual operating appropriations unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for the year, then such excess must be raised in the succeeding year's budget.

Limitations on Municipal Appropriations and Tax Levy

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Town to levy *ad valorem* taxes upon all taxable real property within the Town to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets, municipalities will have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four (4%)(but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Town to levy *ad valorem* taxes upon all taxable real property within the Town to pay debt service.

The Town appropriation and tax levy increases for 2008 were within the limits allowed by the CAP Law and Chapter 62, taking into account applicable adjustments and without requesting any waivers from the Local Finance Board. The 2009 budget was also within the appropriation and tax levy increase limits.

Miscellaneous Revenues

Section 26 of the Local Budget Law provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof with the exception of inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's fiscal year.

Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

Section 41 of the Local Budget Law provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year."

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\begin{array}{l} \text{Levy required to balance budget} \\ \text{Prior year's percentage of current} \quad = \text{Total taxes to be levied} \\ \text{tax collections (or lesser \%)} \end{array}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reduction resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected taxes by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See "ASSESSMENT AND COLLECTION OF TAXES - Tax Collection Procedure" herein for a brief discussion of Chapter 99.

Deferral of Current Expenses

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. With minor exceptions, however, such appropriations must be included in full in the following year's budget. All emergency appropriations must be approved by the Director of the Division of Local Government Services.

The exceptions are certain enumerated quasi-capital projects such as ice, snow, and flood damage to streets, roads, and bridges, which may be amortized over three years, and tax map preparation, revisions of ordinances, and master plan preparations, which may be amortized over five years.

The Town has not deferred any appropriations during the years 2005 to 2009 to subsequent years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the year and, although subaccounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval by the governing body.

Fiscal Year

The Town's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or which received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A. 40A:4-3.1 was amended by P.L. 2000, Ch. 126, to eliminate the criteria for a mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. The Town did not meet the criteria to change to the state fiscal year and does not presently intend to change its fiscal year in the future.

Budget Process

Primary responsibility for the Town's budget process lies with the Town Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Town operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Town may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

2009 CAPITAL BUDGET AND CAPITAL IMPROVEMENT PROGRAM

In accordance with Sections 43 to 45 of the Local Budget Law and Sections 5:30-4.1 et seq. of the New Jersey Administrative Code, each municipality must adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project. The capital budget, when adopted, does not constitute the authorization of a capital project, the appropriation of funds or the authorization of debt; rather, it sets forth proposed capital projects with an estimated completion schedule and proposed sources of funding. Specific authorization to undertake capital projects, appropriate funds and incur indebtedness must be provided by other actions of the governing body: by a bond ordinance, by inclusion in the Capital Improvement section of the operating budget, by a capital ordinance (appropriating funds previously provided for capital projects, but not authorizing debt) or other lawful means such as appropriating grant funds. No bond ordinance may be adopted unless the project it authorizes debt for is included in the municipality's capital budget.

A capital improvement program, setting forth a multi-year plan for capital projects and their financing must be adopted at the same time as the capital budget. The capital budget is the first year of the Capital Improvement Program. Municipalities with populations less than 10,000 must provide a minimum three-year program; municipalities with populations over 10,000 must provide a six-year program.

Summary of the 2009 Adopted Capital Budget

2009 Capital Program

Total Estimated Project Costs \$1,810,000.

Planned Funding:

Capital Improvement Fund \$ 100,000.
Debt to be Authorized 1,710,000.

\$1,810,000.

Total Estimated Project Costs:

2009	\$1,810,000.	
2010	600,000.	
2011	650,000.	
2012	750,000.	
2013	850,000.	
2014	<u>650,000.</u>	
		<u>\$5,310,000.</u>

Planned Fundings:

Capital Improvement Fund \$ 265,500.
Debt to be Authorized 5,044,500.

\$5,310,000.

ASSESSMENT AND COLLECTION OF TAXES

Tax Collection Procedure

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Town, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. If unpaid once a ten day grace period after the due date expires, the amount due becomes delinquent as of the due date and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. An additional penalty of 6% is calculated at year end on any delinquent taxes in excess of \$10,000. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15 to the County by the Town. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Town.

The last all-inclusive tax sale of unpaid delinquent taxes and assessments was held on December 16, 2009.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Hudson County Tax Board on or before the first day of April of the current tax year for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period.

THE LOCAL FISCAL AFFAIRS LAW (N.J.S. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The governing body of every local unit must cause an annual, independent audit of the local unit's accounts for the previous year, to be performed by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published at least once in a local newspaper within 30 days after the clerk of the local unit shall have received the audit. (The entire annual audit report is filed with the Town Clerk and is available for review during business hours.)

The chief financial officer of every local unit must file annually with the Director, a verified statement of the financial condition of the local unit as of the close of each fiscal year.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Town with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Town has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Town's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Town, in executing the Tax Certificate, will certify to the effect that the Town expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Bonds, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Town, assuming compliance by the Town with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations; nor is it included in "adjusted current earnings" for purposes of computing the alternative minimum tax that may be imposed on corporations. For other Federal tax information, see "TAX MATTERS - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of governmental obligations, such as the Bonds, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

STATEMENT OF LITIGATION

There is no litigation pending or threatened restraining or enjoining the issuance or the delivery of the Bonds or the levy or the collection of taxes to pay the Bonds or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes. There is at present no single action pending or threatened against the Town which would impose an undue financial burden on the Town. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Town is a party-defendant in certain law suits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Town Attorney, would adversely impair the Town's ability to pay its bondholders. All of the Town's tort actions are being defended by an insurance company or joint insurance fund. Pending municipal real estate appeals are limited in number and, based upon the Town's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Town, such resolution would not in any way endanger the Town's ability to pay its bondholders.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political sub-divisions and public bodies and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the Town, including the Bonds, and such Bonds are authorized security for any and all public deposits.

RATING

The Town has applied for a rating of the Bonds from Standard and Poor's U.S. Public Finance Ratings ("S&P"). An explanation of the significance of such credit rating may be obtained from S&P, 55 Water Street, New York, New York 10041. The Town furnished S&P with certain information and materials concerning the Bonds and the Town. Generally, S&P bases its rating on such information and materials and also on such investigations, studies and assumptions that they may undertake independently. There can be no assurance that any such rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely, if in S&P's judgment, circumstances so warrant. Any downward change in or withdrawal of any such rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

The Bonds will be purchased at public sale from the Town for resale by the Underwriters.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the Town shall furnish a certificate of the Town Attorney, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending, or threatened by or against the Town wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Town or adversely affect the power of the Town to levy, collect and enforce the collection of taxes or other revenues for the payment of its bonds, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Bonds will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Town, enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Town has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and, unless paid from other sources, the Town is authorized and required by law to levy on all real property taxable by the Town such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon without limitation as to rate or amount.

Such firm has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See Appendix B, "Proposed Form of Bond Counsel Opinion."

Certificates of Town Officials

The original purchaser of the Bonds shall also receive a certificate dated as of the date of delivery of the Bonds and signed by the Chief Financial Officer and the Town Clerk certifying that (a) as of the date of the Official Statement furnished by the Town in relation to the Bonds, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, they have no reason to believe and do not believe that such information is materially inaccurate or misleading, and (b) to their knowledge, since the date of said Official Statement and since the date of the sale of the Bonds, there have been no material transactions not in the ordinary course of affairs entered into by the Town and no material adverse change in the general affairs of the Town or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by or which should have been supplied by the successful bidder for the Bonds. In addition, the original purchaser of the Bonds shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, and a certificate dated as of the date of delivery of the Bonds, and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the Town, nor the title of any of the officers of the Town to their respective offices is being contested.

SECONDARY MARKET DISCLOSURE

The Town has agreed, pursuant to a resolution adopted on February 23, 2010 to undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12. Specifically, the Town will do the following for the benefit of the holders of the Bonds and the beneficial owners thereof:

(A) Not later than seven months after the end of the Town's fiscal year (presently December 31), commencing with the report for the fiscal year ending December 31, 2009, provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, as prescribed by the MSRB, annual financial information with respect to the Town consisting of (i) audited financial statements (or unaudited financial statements if audited financial statements are not then available by the date of filing, which audited financial statements will be delivered when and if available) of the Town and (ii) certain financial information and operating data consisting of (a) information concerning the Town's debt, overlapping indebtedness, tax rate, levy and collection data, property valuation and fund balance of the type contained under the heading "Financial Information" herein and (b) the Town's most recent adopted budget. The audited financial statements will be prepared in accordance with mandated State statutory accounting principles, as in effect from time to time. Audited financial statements if not available by the filing date will be submitted separately when available.

(B) Provide or cause to be provided to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions or events affecting the tax exempt status of the Bonds;
- (7) Modifications to the rights of Bondholders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution or sale of property that secures the repayment of the Bonds; and
- (11) Rating changes.

(C) Provide or cause to be provided, in a timely manner, to the MSRB notice of a failure of the Town to provide required annual financial information on or before the date specified above.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Town fails to comply with the above-described undertaking, any Bondholder or beneficial owner of the Bonds may pursue an action for specific performance to enforce the rights of all Bondholders and beneficial owners with respect to such undertaking; *provided, however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds or any liability by the Town for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Bondholders and beneficial owners of the Bonds.

The Town reserves the right to terminate its obligation to provide annual financial information and notice of material events, as set forth above, if and when the Town no longer remains an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

The undertaking may be amended by the Town from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Town, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Bondholders and the beneficial owners of the Bonds.

The Town has never failed to provide required annual financial information.

MISCELLANEOUS

All quotations from summaries and explanations of the provisions of the laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs in the Town, the State or any of their agencies or authorities, since the date hereof.

ADDITIONAL INFORMATION

Additional information may be obtained on request from the office of the Chief Financial Officer, Municipal Government Center, 1203 Paterson Plank Road, Secaucus, New Jersey 07094, telephone (201)330-2025.

PREPARATION OF OFFICIAL STATEMENT

Suplee, Clooney & Company assisted in the preparation of information contained in this Official Statement and takes responsibility for the audited financial statements to the extent specified in the Independent Auditor's Report.

All other information has been obtained from sources which the Town considers to be reliable and the Town makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

APPROVAL OF OFFICIAL STATEMENT

Prior to the delivery of the Bonds, the Town Council will have adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the Chief Financial Officer and the Town Clerk to deliver a reasonable number of copies thereof in final form to the purchaser of the Bonds for its use in the sale, resale or distribution of the Bonds.

This Official Statement has been duly executed and delivered on behalf of the Town by the Chief Financial Officer and the Town Clerk.

TOWN OF SECAUCUS

By: /s/ _____
Margaret M. Barkala
Chief Financial Officer

By: /s/ _____
Michael Marra
Town Clerk

Dated:

APPENDIX A

FINANCIAL STATEMENTS OF THE
TOWN OF SECAUCUS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Town Council
Town of Secaucus
County of Hudson
Secaucus, New Jersey 07094

We have audited the accompanying financial statements - statutory basis of the various individual funds and the account group of the Town of Secaucus, County of Hudson, New Jersey as of and for the years ended December 31, 2008 and 2007. These financial statements - statutory basis are the responsibility of the management of the Town of Secaucus, County of Hudson. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As described in Note 1, the Town of Secaucus, County of Hudson, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In our opinion, because the Town of Secaucus prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the various individual funds of the Town of Secaucus, County of Hudson, as of December 31, 2008 and 2007 or the results of its operations and changes in fund balance for the years then ended.

However, in our opinion, the financial statements - statutory basis present fairly, in all material respects, the financial position - statutory basis of the various individual funds of the Town of Secaucus, County of Hudson, as of December 31, 2008 and 2007, and the results of its operations and changes in fund balance - statutory basis for the years then ended on the basis of accounting described in Note 1.

We have also previously audited, in accordance with U.S. generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the balance sheets - statutory basis of the various individual funds as of December 31, 2006 and 2005 and the related statements of operations and changes in fund balances - statutory basis for the years ended December 31, 2006 and 2005 (none of which are presented herein); and we expressed unqualified opinions on those financial statements - statutory basis.

In our opinion, the information set forth in the Selected Financial Information for each of the five years in the period ended December 31, 2009, is fairly stated, in all material respects, in relation to the financial statements - statutory basis from which it has been derived.

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2009 on our consideration of the Town of Secaucus' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

SUPLEE, CLOONEY & COMPANY
Certified Public Accountants

/s/ Robert B. Cagnassola
/s/ Robert B. Cagnassola, C.P.A., R.M.A.

September 29, 2009



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and Members
of the Town Council
Town of Secaucus
County of Hudson
Secaucus, New Jersey 07094

We have compiled the accompanying balance sheets - statutory basis of the individual funds from the 2009 Annual Financial Statement (AFS) of the Town of Secaucus, County of Hudson, New Jersey as of December 31, 2009 and the related statements of operations and changes in fund balances - statutory basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements - statutory basis have been prepared on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements and schedules information that is the representation of management of the Town of Secaucus. We have not audited or reviewed the accompanying financial statements - statutory basis and, accordingly, do not express an opinion or any other form of assurance on them.

Management of the Town of Secaucus has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the statutory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town of Secaucus's financial position - statutory basis and the results of its operations and changes in its fund balance - statutory basis. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SUPLEE, CLOONEY & COMPANY
Certified Public Accountants

/s/ Robert B. Cagnassola
Robert B. Cagnassola, C.P.A., R.M.A.

March 5, 2010

TOWN OF SECAUCUS

CURRENT FUND

BALANCE SHEETS - STATUTORY BASIS

	BALANCE DECEMBER 31		
	2009 (UNAUDITED)	2008	2007
<u>ASSETS</u>			
Cash - Treasurer	\$ 24,531,012.08	\$ 9,475,178.15	\$ 11,494,149.76
Cash - Collector	162,659.89	117,597.15	196,097.40
Cash - Change Fund	675.00	675.00	675.00
Due State of New Jersey Per Chapter 20, P.L. 1971	16,363.64	13,738.64	14,017.07
	<u>\$ 24,710,710.61</u>	<u>\$ 9,607,188.94</u>	<u>\$ 11,704,939.23</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	\$ 1,035,055.87	\$ 674,961.68	\$ 998,253.38
Property Tax Deposits	770,007.26	725,147.87	
Tax Title Liens Receivable	203,286.09	183,272.43	164,292.95
Maintenance Lien Receivable		5,659.30	
Interfunds Receivable	10,796.87	10,376.90	53,864.09
Revenue Accounts Receivable		49,385.39	39,066.17
Property Acquired for Taxes-Assessed Value	3,157,000.00	3,157,000.00	3,157,000.00
	<u>\$ 5,176,146.09</u>	<u>\$ 4,805,803.57</u>	<u>\$ 4,412,476.59</u>
	<u>\$ 29,886,856.70</u>	<u>\$ 14,412,992.51</u>	<u>\$ 16,117,415.82</u>
Grant Fund:			
Grants Receivable	\$ 2,369,953.80	\$ 3,215,781.12	\$ 3,165,245.76
Due Current Fund	991,653.86	310.57	
	<u>\$ 3,361,607.66</u>	<u>\$ 3,216,091.69</u>	<u>\$ 3,165,245.76</u>
	<u>\$ 33,248,464.36</u>	<u>\$ 17,629,084.20</u>	<u>\$ 19,282,661.58</u>

See Accountant's Report

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

TOWN OF SECAUCUS

CURRENT FUND

BALANCE SHEETS - STATUTORY BASIS

	<u>BALANCE DECEMBER 31</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
	<u>(UNAUDITED)</u>		
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	\$ 1,323,484.35	\$ 1,435,787.30	\$ 1,576,352.52
Due Secaucus Municipal Utilities Authority	380.00	380.00	380.00
Due State of New Jersey	5,905.79	5,905.79	5,905.79
Reserve for Sale of Property	766.00	766.00	766.00
Reserve for Revaluation Program	14.85	14.85	14.85
Tax Overpayments	52,876.27	187.53	16,253.97
Tax Anticipation Note Payable	17,200,000.00		
Prepaid Taxes	390,958.21	298,298.32	319,478.43
Reserve for Fire Fines and Penalties	32,912.15	30,512.15	25,342.15
Due County for Added Taxes	147,296.90	81,807.65	110,940.85
Accounts Payable	735,361.16	1,050,560.52	873,933.73
Deposit on Bids	501.49	501.49	501.49
Reserve for D.W.I. Surcharge	14,239.14	11,378.31	8,968.24
Interfunds Payable	2,406,011.74	4,688,012.74	5,277,015.41
	\$ 22,310,708.05	\$ 7,604,112.65	\$ 8,215,853.43
 Reserve for Receivables and Other Assets	 5,176,146.09	 4,805,803.57	 4,412,476.59
Fund Balance	2,400,002.56	2,003,076.29	3,489,085.80
	\$ 29,886,856.70	\$ 14,412,992.51	\$ 16,117,415.82
 Grant Fund:			
Reserve for:			
Grants-Appropriated	\$ 1,353,577.53	\$ 1,375,117.83	\$ 1,279,751.31
Grants-Unappropriated	1,400.00	6,101.68	18,390.19
Due Current Fund			477,839.32
Due General Capital Fund	1,720,000.00	1,720,000.00	1,300,000.00
Accounts Payable	286,630.13	114,872.18	89,264.94
	\$ 3,361,607.66	\$ 3,216,091.69	\$ 3,165,245.76
	\$ 33,248,464.36	\$ 17,629,084.20	\$ 19,282,661.58

See Accountant's Report

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

TOWN OF SECAUCUS

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - STATUTORY BASIS

	<u>YEAR ENDED DECEMBER 31</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
	<u>(UNAUDITED)</u>		
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	\$ 1,960,000.00	\$ 3,365,000.00	\$ 4,370,000.00
Miscellaneous Revenue Anticipated	8,573,372.13	8,855,808.13	7,622,766.52
Receipts from Delinquent Taxes	621,140.28	964,520.27	654,905.46
Receipts from Current Taxes	85,706,862.68	81,085,231.69	75,775,991.20
Non-Budget Revenues	409,301.35	342,786.79	964,641.86
Other Credits to Income:			
Interfunds Returned		43,487.19	10,686.44
Maintenance Liens	5,659.30		
Cancel Accounts Payable	123,603.88		
Cancel Tax Overpayments	187.53	16,066.44	
Unexpended Balance of Appropriation Reserves	937,874.56	1,094,614.56	1,088,723.25
<u>TOTAL INCOME</u>	<u>\$ 98,338,001.71</u>	<u>\$ 95,767,515.07</u>	<u>\$ 90,487,714.73</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations (Within "CAPS"):			
Operations (Including Contingent)	\$ 27,150,162.00	\$ 26,187,921.00	\$ 25,291,191.22
Deferred Charges and Statutory Expenditures-Municipal	2,029,894.42	882,105.25	801,527.26
Budget (Excluded from "CAPS"):			
Operations:			
Other Operations	9,836,590.91	11,561,095.35	9,762,130.73
Capital Improvements	100,000.00	100,000.00	125,000.00
Municipal Debt Service	3,190,390.04	2,992,695.32	2,739,180.50
Deferred Charges-Municipal	440,000.00		
County Taxes	21,944,034.16	21,209,856.70	19,364,238.71
Due County for Added Taxes	152,369.38	86,880.13	116,013.33
Local District School Tax	31,064,974.00	30,135,238.50	28,982,354.00
Property Tax Collections not Deposited	44,859.39	725,147.87	
Interfunds Advanced	419.97		
Refund of Prior Year Revenue	27,381.17	7,584.46	260,670.21
<u>TOTAL EXPENDITURES</u>	<u>\$ 95,981,075.44</u>	<u>\$ 93,888,524.58</u>	<u>\$ 87,442,305.96</u>
Excess in Revenue	\$ 2,356,926.27	\$ 1,878,990.49	\$ 3,045,408.77
<u>FUND BALANCE</u>			
Balance, January 1	2,003,076.29	3,489,085.80	4,813,677.03
	<u>\$ 4,360,002.56</u>	<u>\$ 5,368,076.29</u>	<u>\$ 7,859,085.80</u>
Decreased by:			
Utilization as Anticipated Revenue	1,960,000.00	3,365,000.00	4,370,000.00
Balance, December 31	<u>\$ 2,400,002.56</u>	<u>\$ 2,003,076.29</u>	<u>\$ 3,489,085.80</u>

See Accountant's Report

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

TOWN OF SECAUCUS

TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

	BALANCE DECEMBER 31		
	2009 (UNAUDITED)	2008	2007
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	\$ 6,998.44	\$ 798.84	\$ 26,537.24
Due Current Fund	3,271.70	10,218.86	
	<u>10,270.14</u>	<u>11,017.70</u>	<u>26,537.24</u>
Other Funds:			
Cash	\$ 1,918,730.55	\$ 1,992,698.63	\$ 1,653,036.87
Interfunds Receivable	706,836.30	444,337.79	444,337.79
Due Animal Control Fund	8,050.00	8,050.00	8,050.00
Community Development Block Grant Receivable	200,142.52	309,380.33	255,772.78
	<u>\$ 2,833,759.37</u>	<u>\$ 2,754,466.75</u>	<u>\$ 2,361,197.44</u>
	<u>\$ 2,844,029.51</u>	<u>\$ 2,765,484.45</u>	<u>\$ 2,387,734.68</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Trust Fund Expenditures	\$ 2,220.14	\$ 2,967.70	\$ 2,051.79
Due Trust Fund	8,050.00	8,050.00	8,050.00
Due Current Fund			16,435.45
	<u>\$ 10,270.14</u>	<u>\$ 11,017.70</u>	<u>\$ 26,537.24</u>
Other Funds:			
Interfunds Payable	\$ 152,170.66	\$ 161,525.29	\$ 199,182.56
Account Payable	10,632.31	10,632.31	13,225.00
Reserve For:			
Community Development Block Grants	112,708.93	200,082.81	196,582.69
Miscellaneous Deposits	2,410,612.37	2,309,436.43	1,848,919.66
Auction Licenses	5,120.00	5,120.00	5,120.00
P.O.A.A.	14,313.07	13,325.94	9,869.94
Redemption of Outside Liens	69,063.14	7,963.14	56,310.84
Unemployment Insurance	42,449.57	35,191.51	24,872.43
Public Defender	14,241.01	8,741.01	4,666.01
Law Enforcement Trust	256.35	256.35	256.35
Fund Balance	2,191.96	2,191.96	2,191.96
	<u>\$ 2,833,759.37</u>	<u>\$ 2,754,466.75</u>	<u>\$ 2,361,197.44</u>
	<u>\$ 2,844,029.51</u>	<u>\$ 2,765,484.45</u>	<u>\$ 2,387,734.68</u>

See Accountant's Report

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

TOWN OF SECAUCUS

GENERAL CAPITAL FUND

BALANCE SHEETS - STATUTORY BASIS

	BALANCE DECEMBER 31		
	2009 (UNAUDITED)	2008	2007
<u>ASSETS</u>			
Cash	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Due from State of New Jersey	786,515.58	857,815.58	365,938.58
Deferred Charges to Future Taxation - Funded	18,086,287.53	19,267,854.37	20,426,719.37
Deferred Charges to Future Taxation - Unfunded	26,688,582.81	25,939,928.81	23,093,068.81
New Jersey Meadowlands Commission Grant Receivable	160,000.00	160,000.00	160,000.00
New Jersey Transit Receivable	58,474.74	58,474.74	58,474.74
N.J. Environmental Infrastructure Loan Receivable	3,213.89	3,213.89	21,719.00
Due Current Fund	887,522.34	4,412,508.31	5,489,879.73
Due Grant Fund	1,720,000.00	1,720,000.00	1,300,000.00
Due Swimming Pool Utility Capital Fund	260,517.00	260,517.00	260,517.00
Due Swimming Pool Utility Operating Fund	64,000.00	64,000.00	64,000.00
	<u>\$ 48,716,113.89</u>	<u>\$ 52,745,312.70</u>	<u>\$ 51,241,317.23</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	\$ 22,460,274.00	\$ 23,558,760.00	\$ 18,750,000.00
General Serial Bonds	14,900,000.00	15,900,000.00	16,875,000.00
N.J. Environmental Infrastructure Loan Payable	2,635,066.15	2,788,689.81	2,945,162.22
Contracts Payable	685,378.26	1,929,964.26	3,841,957.94
New Jersey Green Acres Loans Payable	551,221.38	579,164.56	606,557.15
Improvement Authorizations:			
Funded	2,697,421.76	3,084,728.62	2,759,581.44
Unfunded	3,955,018.04	4,325,215.21	4,681,816.54
Due Trust Other Fund	444,337.79	444,337.79	444,337.79
Capital Improvement Fund	128,614.25	28,614.25	6,614.25
Fund Balance	<u>258,782.26</u>	<u>105,838.20</u>	<u>330,289.90</u>
	<u>\$ 48,716,113.89</u>	<u>\$ 52,745,312.70</u>	<u>\$ 51,241,317.23</u>

See Accountant's Report

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

TOWN OF SECAUCUS
SWIMMING POOL UTILITY FUND
BALANCE SHEETS - STATUTORY BASIS

	<u>BALANCE DECEMBER 31</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
	(UNAUDITED)		
<u>ASSETS</u>			
Operating:			
Cash	\$ 766.30	\$ 863.32	\$ 3,108.82
Change Fund	75.00	75.00	75.00
Due Trust Other Fund	152,170.66	158,170.66	191,170.66
Deferred Charges:			
Operating Deficit	35,229.33	16,122.31	2,553.81
<u>Total Operating Fund</u>	\$ 188,241.29	\$ 175,231.29	\$ 196,908.29
Capital:			
Fixed Capital	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Fixed Capital - Authorized and Uncompleted	650,000.00	650,000.00	650,000.00
Due Swim Pool Operating Fund	12,235.00	12,235.00	12,235.00
Due Current Fund	261,065.33	264,975.00	264,975.00
<u>Total Capital Fund</u>	\$ 1,223,300.33	\$ 1,227,210.00	\$ 1,227,210.00
<u>TOTAL</u>	\$ 1,411,541.62	\$ 1,402,441.29	\$ 1,424,118.29
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating:			
Due Current Fund	\$ 6,407.31	\$ 2,632.71	\$ 25,027.18
Due General Capital Fund	64,000.00	64,000.00	64,000.00
Due Swim Pool Capital Fund	12,235.00	12,235.00	12,235.00
Appropriation Reserves	35,614.01	4,208.55	6,237.18
Accounts Payable	1,844.00	2,642.06	50.00
Bid Bond	50.00	50.00	50.00
Accrued Interest on Notes	9,092.15	30,464.15	30,310.11
Fund Balance	58,998.82	58,998.82	58,998.82
<u>Total Operating Fund</u>	\$ 188,241.29	\$ 175,231.29	\$ 196,908.29
Capital:			
Reserve for Deferred Amortization	\$ 73,900.00	\$ 57,400.00	\$ 40,900.00
Reserve for Amortization	15,000.00	15,000.00	15,000.00
Capital Improvement Fund	5,300.00	5,300.00	5,300.00
Bond Anticipation Note	861,100.00	877,600.00	894,100.00
Due General Capital Fund	260,517.00	260,517.00	260,517.00
Improvement Authorizations - Unfunded	7,483.33	11,393.00	11,393.00
<u>Total Capital Fund</u>	\$ 1,223,300.33	\$ 1,227,210.00	\$ 1,227,210.00
<u>TOTAL</u>	\$ 1,411,541.62	\$ 1,402,441.29	\$ 1,424,118.29

See Accountant's Report
The accompanying Notes to Financial Statements are an integral part of this statement.

TOWN OF SECAUCUS
SWIMMING POOL UTILITY FUND
STATEMENTS OF OPERATIONS
AND CHANGE IN OPERATING FUND BALANCE - STATUTORY BASIS

	YEAR ENDED DECEMBER 31		
	2009 (UNAUDITED)	2008	2007
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Membership Fees	\$ 86,729.00	\$ 144,011.50	\$ 159,559.34
Guest Fees	60,036.00	34,542.00	25,082.00
Miscellaneous	20,137.98	37,924.00	49,349.96
Deficit General Budget	<u>122,790.00</u>	<u>85,000.00</u>	<u>50,000.00</u>
<u>TOTAL INCOME</u>	<u>\$ 289,692.98</u>	<u>\$ 301,477.50</u>	<u>\$ 283,991.30</u>
<u>EXPENDITURES</u>			
Budget Expenditures:			
Operating	\$ 242,942.00	\$ 248,646.00	\$ 239,300.00
Capital Improvement Fund			7,500.00
Debt Service	43,500.00	50,400.00	23,745.11
Statutory Expenditures	16,000.00	16,000.00	16,000.00
Deficit in Operations	<u>22,480.31</u>	<u>2,553.81</u>	
<u>TOTAL EXPENDITURES</u>	<u>\$ 324,922.31</u>	<u>\$ 317,599.81</u>	<u>\$ 286,545.11</u>
Deficit in Revenues:			
Operating Deficit to be Raised in Budget of Succeeding Year	<u>\$ 35,229.33</u>	<u>\$ 16,122.31</u>	<u>\$ 2,553.81</u>
Fund Balance:			
Balance, January 1	\$ 58,998.82	\$ 58,998.82	\$ 58,998.82
Balance, December 31	<u>\$ 58,998.82</u>	<u>\$ 58,998.82</u>	<u>\$ 58,998.82</u>

See Accountant's Report
The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWN OF SECAUCUS

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Except as noted below, the financial statements of the Town of Secaucus include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Town of Secaucus, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Town of Secaucus do not include the operations of the municipal library or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Town of Secaucus conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 financial transactions and accounts of the Town of Secaucus are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Town accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

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

Swim Pool Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned swimming pool.

Public Assistance Fund - receipts and disbursements of funds that provide assistance to certain residents of the Town pursuant to Title 44 of New Jersey Statutes.

Bond and Interest Account - is used to account for the accumulation of resources (mainly provided from current fund budget appropriations) for payment of principal and interest on matured debt.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Town's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Town's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Town which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Town's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Town as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

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. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Town has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Town's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

Fixed Capital - Swimming Pool Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Swimming Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction cost or current value. The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Inventories of Supplies - the cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Town presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Town considers petty cash, change funds, cash in banks, deposits in the CLASS account and certificates of deposit as cash and cash equivalents.

A. Deposits

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

The Town of Secaucus had the following cash and cash equivalents at December 31, 2008:

<u>Fund</u>	Petty Cash and Change <u>Fund</u>	Cash in Bank <u>Bank</u>	<u>CLASS</u>	<u>Total</u>
Current Fund	\$675.00	\$9,572,174.04	\$20,601.26	\$9,593,450.30
Animal Control Fund		798.84		798.84
Other Trust Fund		1,992,698.63		1,992,698.63
General Capital Fund		1,000.00		1,000.00
Swimming Pool Operating Fund	75.00	863.32		938.32
Public Assistance Fund		125.00		125.00
Bond and Interest Account		53,258.25		53,258.25
	<u>\$750.00</u>	<u>\$11,620,918.08</u>	<u>\$20,601.26</u>	<u>\$11,642,269.34</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Town does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2008, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$2,082,298.79 was covered by Federal Depository Insurance, \$9,539,369.29 was covered under the provisions of NJGUDPA, and \$20,601.26 was on deposit with the MBIA Asset Management Class Fund.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Town are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2008 the Town has \$20,601.26 on deposit with the MBIA Asset Management Class Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the MBIA Asset Management Class Fund, the Town is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

The Town of Secaucus's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

	<u>YEAR 2008</u>	<u>YEAR 2007</u>	<u>YEAR 2006</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 42,826,614.37	\$ 39,176,719.37	\$ 31,337,248.62
Swim Pool Utility:			
Bonds and Notes	877,600.00	894,100.00	475,000.00
Net Debt Issued	<u>43,704,214.37</u>	<u>40,070,819.37</u>	<u>31,812,248.62</u>
Less: Cash on Hand to Pay Notes	392,140.00		105,400.00
	<u>\$ 43,312,074.37</u>	<u>\$ 40,070,819.37</u>	<u>\$ 31,706,848.62</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	\$ 2,773,308.81	\$ 4,343,068.81	\$ 5,756,708.81
Swim Pool Utility:			
Bonds and Notes			285,000.00
Total Authorized but not Issued	<u>2,773,308.81</u>	<u>4,343,068.81</u>	<u>6,041,708.81</u>
Net Bonds and Notes Issued and and Authorized but not issued	<u>\$ 46,085,383.18</u>	<u>\$ 44,413,888.18</u>	<u>\$ 37,748,557.43</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION
ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .82%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 14,976,590.00	\$ 14,976,590.00	\$ -0-
Swim Pool Utility Debt	877,600.00	-0-	\$877,600.00
General Debt	45,599,923.18	392,140.00	\$45,207,783.18
	<u>\$ 61,454,113.18</u>	<u>\$ 15,368,730.00</u>	<u>\$ 46,085,383.18</u>

NET DEBT \$45,207,783.18 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$5,559,110,161.00 EQUALS .82%.

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2008	\$5,559,110,161.00
3-1/2 of Equalized Valuation Basis	194,568,855.64
Net Debt	46,085,383.18
Remaining Borrowing Power	<u>\$148,483,472.46</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Town of Secaucus for the last three (3) preceding years.

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SWIMMING POOL UTILITY PER N.J.S.40A:2-45

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year	\$	216,477.50
Deductions:		
Operating and Maintenance Cost	\$	264,646.00
Debt Service		50,400.00
Total Deductions		<u>315,046.00</u>
Deficit in Revenue	\$	<u>(98,568.50)</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

General Serial Bonds:

OUTSTANDING
BALANCE
DECEMBER
31, 2008

ISSUE

\$10,000,000.00 in 2002 General Improvement Bonds, due in remaining installments ranging between \$725,000.00 and \$750,000.00 through May 2017 at an interest rates between 4.125% to 4.60%.

\$6,725,000.00

\$9,450,000.00 in 2007 General Improvement Bonds, due in remaining installments ranging between \$275,000.00 and \$525,000.00 through January 2027 at an interest rate of 3.983%.

\$9,175,000.00

\$15,900,000.00

Environmental Infrastructure Loans:

OUTSTANDING
BALANCE
DECEMBER
31, 2008

ISSUE

\$835,000.00 2004 Loan due in annual remaining installments of \$30,000.00 to \$65,000.00 through August 2024 at interest rates between 4.00% and 5.00%.

\$745,000.00

\$2,490,000.00 2004 No Interest Loan due in annual remaining installments of \$123,623.66 to \$132,454.77 through August 2024.

\$2,043,689.81

\$2,788,689.81

New Jersey Green Acres Loans:

OUTSTANDING
BALANCE
DECEMBER
31, 2008

ISSUE

\$161,410.00 2006 Loan due in annual remaining installments of \$3,586.52 to \$5,030.37 through January 2026 at an interest rate of 2.00%.

\$149,415.52

\$470,000.00 2006 Loan due in annual remaining installments of \$10,315.56 to \$14,468.37 through March 2026 at an interest rate of 2.00%.

\$429,749.04

\$579,164.56

NOTE 3: LONG-TERM DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2008, the Town has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$2,773,308.81</u>
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BOND ANTICIPATION NOTES

	Interest <u>Rate</u>	Issue and <u>Maturity Dates</u>	<u>Amount</u>
General Capital	3.000%	1/18/08 to 1/16/09	\$12,180,000.00
General Capital	3.000%	6/20/08 to 6/19/09	8,712,760.00
General Capital	2.015%	8/15/08 to 1/16/09	2,666,000.00
Swim Pool			
Utility Capital	3.000%	1/18/08 to 1/16/09	734,800.00
Swim Pool			
Utility Capital	3.000%	6/20/08 to 6/19/09	<u>142,800.00</u>
			<u>\$24,436,360.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE LOANS

Calendar	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Year</u>			
2009	153,623.66	35,093.76	188,717.42
2010	165,270.73	33,593.76	198,864.49
2011	161,947.19	31,843.76	193,790.95
2012	158,623.67	30,093.76	188,717.43
2013	169,795.94	28,343.76	198,139.70
2014-2024	<u>1,979,428.62</u>	<u>172,131.36</u>	<u>2,151,559.98</u>
	<u>\$2,788,689.81</u>	<u>\$331,100.16</u>	<u>\$3,119,789.97</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBTS ISSUED AND OUTSTANDING DECEMBER 31, 2008

CALENDAR YEAR	GENERAL CAPITAL		TOTAL
	PRINCIPAL	INTEREST	
2009	1,000,000.00	631,937.51	\$1,631,937.51
2010	1,050,000.00	590,812.50	1,640,812.50
2011	1,050,000.00	548,437.50	1,598,437.50
2012	1,250,000.00	502,125.00	1,752,125.00
2013	1,250,000.00	451,250.00	1,701,250.00
2014	1,250,000.00	399,375.00	1,649,375.00
2015	1,250,000.00	346,750.00	1,596,750.00
2016	1,275,000.00	292,875.00	1,567,875.00
2017	1,275,000.00	237,750.00	1,512,750.00
2018	525,000.00	199,500.00	724,500.00
2019	525,000.00	178,500.00	703,500.00
2020	525,000.00	157,500.00	682,500.00
2021	525,000.00	136,500.00	661,500.00
2022	525,000.00	115,500.00	640,500.00
2023	525,000.00	94,500.00	619,500.00
2024	525,000.00	73,500.00	598,500.00
2025	525,000.00	52,500.00	577,500.00
2026	525,000.00	31,500.00	556,500.00
2027	525,000.00	10,500.00	535,500.00
	<u>\$15,900,000.00</u>	<u>\$5,051,312.51</u>	<u>\$20,951,312.51</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR NEW JERSEY
GREEN ACRES LOANS

CALENDAR			
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	27,943.18	11,444.27	\$39,387.45
2010	28,504.84	10,882.62	39,387.46
2011	29,077.79	10,309.67	39,387.46
2012	29,662.26	9,725.20	39,387.46
2013	30,258.47	9,128.99	39,387.46
2014	30,866.66	8,520.80	39,387.46
2015	31,487.08	7,900.37	39,387.45
2016	32,119.97	7,267.49	39,387.46
2017	32,765.57	6,621.88	39,387.45
2018	33,424.17	5,963.29	39,387.46
2019	34,095.99	5,291.47	39,387.46
2020	34,781.32	4,606.13	39,387.45
2021	35,480.42	3,907.04	39,387.46
2022	36,193.59	3,193.87	39,387.46
2023	36,921.08	2,466.38	39,387.46
2024	37,663.19	1,724.27	39,387.46
2025	38,420.22	967.23	39,387.45
2026	19,498.76	194.98	19,693.74
	<u>\$579,164.56</u>	<u>\$110,115.95</u>	<u>\$689,280.51</u>

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	<u>\$1,960,000.00</u>
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NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Town bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Town property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Town's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, <u>2008</u>	BALANCE DECEMBER 31, <u>2007</u>
Prepaid Taxes	<u>\$298,298.32</u>	<u>\$319,478.43</u>

NOTE 6: PENSION PLANS

Town employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The Town's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,678,240.71 for 2008 and \$1,021,439.34 for 2007.

Certain Town employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Town, employees are allowed to accumulate unused sick pay over the life of their working careers, which may be taken as time off or paid at a later date at an agreed upon rate. Any employee may carry over unused vacation days for one year only. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and has not been determined, but is probably material. The Town appropriates annually the amounts required to be paid in any fiscal year in that year's budget and no liability is accrued at December 31, 2008.

NOTE 8: LITIGATION

The Town Attorney's letter did not indicate any litigation, claims or contingent liabilities that are not covered by the Town's insurance carrier or would have a material financial impact on the Town.

NOTE 9: CONTINGENT LIABILITIES

The Town participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2008, the Town does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey and the Hudson County Board of Taxation requesting a reduction of assessments. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from current tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.40A:2-51.

NOTE 11: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in a self insurance program through the North Jersey Intergovernmental Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Town's contribution to the Fund for claim payments are based on actuarial assumption determined by the Fund's actuary. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

New Jersey Unemployment Compensation Insurance - The Town has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Town is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Town is billed quarterly for amounts due to the State. Below is a summary of Town contributions, employee contributions, interest accrued on savings account, reimbursements to the State for benefits paid, and the ending balance of the Town's expendable trust fund for the current and previous two years:

<u>Year</u>		<u>Town Contributions</u>		<u>Interest</u>		<u>Amount Reimbursed</u>		<u>Ending Balance</u>
2008	\$	88,000.00	\$	60.87	\$	77,741.79	\$	35,191.51
2007		78,000.00		71.06		90,401.50		24,872.43
2006		78,000.00		87.64		79,269.67		37,202.87

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2008:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$10,376.90	\$4,688,012.74
Federal and State Grant Fund	\$310.57	\$1,720,000.00
Animal Control Fund	10,218.86	8,050.00
Trust Other Fund	452,387.79	161,525.29
General Capital Fund	6,457,025.31	444,337.79
Swim Pool Utility Operating Fund	158,170.66	78,867.71
Swim Pool Capital Operating Fund	277,210.00	260,517.00
Public Assistance Fund		4,389.56
	<u>\$7,365,700.09</u>	<u>\$7,365,700.09</u>

The interfund balance resulted primarily from timing differences between the funds caused by the payment for goods and services and the reimbursements of the expenditures by the various funds.

NOTE 13: RECENT ACCOUNTING PRONOUNCEMENT – GASB 45

The Town provides Post-Retirement Benefits to certain employees who have retired after twenty-five years of service, in accordance with the terms of their various labor agreements or in accordance with municipal ordinance. These benefits include health insurance, prescription and dental coverage.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement requires the municipality to disclose in the notes to the financial statements the present value of the estimated future cost of the other post employment benefits (OPEB). OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their balance sheets; however, OPEB obligations are required to be disclosed in the notes, commencing with the 2008 fiscal year.

The Town is currently in the process of calculating its OPEB obligations and the impact on the financial position or results of operations, if any, cannot be readily determined at this time.

NOTE 14: SUBSEQUENT EVENTS

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2009, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2009. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The Town of Secaucus has elected to defer a portion of its pension contributions as follows:

<u>Retirement System</u>	<u>2009 Required Contribution</u>	<u>Amount Deferred</u>	<u>2009 Actual Contribution</u>
PFRS	\$1,388,439.00	\$666,801.00	\$721,638.00
PERS	<u>601,302.00</u>	<u>267,412.00</u>	<u>333,890.00</u>
Total	<u>\$1,989,741.00</u>	<u>\$934,213.00</u>	<u>\$1,055,528.00</u>

Tax Anticipation Note

The Town issued a Tax Anticipation Note pursuant to the Local Budget Law (Chapter 4 of title 40A of the New Jersey Statutes, as amended) in anticipation of the collection of real estate taxes levied by the Town for the fiscal year commencing January 1, 2009. The note was issued on July 20, 2009 in the amount of \$17,200,000.00 bearing interest at 1.75% and matures on 2/19/10.

SELECTED FINANCIAL INFORMATION

TOWN OF SECAUCUS

CURRENT FUND

COMPARATIVE BALANCE SHEETS - STATUTORY BASIS

	DECEMBER 31			
	2009	2008	2007	2006
	(UNAUDITED)			
<u>ASSETS</u>				
Cash - Treasurer	\$ 24,531,012.08	\$ 9,475,178.15	\$ 11,494,149.76	\$ 11,968,917.67
Cash - Collector	162,659.89	117,597.15	196,097.40	143,661.07
Cash - Change Fund	675.00	675.00	675.00	675.00
Due State of New Jersey Per Chapter 20, P.L. 1971	16,363.64	13,738.64	14,017.07	16,209.64
	<u>\$ 24,710,710.61</u>	<u>\$ 9,607,188.94</u>	<u>\$ 11,704,939.23</u>	<u>\$ 12,129,463.38</u>
				<u>\$ 10,806,478.78</u>
Receivables and Other Assets with Full Reserves:				
Delinquent Property Taxes Receivable	\$ 1,035,055.87	\$ 674,961.68	\$ 998,253.38	\$ 718,595.91
Property Tax Deposits	770,007.26	725,147.87		
Tax Title Liens Receivable	203,286.09	183,272.43	164,292.95	146,659.07
Maintenance Lien Receivable		5,659.30		
Interfunds Receivable	10,796.87	10,376.90	53,864.09	411,200.94
Revenue Accounts Receivable		49,385.39	39,066.17	34,838.57
Property Acquired for Taxes-Assessed Value	3,157,000.00	3,157,000.00	3,157,000.00	3,157,000.00
	<u>\$ 5,176,146.09</u>	<u>\$ 4,805,803.57</u>	<u>\$ 4,412,476.59</u>	<u>\$ 4,468,294.49</u>
				<u>\$ 3,957,874.59</u>
	<u>\$ 29,886,856.70</u>	<u>\$ 14,412,992.51</u>	<u>\$ 16,117,415.82</u>	<u>\$ 16,597,757.87</u>
				<u>\$ 14,764,353.37</u>
Grant Fund:				
Grants Receivable	\$ 2,369,953.80	\$ 3,215,781.12	\$ 3,165,245.76	\$ 3,364,864.21
Due Current Fund	9,916,536.86	310.57		
	<u>\$ 12,286,490.66</u>	<u>\$ 3,216,091.69</u>	<u>\$ 3,165,245.76</u>	<u>\$ 3,364,864.21</u>
				<u>\$ 3,630,269.78</u>
	<u>\$ 42,173,347.36</u>	<u>\$ 17,629,084.20</u>	<u>\$ 19,282,661.58</u>	<u>\$ 19,962,622.08</u>
				<u>\$ 18,394,623.15</u>

CURRENT FUND

COMPARATIVE BALANCE SHEETS - STATUTORY BASIS

	DECEMBER 31			DECEMBER 31		
	2009	2008	2007	2006	2005	
	(UNAUDITED)					
LIABILITIES, RESERVES AND FUND BALANCE						
Liabilities:						
Appropriation Reserves	\$ 1,323,484.35	\$ 1,435,787.30	\$ 1,576,352.52	\$ 1,769,559.87	\$ 2,022,030.48	
Due Secaucus Municipal Utilities Authority	380.00	380.00	380.00	380.00	380.00	
Due State of New Jersey	5,905.79	5,905.79	5,905.79	5,905.79	5,905.79	
Reserve for Sale of Property	766.00	766.00	766.00	14,766.00	389,766.00	
Reserve for Revaluation Program	14.85	14.85	14.85	14.85	14.85	
Tax Overpayments	52,876.27	187.53	16,253.97	20,409.27	16,947.66	
Prepaid Taxes	390,958.21	298,298.32	319,478.43	343,574.70	282,927.03	
Reserve for Fire Fines and Penalties	32,912.15	30,512.15	25,342.15	17,037.15	10,845.15	
Due County for Added Taxes	147,296.90	81,807.65	110,940.85	129,237.81	224,940.62	
Accounts Payable	735,361.16	1,050,560.52	873,933.73	672,003.62	880,300.98	
Tax Anticipated Note Payable	17,200,000.00					
Deposit on Bids	501.49	501.49	501.49	501.49	501.49	
Reserve for Tax Appeals				123,038.73	150,000.00	
Reserve for D.W.I. Surcharge	14,239.14	11,378.31	8,968.24	6,862.50	4,475.00	
Interfunds Payable	2,406,011.74	4,688,012.74	5,277,015.41	4,212,494.57	2,335,370.44	
	\$ 22,310,708.05	\$ 7,604,112.65	\$ 8,215,853.43	\$ 7,315,786.35	\$ 6,324,405.49	
Reserve for Receivables and Other Assets	5,176,146.09	4,805,803.57	4,412,476.59	4,468,294.49	3,957,874.59	
Fund Balance	2,400,002.56	2,003,076.29	3,489,085.80	4,813,677.03	4,482,073.29	
	\$ 29,886,856.70	\$ 14,412,992.51	\$ 16,117,415.82	\$ 16,597,757.87	\$ 14,764,353.37	
				0.00		
Grant Fund:						
Reserve for Grants-Appropriated	\$ 1,353,577.53	\$ 1,375,117.83	\$ 1,279,751.31	\$ 1,403,899.43	\$ 1,552,256.42	
Reserve for Grants-Unappropriated	1,400.00	6,101.68	18,390.19	5,987.93	28,692.21	
Due Current Fund			477,839.32	346,650.41		
Due General Capital Fund	1,720,000.00	1,720,000.00	1,300,000.00	1,300,000.00	1,300,000.00	
Accounts Payable	286,630.13	114,872.18	89,264.94	308,326.44	749,321.15	
	\$ 3,361,607.66	\$ 3,216,091.69	\$ 3,165,245.76	\$ 3,364,864.21	\$ 3,630,269.78	
	\$ 33,248,464.36	\$ 17,629,084.20	\$ 19,282,661.58	\$ 19,962,622.08	\$ 18,394,623.15	

TOWN OF SECALUCUS

CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - STATUTORY BASIS

	YEARS ENDED DECEMBER 31			
	2009	2008	2007	2006
	(UNAUDITED)			
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,960,000.00	\$ 3,365,000.00	\$ 4,370,000.00	\$ 3,870,000.00
Miscellaneous Revenue Anticipated	8,573,372.13	8,855,808.13	7,622,766.52	8,639,943.22
Receipts from Delinquent Taxes	621,140.28	964,520.27	654,905.46	559,669.27
Receipts from Current Taxes	85,706,862.68	81,085,231.69	75,775,991.20	71,373,241.69
Non-Budget Revenues	409,301.35	342,786.79	964,641.86	755,116.84
Other Credits to Income:				
Interfunds Returned	123,603.88	43,487.19	10,686.44	53,841.11
Cancel Accounts Payable	5,846.83	16,066.44		743.48
Cancel Tax Overpayments/Other	937,874.56	1,094,614.56	1,088,723.25	1,770,061.40
Unexpended Balance of Appropriation Reserves				
TOTAL INCOME	\$ 98,338,001.71	\$ 95,767,515.07	\$ 90,487,714.73	\$ 87,022,617.01
				\$ 86,385,810.69
EXPENDITURES				
Budget and Emergency Appropriations (Within "CAPS"):				
Operations (Including Contingent)	\$ 27,150,162.00	\$ 26,187,921.00	\$ 25,291,191.22	\$ 19,543,287.00
Deferred Charges and Statutory Expenditures-Municipal	2,469,894.42	882,105.25	801,527.26	734,026.54
Budget (Excluded from "CAPS"):				
Operations:				
Other Operations	9,836,590.91	11,561,095.35	9,762,130.73	14,820,629.18
Capital Improvements	100,000.00	100,000.00	125,000.00	75,000.00
Municipal Debt Service	3,190,390.04	2,992,695.32	2,739,180.50	2,314,276.23
County Taxes	21,944,034.16	21,209,856.70	19,364,238.71	17,653,703.80
Due County for Added Taxes	152,369.38	86,880.13	116,013.33	131,712.02
Local District School Tax	31,064,974.00	30,135,238.50	28,982,354.00	27,464,388.50
Property Tax Collections not Deposited	44,859.39	725,147.87		
Refund of Prior Year Revenue	27,381.17	7,584.46	260,670.21	32,612.49
Reserve for Tax Appeals				352,852.89
Interfunds Advanced	419.97			51,377.51
TOTAL EXPENDITURES	\$ 95,981,075.44	\$ 93,888,524.58	\$ 87,442,305.96	\$ 82,821,013.27
Excess in Revenue	\$ 2,356,926.27	\$ 1,878,990.49	\$ 3,045,408.77	\$ 4,201,603.74
FUND BALANCE				
Balance, January 1	2,003,076.29	3,489,085.80	4,813,677.03	4,482,073.29
	4,360,002.56	5,368,076.29	7,859,085.80	8,663,677.03
Decreased by:				
Utilization as Anticipated Revenue	1,960,000.00	3,365,000.00	4,370,000.00	3,870,000.00
Balance, December 31	\$ 2,400,002.56	\$ 2,003,076.29	\$ 3,489,085.80	\$ 4,813,677.03
				\$ 4,482,073.29

TOWN OF SECAUCUS

TRUST FUND

COMPARATIVE BALANCE SHEETS - STATUTORY BASIS

	DECEMBER 31			
	2009	2008	2007	2006
	(UNAUDITED)			
ASSETS				
Animal Control Trust Fund:				
Cash	\$ 6,998.44 \$	798.84 \$	26,537.24 \$	20,133.44 \$
Due Current Fund	3,271.70	10,218.86	26,537.24	20,133.44
	<u>10,270.14 \$</u>	<u>11,017.70 \$</u>	<u>26,537.24 \$</u>	<u>10,951.47 \$</u>
Other Funds:				
Cash	\$ 1,918,730.55 \$	1,992,698.63	1,653,036.87	664,413.62
Interfunds Receivable	706,836.30	444,337.79	444,337.79	444,337.79
Due Animal Control Fund	8,050.00	8,050.00	8,050.00	8,050.00
Community Development Block Grant Receivable	200,142.52	309,380.33	255,772.78	179,701.58
	<u>2,833,759.37 \$</u>	<u>2,754,466.75</u>	<u>2,361,197.44</u>	<u>1,296,502.99</u>
	<u>\$ 2,844,029.51 \$</u>	<u>2,765,484.45</u>	<u>2,387,734.68</u>	<u>1,316,636.43</u>
LIABILITIES, RESERVES AND FUND BALANCE				
Animal Control Trust Fund:				
Reserve for Animal Control Trust Fund Expenditures	\$ 2,220.14 \$	2,967.70 \$	2,051.79	2,478.10
Due Trust Fund	8,050.00	8,050.00	8,050.00	8,050.00
Due Current Fund	<u>10,270.14 \$</u>	<u>11,017.70 \$</u>	<u>16,435.45</u>	<u>9,605.34</u>
			<u>26,537.24</u>	<u>20,133.44</u>
				<u>10,951.47</u>
Other Funds:				
Interfunds Payable	\$ 152,170.66 \$	161,525.29 \$	199,182.56	191,493.23
Accounts Payable	10,632.31	10,632.31	13,225.00	
Reserve For:				
Community Development Block Grants	112,708.93	200,082.81	196,582.69	74,107.03
Miscellaneous Deposits	2,410,612.37	2,309,436.43	1,848,919.66	943,677.78
Auction Licenses	5,120.00	5,120.00	5,120.00	5,120.00
P.O.A.A.	14,313.07	13,325.94	9,869.94	12,481.94
Redemption of Outside Liens	69,063.14	7,963.14	56,310.84	16,255.82
Unemployment Insurance	42,449.57	35,191.51	24,872.43	37,202.87
Public Defender	14,241.01	8,741.01	4,666.01	13,716.01
Law Enforcement Trust	256.35	256.35	256.35	256.35
Fund Balance	<u>2,191.96</u>	<u>2,191.96</u>	<u>2,191.96</u>	<u>2,191.96</u>
	<u>\$ 2,833,759.37 \$</u>	<u>2,754,466.75 \$</u>	<u>2,361,197.44</u>	<u>1,296,502.99</u>
	<u>\$ 2,844,029.51 \$</u>	<u>2,765,484.45 \$</u>	<u>2,387,734.68</u>	<u>1,316,636.43</u>
				<u>1,182,933.17</u>

TOWN OF SECAUCUS

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS - STATUTORY BASIS

	DECEMBER 31			
	2009	2008	2007	2006
	(UNAUDITED)			
ASSETS				
Cash	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Due from State of New Jersey	786,515.58	857,815.58	365,938.58	386,087.34
Deferred Charges to Future Taxation - Funded	18,086,287.53	19,267,854.37	20,426,719.37	11,876,248.62
Deferred Charges to Future Taxation - Unfunded	26,688,582.81	25,939,928.81	23,093,068.81	25,112,308.81
New Jersey Meadowlands Commission Grant Receivable	160,000.00	160,000.00	160,000.00	1,000,000.00
New Jersey Transit Receivable	58,474.74	58,474.74	58,474.74	58,474.74
N.J. Environmental Infrastructure Loan Receivable	3,213.89	3,213.89	21,719.00	21,719.00
N.J. Environmental Development Authority Grant Receivable	887,522.34	6,132,508.31	5,489,879.73	1,000,000.00
Due Current Fund	1,720,000.00		1,300,000.00	5,859,144.98
Due Grant Fund				4,750,000.00
Developers Contribution Receivable	260,517.00	260,517.00	260,517.00	260,517.00
Due Swim Pool Utility Capital Fund	64,000.00	64,000.00	64,000.00	64,000.00
Due Swimming Pool Utility Operating Fund				
	\$ 48,716,113.89	\$ 52,745,312.70	\$ 51,241,317.23	\$ 50,389,500.49
				\$ 44,480,783.59
LIABILITIES, RESERVES AND FUND BALANCE				
Bond Anticipation Notes	\$ 22,460,274.00	\$ 23,558,760.00	\$ 18,750,000.00	\$ 19,461,000.00
General Serial Bonds	14,900,000.00	15,900,000.00	16,875,000.00	8,125,000.00
N.J. Environmental Infrastructure Loan Payable	2,635,066.15	2,788,689.81	2,945,162.22	3,103,913.62
Contracts Payable	685,378.15	1,929,964.26	3,841,957.94	11,798,108.94
NJEDA Loan Payable	551,221.38	579,164.56	606,557.15	13,925.00
New Jersey Green Acres Loans Payable				633,410.00
Improvement Authorizations:				
Funded	2,697,421.76	3,084,728.62	2,759,581.44	1,436,872.47
Unfunded	3,955,018.04	4,325,215.21	4,681,816.54	5,104,580.03
Due Trust Other Fund	444,337.79	444,337.79	444,337.79	444,337.79
Capital Improvement Fund	128,614.25	28,614.25	6,614.25	10,614.25
Fund Balance	258,782.26	105,838.20	330,289.90	253,738.39
	\$ 48,716,113.78	\$ 52,745,312.70	\$ 51,241,317.23	\$ 50,385,500.49
				\$ 44,480,783.59

TOWN OF SECAUCUS

SWIMMING POOL UTILITY FUND

COMPARATIVE BALANCE SHEETS - STATUTORY BASIS

	DECEMBER 31			
	2009	2008	2007	2005
	(UNAUDITED)			
ASSETS				
Operating:				
Cash	\$ 766.30 \$	863.32 \$	3,108.82 \$	899.58
Change Fund	75.00	75.00	75.00	75.00
Deficit in Operations	35,229.33	16,122.31	2,553.81	
Due Current Fund				24.01
Due Trust Other Fund	152,170.66	158,170.66	191,170.66	144,170.66
Total Operating Fund	\$ 188,241.29 \$	175,231.29 \$	196,908.29 \$	145,169.25
Capital:				
Fixed Capital	\$ 300,000.00 \$	300,000.00 \$	300,000.00 \$	300,000.00
Fixed Capital - Authorized and Uncomplete	650,000.00	650,000.00	650,000.00	500,000.00
Due Swim Pool Operating Fund	12,235.00	12,235.00	12,235.00	15,000.00
Due Current Fund	261,065.33	264,975.00	264,975.00	
Total Capital Fund	\$ 1,223,300.33 \$	1,227,210.00 \$	1,227,210.00 \$	815,000.00
TOTAL	\$ 1,411,541.62 \$	1,402,441.29 \$	1,424,118.29 \$	960,169.25
LIABILITIES, RESERVES AND FUND BALANCE				
Operating:				
Due Current Fund	\$ 6,407.31 \$	2,632.71 \$	25,027.18 \$	13,608.06 \$
Due General Capital Fund	64,000.00	64,000.00	64,000.00	64,000.00
Due Swim Pool Capital Fund	12,235.00	12,235.00	12,235.00	15,000.00
Appropriation Reserves	35,614.01	4,208.55	6,237.18	5,746.35
Accounts Payable	1,844.00	2,642.06	50.00	1,374.08
Bid Bond	50.00	50.00	50.00	50.00
Accrued Interest on Notes	9,092.15	30,464.15	30,310.11	15,265.00
Fund Balance	58,998.82	58,998.82	58,998.82	58,998.82
Total Operating Fund	\$ 188,241.29 \$	175,231.29 \$	196,908.29 \$	145,169.25
Capital:				
Reserve for Deferred Amortization	\$ 73,900.00 \$	57,400.00 \$	40,900.00 \$	25,000.00 \$
Reserve for Amortization	15,000.00	15,000.00	15,000.00	15,000.00
Capital Improvement Fund	5,300.00	5,300.00	5,300.00	
Due Current Fund				16,625.00
Bond Anticipation Note:	861,100.00	877,600.00	884,100.00	475,000.00
Due General Capital Fund	260,517.00	260,517.00	260,517.00	260,517.00
Improvement Authorizations - Unfunded	7,483.33	11,393.00	11,393.00	39,483.00
Total Capital Fund	\$ 1,223,300.33 \$	1,227,210.00 \$	1,227,210.00 \$	815,000.00
TOTAL	\$ 1,411,541.62 \$	1,402,441.29 \$	1,424,118.29 \$	960,169.25

TOWN OF SECAUCUS

SWIMMING POOL UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN OPERATING FUND BALANCE - STATUTORY BASIS

	YEARS ENDED DECEMBER 31			
	2009	2008	2007	2005
	(UNAUDITED)			
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Membership Fees	\$ 86,729.00	\$ 144,011.53	\$ 159,559.34	\$ 188,862.00
Guest Fees	60,036.00	34,542.00	25,082.00	24,883.00
Miscellaneous	20,137.98	37,924.00	49,349.96	27,493.46
Deficit General Budget	122,790.00	85,000.00	50,000.00	23,261.54
Other Credits to Income:				3,343.34
Unexpended Balance of Appropriation Reserves				33,224.12
<u>TOTAL INCOME</u>	<u>\$ 289,692.98</u>	<u>\$ 301,477.53</u>	<u>\$ 283,991.30</u>	<u>\$ 264,500.00</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 242,942.00	\$ 248,646.00	\$ 239,300.00	\$ 243,500.00
Capital Improvement Fund			7,500.00	5,000.00
Debt Service	43,500.00	50,400.00	23,745.11	
Deferred Charges and Statutory Expenditures	16,000.00	16,000.00	16,000.00	16,000.00
Deficit in Operations	22,480.31	2,553.81		
<u>TOTAL EXPENDITURES</u>	<u>\$ 324,922.31</u>	<u>\$ 317,599.81</u>	<u>\$ 286,545.11</u>	<u>\$ 267,700.00</u>
Excess (Deficit) in Revenue	<u>\$ (35,229.33)</u>	<u>\$ (16,122.28)</u>	<u>\$ (2,553.81)</u>	<u>\$</u>
Operating Deficit to be Raised in Budget of Succeeding Year	<u>\$ 35,229.33</u>	<u>\$ 16,122.28</u>	<u>\$ 2,553.81</u>	<u>\$</u>
Fund Balance:				
Balance, January 1	\$ 58,998.82	\$ 58,998.82	\$ 58,998.82	\$ 58,998.82
Balance, December 31	<u>\$ 58,998.82</u>	<u>\$ 58,998.82</u>	<u>\$ 58,998.82</u>	<u>\$ 58,998.82</u>

APPENDIX B

PROPOSED FORM OF BOND COUNSEL OPINION

STEVEN L. ROGUT
DANIEL J. MCCARTHY
DIANE U. DABULAS

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COUNSELLORS AT LAW

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†† ALSO ADMITTED IN FL AND DC
††† ALSO ADMITTED IN NY
†††† ALSO ADMITTED IN MD

APPENDIX B

[Proposed Form of Bond Counsel Opinion]

April __, 2010

Town Council
Town of Secaucus
County of Hudson, New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of \$15,608,000 aggregate principal amount of General Improvement Bonds (the "Bonds") by the Town of Secaucus, in the County of Hudson, a municipal corporation of the State of New Jersey (the "Town"). The Bonds are dated April 1, 2010 and comprise an issue of registered bonds. The Bonds bear interest from their date, payable on each April 1 and October 1, commencing October 1, 2010 (each, an "Interest Payment Date"), of each year until maturity or prior redemption.

The Bonds are payable in annual installments on April 1 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011	\$ 200,000	%	2021	\$1,050,000	%
2012	250,000		2022	1,050,000	
2013	250,000		2023	1,050,000	
2014	475,000		2024	1,050,000	
2015	525,000		2025	1,050,000	
2016	550,000		2026	1,100,000	
2017	620,000		2027	1,100,000	
2018	1,000,000		2028	1,100,000	
2019	1,040,000		2029	1,098,000	
2020	1,050,000				

The Bonds maturing on or before April 1, 2020 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after April 1, 2021 are subject to redemption at the option of the Town prior to maturity, in whole on any date or in part on any Interest Payment Date on or after April 1, 2020, upon notice as set forth in the resolutions referred to below at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Town determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Town, and within any maturity, by lot.

The Bonds are issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to five bond ordinances adopted by the Town Council of the Town on July 25, 2006 (Ord. No. 2006-16), October 10, 2006 (Ord. No. 2006-22), August 28, 2007 (Ord. No. 2007-31, as amended by Ord. No. 2007-36 adopted on October 9, 2007), October 23, 2007 (Ord. No. 2007-37) and July 10, 2008 (Ord. No. 2008-20) and resolutions adopted by the Town Council of the Town on February 23, 2010.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Town with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Town has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Town's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the

requirements of the Code. The Town, in executing the Tax Certificate, will certify to the effect that the Town expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the bond ordinances and resolutions referred to above and related proceedings in connection with the issuance of the Bonds. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinions rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Town of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and the exhibits thereto. We have also examined the executed and authenticated first numbered Bond and have assumed that all of the other Bonds have been similarly executed and authenticated. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Town in connection with the issuance and sale of the Bonds, or (ii) other documents of the Town delivered to the purchasers of the Bonds, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Town enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Town has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Town is authorized and required by law to levy on all real property taxable by the Town such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

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3. Assuming compliance by the Town with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations; nor is it included in "adjusted current earnings" for purposes of computing the alternative minimum tax that may be imposed on corporations. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC