

TOWNSHIP OF MAHWAH

Financial Statements
with Additional Financial Information

December 31, 2011

(With Independent Auditor's Report Thereon)

TOWNSHIP OF MAHWAH

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Independent Auditor's Report

The Honorable Mayor and
Members of the Township Council
Township of Mahwah
Mahwah, New Jersey:

We have audited the accompanying balance sheets of the various funds and account groups as of December 31, 2011 and 2010 of the Township of Mahwah, New Jersey, and the related statements of operations and changes in fund balances for the years then ended and the related and the related statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Mahwah, New Jersey, as of December 31, 2011 and 2010 and the changes in financial position for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Mahwah, New Jersey, as of December 31, 2011 and 2010 and the related statements of operations and changes in fund balances for the years then ended and the related statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2011 on the basis of accounting described in note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 6, 2012 on our consideration of the Township of Mahwah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mahwah's financial statements. The additional financial information included in the accompanying table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information and schedules has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America., In our opinion, the additional financial information included in the accompanying table of contents are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mahwah's financial statements. The information included in the supplementary data as listed in the table of contents is presented for additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express and opinion or provide any assurance on it..

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

August 6, 2012

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

The Honorable Mayor and
Members of the Township Council
Township of Mahwah
Mahwah, New Jersey:

We have audited the financial statements of Township of Mahwah, New Jersey, as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated August 6, 2012, which report expressed an adverse opinion in accordance with accounting principles generally accepted in the United States of America and an unqualified opinion on the basis of accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Township of Mahwah is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audits, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined previously.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Township of Mahwah in the comments and recommendations section.

This report is intended solely for the information and use of the management, governing body, others within the entity, and the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No.CR00217

August 6, 2012

FINANCIAL STATEMENTS

TOWNSHIP OF MAHWAH

Balance Sheet

Current Fund

December 31, 2011 and 2010

Assets	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Regular Fund:			
Cash - checking	A-4	\$ 10,314,660	9,532,783
Change Fund - cash		750	750
Due from State of New Jersey - Senior Citizens' and Veterans' deductions	A-6	<u>5,622</u>	<u>5,169</u>
		<u>10,321,032</u>	<u>9,538,702</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-7	480,272	459,245
Tax title liens	A-8	268,351	234,912
Foreclosed property	A-25	1,353,400	1,353,400
Revenue accounts receivable	A-9	33,405	25,716
Due from:			
Other Trust Funds	A-21	280	252
General Capital Fund	A-21	19	37
Dog License Fund	A-21	4,787	8,703
Federal and State Grants Fund	A-21	<u>277,646</u>	<u>76,115</u>
		<u>2,418,160</u>	<u>2,158,380</u>
Deferred charges:			
Special emergency authorizations (40A-4:53)	A-3	120,000	240,000
Emergency authorizations (40A:4-47)	A-3	<u>62,000</u>	<u>—</u>
		<u>12,921,192</u>	<u>11,937,082</u>
Federal and State Grant Fund:			
Grants receivable	A-22	<u>614,601</u>	<u>488,687</u>
		<u>\$ 13,535,793</u>	<u>12,425,769</u>

TOWNSHIP OF MAHWAH

Balance Sheet

Current Fund

December 31, 2011 and 2010

Liabilities, Reserves and Fund Balance	Ref.	2011	2010
Regular Fund:			
Liabilities:			
Appropriation reserves	A-3,A-10	\$ 1,624,588	1,089,264
Encumbrances payable	A-15	1,055,949	1,020,769
Tax overpayments	A-16	24,563	17,676
Prepaid taxes	A-17	623,677	456,476
Prepaid health licenses	A-18	1,420	1,400
Due to:			
County for added taxes	A-14	10,898	84,819
Water Utility Operating Fund	A-21	—	34
Affordable Housing Trust Fund	A-21	338	—
Reserve for arbitrage rebate payable	A-26	30,000	30,000
Reserve for revaluation	A-28	—	93,525
Various reserves	A-20	555,082	359,200
Reserve for tax appeals	A-19	604,698	337,128
Unappropriated reserves	A-11	31,591	31,591
		<u>4,562,804</u>	<u>3,521,882</u>
Reserve for receivables and other assets		2,418,160	2,158,380
Fund balance	A-1	<u>5,940,228</u>	<u>6,256,820</u>
		<u>12,921,192</u>	<u>11,937,082</u>
Federal and State Grant Fund:			
Due to Regular Fund	A-21	277,646	76,115
Appropriated reserves	A-23	202,972	331,611
Encumbrances payable	A-27	97,317	80,961
Unappropriated reserves	A-24	36,666	—
		<u>614,601</u>	<u>488,687</u>
		<u>\$ 13,535,793</u>	<u>12,425,769</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance

Current Fund

Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and other income realized:		
Fund balance utilized	\$ 3,825,000	4,625,000
Miscellaneous revenue anticipated	8,950,377	9,355,214
Receipts from delinquent taxes	466,446	402,432
Receipts from current taxes	89,710,674	87,362,234
Non-budget revenues	1,091,802	823,367
Other credits to income:		
Budget appropriations canceled	10	170
Unexpended balance of appropriation reserves	746,856	1,033,685
Interfunds returned	85,107	317,113
Grant reserves cancelled	2,280	90,220
Voided checks	702	8,908
Reserves cancelled	29,345	3,333
Accounts payable canceled	4,719	66,307
Total income	<u>104,913,318</u>	<u>104,087,983</u>
Expenditures:		
Budget and emergency appropriations:		
Appropriations within "CAPS":		
Operations:		
Salaries and wages	11,917,500	12,344,750
Other expenses	10,796,848	10,901,963
Deferred charges and statutory expenditures	2,867,727	2,315,865
Appropriations excluded from "CAPS":		
Operations:		
Other expenses	3,041,638	3,034,935
Capital improvements	200,000	250,000
Municipal debt service	3,502,615	3,379,015
Deferred charges	120,000	120,000
County taxes	13,022,492	13,358,453
Amount due County for added and omitted taxes	10,898	84,819
Local district school taxes	55,129,066	53,821,375
Municipal open space tax	574,011	417,441
Interfunds advanced	277,944	76,403
Cancellation Grants receivable	480	79,127
Prior year senior citizens deductions cancelled	2,616	2,140
Refund of prior year revenue	3,075	3,488
Total expenditures	<u>101,466,910</u>	<u>100,189,774</u>
Excess in revenue	3,446,408	3,898,209
Adjustments to income before surplus:		
Expenditures included above which are by statute deferred charges to budget of succeeding year - emergency appropriations	62,000	—
Statutory excess to fund balance	3,508,408	3,898,209
Fund balance, January 1	<u>6,256,820</u>	<u>6,983,611</u>
	9,765,228	10,881,820
Decreased by utilized as anticipated revenue	<u>3,825,000</u>	<u>4,625,000</u>
Fund balance, December 31	<u>\$ 5,940,228</u>	<u>6,256,820</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Revenues

Current Fund

Year ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 3,825,000	3,825,000	—
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	30,000	30,804	804
Other	39,500	48,370	8,870
Fees and permits	48,500	58,716	10,216
Fines and costs - municipal court	335,000	350,244	15,244
Interest and costs on taxes	105,000	119,231	14,231
Interest on investments and deposits	30,000	34,628	4,628
Rental of Township owned property	240,000	216,944	(23,056)
Fire Safety Act fees	140,000	164,388	24,388
Energy Receipts Tax (P.L. 1999, Ch 162 & 167)	4,909,572	4,909,572	—
Garden State Trust Fund	3,844	3,844	—
Uniform construction code fees	960,000	904,623	(55,377)
Recycling Tonnage Grant	32,498	32,498	—
Drunk Driving Enforcement Fund	12,624	12,624	—
Clean Communities Programs	39,335	39,335	—
Alcohol Education and Rehabilitation Act	4,854	4,854	—
Municipal Alliance on Alcoholism and Drug Abuse	12,157	12,157	—
United States Department of Highway Traffic Safety (pass through the State of New Jersey Division of Alcohol Control) - Cops in Shops	2,400	2,400	—
United States Department of Homeland Security (pass through the State of New Jersey Office of Homeland Security) - Buffer Zone Program	124,633	124,633	—
State of New Jersey - Department of Transportation:			
Airmount Road Section 2	150,000	150,000	—
United States Department of Transportation (NJ Division of Highway Safety) Pass through - Over the Limit Under Arrest	4,400	4,400	—
Drive Sober or Get Pulled Over	5,000	5,000	—
Office of County Prosecutor - Mahwah Municipal Escrow - Police Dept.	17,465	17,465	—
Swim and Tennis Club fees	149,500	150,341	841
Reserve for Township Calendar	—	—	—
Reserve for Open Space Fund	415,000	415,000	—
Reserve for Payment of Debt	321,500	321,500	—
Municipal Hotel/Motel Occupancy Tax	590,000	674,834	84,834
Cable television Franchise Fee	125,000	141,972	16,972
	<u>8,847,782</u>	<u>8,950,377</u>	<u>102,595</u>
			(Continued)

TOWNSHIP OF MAHWAH

Statement of Revenues

Current Fund

Year ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Receipts from delinquent taxes	\$ 375,000	466,446	91,446
Amount to be raised by taxes for support of municipal budget:			
Local Tax for Municipal Purposes including Reserve for Uncollected taxes	19,621,719		
Minimum Library Tax	2,253,512		
Total Amount to be Raised	<u>21,875,231</u>	<u>23,512,892</u>	<u>1,637,661</u>
Budget totals	<u>\$ 34,923,013</u>	36,754,715	<u>1,831,702</u>
Non-budget revenues		1,091,802	
		<u>\$ 37,846,517</u>	
Allocation of current tax collections:			
Revenue from collections		\$ 89,985,674	
Allocated to:			
School, County and Open Space taxes		68,736,466	
Reserve for tax appeals		<u>275,000</u>	
Balance for support of municipal budget		20,974,208	
Add appropriation reserve for uncollected taxes		<u>2,538,684</u>	
Amount for support of municipal budget		<u>\$ 23,512,892</u>	
Receipts from delinquent taxes:			
Delinquent tax collections		\$ 466,446	
Tax title liens		<u>—</u>	
		<u>\$ 466,446</u>	
Miscellaneous revenue not anticipated:			
Payment in lieu of taxes		\$ 10,238	
Reimbursements		756,024	
Van Driver (Federal - Title III)		29,610	
County Reimbursement - Van (State Department of Health and Sr. Services)		12,500	
NJ Office of Emergency Management (FEMA)		105,389	
Highlands Water Protection		14,613	
Concession stand		1,000	
Sale of assets		14,752	
Housing fees		15,175	
Recycling fees		67,859	
Copy duplication fees		1,758	
911 services		14,851	
Cat Licenses		1,912	
Senior Center		2,298	
Administrative fee Senior and Veterans deductions		4,267	
Bid Deposit Fees		400	
CSC Holdings - Cable		30,000	
Seized Confiscated Funds		990	
Miscellaneous		<u>8,166</u>	
		<u>\$ 1,091,802</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2011

	Appropriations			Budget after modification	Expended		
	Budget	Emergency appropriations	Transfers		Paid or charged	Reserved	Canceled
General appropriations:							
Operations within "CAPS":							
Legislation:							
Township Council:							
Salaries and wages	\$ 50,000	—	—	50,000	44,458	5,542	—
Other expenses	3,800	—	—	3,800	1,887	1,913	—
Office of the Township Clerk:							
Salaries and wages	175,500	—	2,500	178,000	176,681	1,319	—
Other expenses	23,522	—	—	23,522	19,221	4,301	—
Election:							
Salaries and wages	3,450	—	—	3,450	3,249	201	—
Other expenses	25,200	—	—	25,200	20,952	4,248	—
Animal Control:							
Other expenses	40,000	—	—	40,000	38,259	1,741	—
Administration:							
Office of the Mayor:							
Salaries and wages	15,000	—	—	15,000	15,000	—	—
Other expenses	4,750	—	—	4,750	4,730	20	—
Office of the Business Administrator:							
Salaries and wages	300,400	—	3,000	303,400	300,386	3,014	—
Other expenses	28,800	—	—	28,800	25,709	3,091	—
Insurance:							
Comprehensive business liability insurance:							
Other expenses	415,000	—	—	415,000	409,331	5,669	—
Employee medical insurance:							
Other expenses	4,205,279	—	—	4,205,279	3,680,942	524,337	—
Workers Compensation Insurance:							
Other expenses	435,000	—	—	435,000	434,131	869	—
Employee optical plan:							
Other expenses	30,000	—	—	30,000	30,000	—	—
Employee physicals:							
Other expenses	47,500	—	—	47,500	42,500	5,000	—
Health Benefit Waiver	5,000	—	—	5,000	5,000	—	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2011

	Appropriations			Budget after modification	Expended		
	Budget	Emergency appropriations	Transfers		Paid or charged	Reserved	Canceled
Employee life insurance:							
Other expenses	\$ 40,000	—	—	40,000	28,345	11,655	—
Insurance miscellaneous:							
Other expenses	60,000	—	—	60,000	49,823	10,177	—
Unemployment Compensation Insurance							
Other expenses	25,000	—	—	25,000	25,000	—	—
Health and Safety Programs							
Other expenses	12,000	—	—	12,000	7,508	4,492	—
Division of Law:							
Other expenses	235,000	—	—	235,000	167,856	67,144	—
Division of Engineering:							
Other expenses	60,000	—	—	60,000	58,232	1,768	—
Municipal Land Use Law (N.J.S.A. 40:55):							
Division of Planning and Zoning:							
Salaries and wages	192,800	—	—	192,800	189,994	2,806	—
Other expenses	88,300	—	—	88,300	69,269	19,031	—
Division of Finance:							
Bureau of Treasury:							
Salaries and wages	219,700	—	3,000	222,700	222,068	632	—
Other expenses	4,885	—	—	4,885	4,304	581	—
Bureau of Collections:							
Salaries and wages	181,200	—	—	181,200	170,165	11,035	—
Other expenses	9,327	—	—	9,327	7,518	1,809	—
Bureau of Assessment:							
Salaries and wages	140,700	—	3,000	143,700	143,361	339	—
Other expenses	28,350	—	—	28,350	27,833	517	—
Auditor:							
Other expenses	33,650	—	—	33,650	24,950	8,700	—
Department of Public Works:							
DPW administration:							
Salaries and wages	78,200	—	1,000	79,200	77,115	2,085	—
Other expenses	1,300	—	—	1,300	592	708	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2011

	Appropriations				Expended		
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
DPW streets and roads:							
Salaries and wages	\$ 381,400	—	7,000	388,400	387,990	410	—
Other expenses	125,000	—	(3,500)	121,500	104,904	16,596	—
DPW buildings and grounds:							
Salaries and wages	319,100	—	7,000	326,100	325,612	488	—
Other expenses	159,958	—	3,500	163,458	158,376	5,082	—
DPW emergency services:							
Other expenses	52,700	—	—	52,700	50,524	2,176	—
DPW parks and playgrounds:							
Salaries and wages	166,750	—	4,750	171,500	171,158	342	—
Other expenses	67,897	—	—	67,897	58,700	9,197	—
DPW recycling:							
Salaries and wages	439,500	—	(3,000)	436,500	420,368	16,132	—
Other expenses	22,308	—	—	22,308	18,928	3,380	—
DPW motor pool:							
Salaries and wages	68,800	—	1,000	69,800	69,176	624	—
Other expenses	263,450	—	15,000	278,450	274,173	4,277	—
DPW snow removal:							
Salaries and wages	177,000	—	—	177,000	162,367	14,633	—
Other expenses	242,400	—	—	242,400	214,094	28,306	—
DPW overtime:							
Salaries and wages	141,000	—	39,000	180,000	166,960	13,040	—
Sanitation:							
Collection service:							
Other expenses	805,000	—	—	805,000	795,765	9,235	—
Disposal:							
Other expenses	720,000	—	(45,000)	675,000	658,180	16,820	—
Disposal/Recyclables:							
Other expenses	17,000	—	—	17,000	9,057	7,943	—
Municipal Services Act:							
Other expenses	190,000	—	—	190,000	158,148	31,852	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2011

	Appropriations			Budget after modification	Expended		
	Budget	Emergency appropriations	Transfers		Paid or charged	Reserved	Canceled
Board of Health:							
Board of Health administration:							
Salaries and wages	\$ 238,100	—	8,000	246,100	244,889	1,211	—
Other expenses	25,150	—	(2,500)	22,650	13,766	8,884	—
Health Officer services (Paramus):							
Other expenses	36,950	—	—	36,950	36,950	—	—
Visiting Nurse service:							
Other expenses	34,118	—	—	34,118	34,117	1	—
West Bergen Mental Health Agreement:							
Other expenses	2,600	—	—	2,600	—	2,600	—
Department of Police:							
Police administration:							
Salaries and wages	573,600	—	8,250	581,850	581,595	255	—
Other expenses	149,975	—	(10,000)	139,975	122,403	17,572	—
Police records:							
Salaries and wages	74,400	—	6,000	80,400	79,992	408	—
Police patrol:							
Salaries and wages	5,483,100	—	81,000	5,564,100	5,548,850	15,250	—
Police dispatchers:							
Salaries and wages	288,900	—	—	288,900	281,227	7,673	—
Police detectives:							
Salaries and wages	449,000	—	8,000	457,000	454,197	2,803	—
Police juvenile:							
Salaries and wages	—	—	—	—	—	—	—
Police crossing guards:							
Salaries and wages	50,000	—	5,000	55,000	53,478	1,522	—
Police purchase of police cars:							
Other expenses	106,700	—	—	106,700	105,326	1,374	—
Police supplemental programs: Municipal Alliance/ DARE							
Other expenses	1,000	—	—	1,000	—	1,000	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2011

	Appropriations			Budget after modification	Expended		
	Budget	Emergency appropriations	Transfers		Paid or charged	Reserved	Canceled
Emergency Management:							
Bureau of Emergency Management:							
Salaries and wages	\$ 18,000	—	—	18,000	17,990	10	—
Other expenses	38,950	—	—	38,950	33,245	5,705	—
Fire Department:							
Salaries and wages	84,100	—	—	84,100	81,924	2,176	—
Other expenses	146,400	—	—	146,400	137,968	8,432	—
Bureau of Fire Prevention:							
Salaries and wages	78,250	—	1,000	79,250	78,575	675	—
Other expenses	3,500	—	—	3,500	2,789	711	—
Ambulance Company #1:							
Salaries and wages	—	—	—	—	—	—	—
Other expenses	—	—	—	—	—	—	—
Ambulance Company #4:							
Salaries and wages	—	—	—	—	—	—	—
Other expenses	—	—	—	—	—	—	—
Aid to Volunteer Fire Companies:							
Other expenses	9,000	—	—	9,000	9,000	—	—
Division of Human Services:							
Salaries and wages	111,350	—	1,500	112,850	112,303	547	—
Other expenses	1,500	—	—	1,500	676	824	—
Senior Citizens activities:							
Salaries and wages	95,700	—	1,500	97,200	97,054	146	—
Other expenses	63,570	—	—	63,570	55,070	8,500	—
Access Transportation:							
Salaries and wages	68,900	—	—	68,900	68,421	479	—
Other expenses	800	—	—	800	180	620	—
Boards, Commissions and Committees:							
Environmental Commission:							
Salaries and wages	3,500	—	—	3,500	3,500	—	—
Other expenses	4,675	—	—	4,675	445	4,230	—
Housing Commission:							
Salaries and wages	3,500	—	—	3,500	3,500	—	—
Other expenses	1,150	—	—	1,150	45	1,105	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2011

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Historic Preservation Commission:							
Salaries and wages	\$ 3,500	—	—	3,500	3,500	—	—
Other expenses	4,800	—	—	4,800	250	4,550	—
Recreation:							
Salaries and wages	75,000	—	—	75,000	64,850	10,150	—
Other expenses	110,049	—	—	110,049	88,290	21,759	—
Municipal Pool:							
Salaries and wages	115,600	—	—	115,600	106,769	8,831	—
Other expenses	96,800	—	—	96,800	81,271	15,529	—
Municipal Prosecutor							
Other expenses	45,000	—	—	45,000	36,800	8,200	—
Municipal Court:							
Salaries and wages	243,500	—	—	243,500	233,002	10,498	—
Other expenses	24,450	—	—	24,450	10,748	13,702	—
Public Defender:							
Other expenses	28,500	—	—	28,500	20,966	7,534	—
Computer Equipment/Consultant	22,000	12,000	—	34,000	24,770	9,230	—
Community Cable Television:							
Other expenses	2,850	—	—	2,850	2,847	3	—
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):							
Uniform Construction Code official:							
Salaries and wages	256,200	—	4,000	260,200	259,813	387	—
Other expenses	15,500	—	—	15,500	9,467	6,033	—
Building Sub-code official:							
Salaries and wages	92,400	—	—	92,400	90,972	1,428	—
Plumbing Sub-code official:							
Salaries and wages	83,500	—	1,000	84,500	82,758	1,742	—
Electrical Sub-code official:							
Salaries and wages	105,300	—	(1,000)	104,300	88,711	15,589	—
Fire Sub-code official:							
Salaries and wages	79,100	—	—	79,100	78,884	216	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2011

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Unclassified:							
Central accounts:							
Gasoline	\$ 147,000	50,000	—	197,000	186,990	10,010	—
Fuel oil - Diesel	133,400	—	10,000	143,400	130,202	13,198	—
Electricity	335,000	—	—	335,000	282,378	52,622	—
Street lighting	220,000	—	—	220,000	188,376	31,624	—
Telephone	115,000	—	—	115,000	112,354	2,646	—
Natural gas	120,000	—	—	120,000	80,014	39,986	—
Heating oil	25,000	—	—	25,000	19,238	5,762	—
Photocopying	39,050	—	—	39,050	33,830	5,220	—
Printing and binding	33,385	—	—	33,385	22,400	10,985	—
Postage	63,300	—	—	63,300	53,679	9,621	—
Office supplies	25,850	—	—	25,850	18,408	7,442	—
Salary Adjustment Account	160,000	—	(160,000)	—	—	—	—
Tuition Reimbursement Account	2,000	—	—	2,000	—	2,000	—
Total operations within "CAPS"	22,647,348	62,000	—	22,709,348	21,402,861	1,306,487	—
Contingent	5,000	—	—	5,000	5,000	—	—
Total operations including contingent-within "CAPS"	22,652,348	62,000	—	22,714,348	21,407,861	1,306,487	—
Detail:							
Salaries and wages	11,885,000	—	32,500	11,917,500	11,762,862	154,638	—
Other expenses (including contingent)	10,767,348	62,000	(32,500)	10,796,848	9,644,999	1,151,849	—
	22,652,348	62,000	—	22,714,348	21,407,861	1,306,487	—
Deferred charges and statutory expenditures - municipal within "CAPS":							
Deferred Charges:							
Prior year bills	112	—	—	112	112	—	—
Statutory expenditures - contributions to:							
Public Employees retirement System	607,419	—	—	607,419	607,419	—	—
Social Security System (O.A.S.I.)	505,000	—	—	505,000	485,891	19,109	—
Police and Firemen's Retirement System of N.J.	1,752,196	—	—	1,752,196	1,752,196	—	—
Defined Contribution Retirement Program (DCRP)	3,000	—	—	3,000	1,200	1,800	—
Total deferred charges and statutory expenditures - municipal within "CAPS"	2,867,727	—	—	2,867,727	2,846,818	20,909	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2011

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Total general appropriations for municipal purposes within "CAPS"	\$ 25,520,075	62,000	—	25,582,075	24,254,679	1,327,396	—
Operations excluded from "CAPS" - mandated expenditures per N.J.S.A. 40A:4-45.3g:							
Maintenance - Free Public Library (Chapter 82, PL 1985):							
Other expenses	2,253,512	—	—	2,253,512	2,253,512	—	—
Reserve for Pending Tax Appeals	200,000	—	—	200,000	200,000	—	—
Length of Service Award Program (L.O.S.A.P.)	225,000	—	—	225,000	—	225,000	—
Employee medical insurance:	68,721	—	—	68,721	—	68,721	—
Recycling Tax	36,000	—	—	36,000	32,529	3,471	—
Public and private programs offset by revenues:							
Bergen County Prosecutor's Office							
Escrow Account - Police Department	17,465	—	—	17,465	17,465	—	—
Alcohol Education Rehabilitation Fund	4,854	—	—	4,854	4,854	—	—
Drunk Driving Enforcement Act	12,624	—	—	12,624	—	—	—
NJ Clean Communities Grant	39,334	—	—	39,334	39,334	—	—
U.S. Department of Homeland Security(pass through the NJ Office of Homeland Security -Buffer Zone Protection Program	124,633	—	—	124,633	124,633	—	—
United States Department of Transportation (NJ Division of Highway Safety) Pass Through - Over the Limit	4,400	—	—	4,400	4,400	—	—
- Drive Sober	5,000	—	—	5,000	5,000	—	—
Municipal Alliance on Alcoholism and Drug Abuse	12,157	—	—	12,157	12,157	—	—
Municipal Alliance on Alcoholism and Drug Abuse - Match	3,039	—	—	3,039	3,039	—	—
Recycling Tonnage Grant	32,499	—	—	32,499	32,499	—	—
United States Department of Transportation (NJ Division of Highway Safety) Pass Through - Cops in Shops Initiative	2,400	—	—	2,400	2,400	—	—
Total operations-excluded from "CAPS"	3,041,638	—	—	3,041,638	2,744,446	297,192	—
Detail:							
Other expenses	3,041,638	—	—	3,041,638	2,744,446	297,192	—
	3,041,638	—	—	3,041,638	2,744,446	297,192	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2011

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Capital improvements excluded from "CAPS":							
Capital Improvement Fund	\$ 50,000	—	—	50,000	50,000	—	—
NJ Department of Transportation:							
Miller Road	150,000	—	—	150,000	150,000	—	—
Total capital improvements excluded from "CAPS"	200,000	—	—	200,000	200,000	—	—
Municipal debt service excluded from "CAPS":							
Payment of bond principal	1,835,000	—	—	1,835,000	1,835,000	—	—
Payment of bond anticipation notes	500,000	—	—	500,000	500,000	—	—
Interest on bonds	1,067,610	—	—	1,067,610	1,067,605	—	5
Interest on notes	100,005	—	—	100,005	100,000	—	5
Total municipal debt service excluded from "CAPS"	3,502,615	—	—	3,502,615	3,502,605	—	10
Deferred charges - municipal - excluded from "CAPS":							
Special Emergency Authorization	120,000	—	—	120,000	120,000	—	—
Total deferred charges - municipal - excluded from "CAPS"	120,000	—	—	120,000	120,000	—	—
Total general appropriations excluded from "CAPS"	6,864,253	—	—	6,864,253	6,567,051	297,192	10
Subtotal general appropriations	32,384,328	62,000	—	32,446,328	30,821,730	1,624,588	10
Reserve for uncollected taxes	2,538,684	—	—	2,538,684	2,538,684	—	—
Total general appropriations	\$ 34,923,012	62,000	—	34,985,012	33,360,414	1,624,588	10

Analysis of paid or charged

Cash disbursed	\$ 28,987,376
Transferred to Appropriated Reserves - Grant Fund	408,405
Deferred Charges	120,000
Reserve for tax appeals	200,000
Capital Improvement Fund	50,000
Reserve for uncollected taxes	2,538,684
Reserve for encumbrances	1,055,949
	<u>\$ 33,360,414</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

Trust Funds

December 31, 2011 and 2010

Assets	Ref.	2011	2010
Dog License Fund:			
Cash	B-1	\$ 27,707	28,646
Due from State of New Jersey	B-3	<u>3</u>	<u>—</u>
		<u>27,710</u>	<u>28,646</u>
Other Trust Funds:			
Cash	B-1	6,124,138	6,025,259
Due from Current Fund	B-7	<u>60</u>	<u>—</u>
		<u>6,124,198</u>	<u>6,025,259</u>
Unemployment Compensation Fund - cash	B-1	<u>223,462</u>	<u>234,512</u>
Uniform Construction Code Fund - cash	B-1	<u>9,972</u>	<u>9,161</u>
Deferred Award Revolving Fund - investment (UNAUDITED)		<u>1,862,978</u>	<u>1,740,350</u>
		<u>\$ 8,248,320</u>	<u>8,037,928</u>
Liabilities and Reserves			
Dog License Fund:			
Due to Current Fund	B-7	\$ 4,787	8,703
Due to State of New Jersey	B-3	—	17
Reserve for Dog License Fund expenditures	B-2	<u>22,923</u>	<u>19,926</u>
		<u>27,710</u>	<u>28,646</u>
Other Trust Funds:			
Reserve for special deposits	B-4	2,437,137	2,920,401
Due to Current Fund	B-7	—	252
Reserve for recreation expenses	B-8	9,147	8,560
Reserve for Other Trust Fund expenses	B-9	<u>3,677,914</u>	<u>3,096,046</u>
		<u>6,124,198</u>	<u>6,025,259</u>
Unemployment Compensation Fund - Reserve for State Unemployment Insurance	B-5	<u>223,462</u>	<u>234,512</u>
Uniform Construction Code Fund- Training Fees: Reserve for Uniform Construction Code training fees	B-6	<u>9,972</u>	<u>9,161</u>
Deferred Award Revolving Fund (UNAUDITED) Plan net assets		<u>1,862,978</u>	<u>1,740,350</u>
		<u>\$ 8,248,320</u>	<u>8,037,928</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

General Capital Fund

December 31, 2011 and 2010

Assets	Ref.	2011	2010
Cash	C-2,C-3	\$ 2,529,997	3,030,647
Deferred charges to future taxation unfunded	C-6	5,692,454	5,530,803
Deferred charges to future taxation funded	C-5	26,205,000	28,040,000
		<u>31,897,454</u>	<u>33,570,803</u>
		<u>\$ 34,427,451</u>	<u>36,601,450</u>
Liabilities, Reserves and Fund Balance			
Encumbrances payable	C-9	\$ 109,129	350,408
Bond anticipation notes	C-11	5,475,000	5,000,000
Improvement authorizations:			
Funded	C-8	189,671	319,640
Unfunded	C-8	158,105	484,730
Due to Current Fund	C-4	19	37
Reserve for payment of debt	C-10	2,020,732	2,242,232
Serial bonds payable	C-12	26,205,000	28,040,000
Capital Improvement Fund	C-7	24,647	9,647
Fund balance	C-1	245,148	154,756
		<u>\$ 34,427,451</u>	<u>36,601,450</u>

There were bonds and notes authorized but not issued at December 31, 2010 and 2011 of \$530,803 and \$217,454 respectively (Exhibit C-13).

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Fund Balance

General Capital Fund

Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Balance, Beginning of year	\$ 154,756	76,526
Increased by:		
Premium on sale of notes	<u>90,392</u>	<u>78,230</u>
Balance, End of year	<u>\$ 245,148</u>	<u>154,756</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

Water Utility Fund

December 31, 2011 and 2010

Assets	Ref.	2011	2010
Operating Fund:			
Cash	D-5	\$ 5,178,308	4,571,552
Change Fund - Water Utility Collector		50	50
Due from Current Fund	D-16	—	34
Due from Sewer Operating Fund	D-25	—	642
Due from Water Utility Capital Fund	D-13	4	26
		<u>5,178,362</u>	<u>4,572,304</u>
Receivables with full reserve:			
Water accounts receivable	D-8	<u>174,735</u>	<u>267,595</u>
Total Operating Fund		<u>5,353,097</u>	<u>4,839,899</u>
Capital Fund:			
Cash	D-5,D-6	2,144,547	5,324,243
Fixed capital	D-10	8,472,805	8,472,805
Fixed capital authorized and uncompleted	D-11	<u>20,786,006</u>	<u>20,799,928</u>
Total Capital Fund		<u>31,403,358</u>	<u>34,596,976</u>
		<u>\$ 36,756,455</u>	<u>39,436,875</u>

TOWNSHIP OF MAHWAH

Balance Sheet

Water Utility Fund

December 31, 2011 and 2010

Liabilities, Reserves and Fund Balance	Ref.	2011	2010
Operating Fund:			
Liabilities:			
Appropriation reserves	D-3,D-20	\$ 837,918	719,988
Encumbrances	D-3,D-20	335,249	274,249
Accounts payable	D-23	7,192	41,576
Accrued interest on notes payable	D-12	22,383	34,667
Premium on water liens	D-24	10,700	3,800
Overpayments	D-9	2,585	1,422
		<u>1,216,027</u>	<u>1,075,702</u>
Reserve for receivables		174,735	267,595
Fund balance	D-1	<u>3,962,335</u>	<u>3,496,602</u>
Total Operating Fund		<u>5,353,097</u>	<u>4,839,899</u>
Capital Fund:			
Encumbrances	D-18	1,571,220	4,050,543
Bond anticipation notes	D-7	6,800,000	8,000,000
Reserve for amortization	D-14	16,842,805	16,092,805
Improvement authorizations:			
Funded	D-17	230	—
Unfunded	D-17	3,313,011	3,460,242
Deferred reserve for amortization	D-15	2,387,750	2,387,750
Due to Water Utility Operating Fund	D-13	4	26
Capital Improvement Fund	D-19	61,369	61,369
Reserve for payment of debt	D-22	56,816	56,816
Fund balance	D-4	<u>370,153</u>	<u>487,425</u>
Total Capital Fund		<u>31,403,358</u>	<u>34,596,976</u>
		<u>\$ 36,756,455</u>	<u>39,436,875</u>

There were bonds and notes authorized but not issued at December 31, 2011 and 2010 of \$3,228,256 and \$2,792,178 respectively (Exhibit D-21).

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance

Water Utility Operating Fund

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,993,883	1,790,733
Rents	4,643,021	4,404,570
Tapping and capacity fees	39,180	354,930
Water Capital Fund Balance	202,000	—
Miscellaneous revenue not anticipated	47,944	42,867
Other credits to income:		
Unexpended balances of appropriations	—	—
Unexpended balances of appropriation reserves	647,043	990,308
Accounts payable cancelled	22,773	1,677
Cancellation of accrued interest on notes	52,284	59,617
Total income	<u>7,648,128</u>	<u>7,644,702</u>
Expenditures:		
Budget Appropriations:		
Salaries and wages	1,035,300	1,019,700
Other expenses	2,227,383	2,178,808
Insurance	586,750	541,750
Capital Improvement Fund	—	20,000
Capital outlay	202,000	—
Debt service	950,000	750,000
Deferred charges and statutory expenditures	184,450	170,475
Refund of prior year revenue	2,629	46
Total expenditures	<u>5,188,512</u>	<u>4,680,779</u>
Excess in revenue	2,459,616	2,963,923
Fund balance, January 1	<u>3,496,602</u>	<u>2,323,412</u>
	5,956,218	5,287,335
Decreased by utilized as anticipated revenue	<u>1,993,883</u>	<u>1,790,733</u>
Fund balance, December 31	<u>\$ 3,962,335</u>	<u>3,496,602</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Revenues

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund balance anticipated	\$ 1,993,883	1,993,883	—
Rents	2,950,000	4,643,021	1,693,021
Tapping and capacity fees	40,000	39,180	(820)
Water Utility Capital - Fund Balance	<u>202,000</u>	<u>202,000</u>	<u>—</u>
	<u>\$ 5,185,883</u>	6,878,084	<u>1,692,201</u>
Miscellaneous revenue not anticipated		<u>47,944</u>	
		<u>\$ 6,926,028</u>	

Analysis of Miscellaneous Revenue Not Anticipated

Interest	\$ 23,801
Interest on water rents	12,972
Miscellaneous revenues	<u>11,034</u>
Cash receipts	47,807
Due from water Utility Capital Fund	<u>137</u>
	<u>\$ 47,944</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Expenditures

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Budget</u>	<u>Budget after modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and wages	\$ 1,035,300	1,035,300	878,427	156,873
Other expenses	2,227,383	2,227,383	1,641,506	585,877
Insurance	586,750	586,750	512,605	74,145
Capital Improvement:				
Capital Outlay	202,000	202,000	193,266	8,734
Debt service:				
Payment of Bond Anticipation Notes and Capital Notes	750,000	750,000	750,000	—
Interest on notes	200,000	200,000	200,000	—
Statutory expenditures - contribution to:				
Public Employees' Retirement System	96,950	96,950	96,950	—
Social Security System (O.A.S.I.)	77,500	77,500	65,211	12,289
Unemployment compensation insurance	10,000	10,000	10,000	—
	<u>\$ 5,185,883</u>	<u>5,185,883</u>	<u>4,347,965</u>	<u>837,918</u>
Encumbrances			\$ 335,249	
Accrued interest on notes			200,000	
Due from water Capital Fund			(9,625)	
Cash disbursed			<u>3,822,341</u>	
			<u>\$ 4,347,965</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Fund Balance

Water Utility Capital Fund

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Balance, Beginning of year	\$ <u>487,425</u>	<u>357,769</u>
Increased by:		
Premium on sale of notes	84,728	129,456
Funded improvement authorization cancelled	<u>—</u>	<u>200</u>
	<u>84,728</u>	<u>129,656</u>
	572,153	487,425
Decreased by budget appropriation	<u>202,000</u>	<u>—</u>
Balance, End of year	\$ <u><u>370,153</u></u>	<u><u>487,425</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

Sewer Utility Fund

December 31, 2011 and 2010

Assets	Ref.	2011	2010
Operating Fund:			
Cash	E-6	\$ <u>3,420,842</u>	<u>3,074,429</u>
Due from:			
Sewer Utility Capital Fund	E-23	1	4
Sewer Utility Assessment Trust Fund	E-27	<u>582</u>	<u>569</u>
		<u>583</u>	<u>573</u>
Receivables with full reserves:			
Sewer rents	E-8	<u>182,027</u>	<u>199,397</u>
Total Operating Fund		<u>3,603,452</u>	<u>3,274,399</u>
Capital Fund:			
Cash	E-6,E-7	609,085	907,668
Fixed Capital	E-28	18,501,375	18,501,375
Fixed capital authorized and uncompleted	E-10	<u>7,016,000</u>	<u>7,016,000</u>
Total Capital Fund		<u>26,126,460</u>	<u>26,425,043</u>
Assessment Trust Fund:			
Cash	E-6	869,322	736,052
Assessments receivable	E-20	<u>292,114</u>	<u>425,371</u>
Total Assessment Trust Fund		<u>1,161,436</u>	<u>1,161,423</u>
		<u>\$ 30,891,348</u>	<u>30,860,865</u>

TOWNSHIP OF MAHWAH

Balance Sheet

Sewer Utility Fund

December 31, 2011 and 2010

Liabilities, Reserves and Fund Balance	Ref.	2011	2010
Operating Fund:			
Appropriation reserves	E-3,E-12	\$ 164,710	216,622
Reserve for encumbrances	E-3,E-12	63,132	48,847
Accounts payable	E-9	—	3,999
Sewer overpayments	E-18	4,025	4,301
Reserve for arbitrage refund	E-25	45,000	45,000
Due to Water Operating Fund	E-13	—	642
Accrued interest on notes	E-24	<u>38,267</u>	<u>42,572</u>
		315,134	361,983
Reserve for receivables		182,027	199,397
Fund balance	E-1	<u>3,106,291</u>	<u>2,713,019</u>
Total Operating Fund		<u>3,603,452</u>	<u>3,274,399</u>
Capital Fund:			
Reserve for encumbrances	E-15	141,336	142,336
Bond anticipation notes payable	E-21	4,480,000	5,008,500
Reserve for:			
Amortization	E-17	18,437,875	18,037,875
Payment of debt	E-22	44,242	44,242
Deferred reserve for amortization	E-16	226,300	226,300
Capital Improvement Fund	E-19	196,947	196,947
Due to Sewer Utility Operating Fund	E-23	1	4
Improvement authorizations:			
Unfunded	E-14	2,288,097	2,297,110
Fund balance	E-4	<u>311,662</u>	<u>471,729</u>
Total Capital Fund		<u>26,126,460</u>	<u>26,425,043</u>
Assessment Trust Fund:			
Due to Sewer Utility Operating Fund	E-27	582	569
Reserve for assessments and liens	E-11	292,114	425,371
Fund balance	E-5	<u>868,740</u>	<u>735,483</u>
Total Assessment Trust Fund		<u>1,161,436</u>	<u>1,161,423</u>
		<u>\$ 30,891,348</u>	<u>30,860,865</u>

There were bonds and notes authorized but not issued at December 31, 2010 and 2011 of \$2,244,700 and \$2,373,200 respectively (Exhibit E-26).

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance

Sewer Utility Operating Fund

Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,597,570	1,620,455
Rents	5,751,038	5,487,694
sewer Capital Fund Balance	202,000	
Miscellaneous revenues not anticipated	76,661	137,890
Other credits to income:		
Unexpended balances of appropriation reserves	232,926	189,292
Accrued interest on notes canceled	79,178	121,613
Prior year accounts payable cancelled	1,039	2,715
Total income	<u>7,940,412</u>	<u>7,559,659</u>
Expenditures:		
Budget appropriations:		
Operating	5,090,195	5,074,210
Debt service	550,000	600,000
Deferred charges and statutory expenditures	107,375	96,245
Refund prior year revenue	—	122
Total expenditures	<u>5,949,570</u>	<u>5,770,577</u>
Excess in revenue	1,990,842	1,789,082
Fund balance, January 1	<u>2,713,019</u>	<u>2,544,392</u>
	4,703,861	4,333,474
Decreased by utilized as anticipated revenue	<u>1,597,570</u>	<u>1,620,455</u>
Fund balance, December 31	<u>\$ 3,106,291</u>	<u>2,713,019</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Revenues

Sewer Utility Operating Fund

Year ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund balance appropriated	\$ 1,597,570	1,597,570	—
Sewer rents	4,150,000	5,751,038	1,601,038
Sewer Utility Capital - Fund Balance	<u>202,000</u>	<u>202,000</u>	<u>—</u>
	<u>\$ 5,949,570</u>	<u>7,550,608</u>	<u>1,601,038</u>
Miscellaneous revenues not anticipated		<u>76,661</u>	
		<u>\$ 7,627,269</u>	

Analysis of Revenues Not Anticipated

Interest on investments	\$ 30,450
Interest on Sewer rents	16,365
Miscellaneous	<u>29,846</u>
	76,661
Less interest earned in Capital and Assessment Funds	<u>17,918</u>
Cash	<u>\$ 58,743</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Expenditures

Sewer Utility Operating Fund

Year ended December 31, 2011

	<u>Budget</u>	<u>Budget after modifi- cation</u>	<u>Paid or charged</u>	<u>Reserved</u>
Operating:				
Salaries and wages	\$ 584,500	584,500	537,252	47,248
Other expenses	202,695	202,695	169,607	33,088
Insurance	328,000	328,000	279,828	48,172
NW Bergen County Utilities Authority	3,975,000	3,975,000	3,953,273	21,727
Capital Improvements:				
Capital Outlay	202,000	202,000	193,266	8,734
Debt service:				
Payment of bond anticipation notes and Capital notes	400,000	400,000	400,000	—
Interest on notes	150,000	150,000	150,000	—
Statutory expenditures - contribution to:				
Public Employees' Retirement System	57,375	57,375	57,375	—
Social Security System	45,000	45,000	39,259	5,741
Unemployment compensation insurance	5,000	5,000	5,000	—
	<u>\$ 5,949,570</u>	<u>5,949,570</u>	<u>5,784,860</u>	<u>164,710</u>
			\$ 5,571,728	
			150,000	
			<u>63,132</u>	
			<u>\$ 5,784,860</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Fund Balance

Sewer Utility Capital Fund

Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Balance, Beginning of year	\$ 471,729	426,101
Increased by:		
Premium on sale of notes	<u>41,933</u>	<u>45,628</u>
	513,662	471,729
Decreased by:		
Anticipated in Sewer Operating Budget	<u>202,000</u>	<u>—</u>
Balance, End of year	<u>\$ 311,662</u>	<u>471,729</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance

Sewer Utility Assessment Trust Fund

Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Fund balance, January 1,	\$ 735,483	666,909
Increased by:		
Sewer assessments collected	<u>133,257</u>	<u>135,074</u>
	868,740	801,983
Decreased by:		
Payment of notes	<u>—</u>	<u>66,500</u>
Fund balance, December 31,	<u>\$ 868,740</u>	<u>735,483</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of General Fixed Assets

General Fixed Asset Account Group

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Land	\$ 20,328,759	19,832,750
Buildings	20,580,763	20,580,763
Vehicular equipment	14,452,193	13,832,018
General equipment and machinery	<u>5,454,307</u>	<u>5,439,225</u>
Total fixed assets	<u>\$ 60,816,022</u>	<u>59,684,756</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

(1) *Summary of Significant Accounting Policies*

The accounting policies of the Township of Mahwah, State of New Jersey (the Township) conform to the accounting principles applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. The following is a summary of the significant policies.

Reporting Entity

The financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the Board of Education, Volunteer Fire Department, Ambulance and Rescue Services or Free Public Library.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Township, the accounts of the Township are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. The operation of each fund is accounted for with a separate set of self balancing accounts that comprise its assets, liabilities reserves, fund balance, revenues and expenditures, as appropriate.

Fund Types

Current Fund – is used to account for all revenues and expenditures applicable to the general operations of Township departments and agencies. Federal and state grants are included in the current fund.

Trust Funds – are used to account for assets held by the Township in a trustee capacity or as an agent for individuals or other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Funds.

General Capital Fund – is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

Water Utility Operating Fund – is used to account for all revenues and expenditures applicable to water utility operations.

Water Utility Capital Fund – is used to account for financial resources to be used for the acquisition, installation, and improvement of water utility facilities.

Sewer Utility Operating Fund – is used to account for all revenues and expenditures applicable to sewer utility operations.

Sewer Utility Capital Fund – is used to account for financial resources to be used for the acquisition, installation, and improvement of sewer utility facilities.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

Sewer Utility Assessment Trust Fund – is used to account for the collection of assessments levied.

General Fixed Assets Account Group – is used to account for all fixed assets purchased by the current and general capital funds.

Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township of Mahwah and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

Basis of Accounting

The Township follows the following accounting policies:

Revenues

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

Expenditures

Current Fund, General Capital Fund and Utility Fund 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 Township's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 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 bonds and notes are provided on a cash basis; interest on general capital indebtedness is on the cash basis. Trust Fund expenditures are accounted for on the cash basis.

Disbursements for Current Fund and General Capital Fund inventory type items are considered expenditures at the time of purchase. Prepaid expenses are not recorded. The Township's share of contributions for fringe benefits, such as retirement plans, accrued vacation leave, litigation settlements and certain professional fees are accounted for on the cash basis.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

Had the Township's financial statements been prepared under generally accepted accounting principles, appropriation reserves would not be recorded; revenues susceptible of accrual would have been reflected without offsetting reserves; Federal grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; and encumbrances would not be considered as expenditures. Depreciation would have been recognized in the Utility Funds. Taxes collected on behalf of the county and school district and the related payment to those entities would not be reflected in operations. Deferred charges and improvement authorizations would not be recorded as assets and liabilities in the General Capital Fund. The Division of Local Government Services, Department of Community Affairs, State of New Jersey does not require the management's discussion and analysis, required supplemental information or government wide financial statements required by generally accepted accounting principles to be presented.

Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved. Under GAAP property acquired for taxes would be recorded in the general fixed assets at net realizable value

Interfund Receivables

Interfund receivables created by cash transfers from the Current Fund are recorded with offsetting reserves created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. Under GAAP deferred charges to future taxation would not be recorded and proceeds of debt issued would be recognized as revenue

Fixed Assets

Current Fund and General Capital Fund

Property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase. Fixed assets are capitalized at cost in the General Fixed Assets Account Group.

Property and equipment purchased by the Utility Funds are also recorded as expenditures at the time of purchase and are capitalized at cost in the Utility Capital Funds as fixed capital.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

Use of Estimates

The preparation of financial statements requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) *Retirement Systems*

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems (retirement systems) which have been established by State statute: the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the State of New Jersey.

Police and Firemen's Retirement System

Police and Firemen's Retirement Systems (PFRS)--is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Public Employees' Retirement System

Public Employees' Retirement System (PERS)--is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provision N.J.S.A. 43:15A to provide retirement, death and disability benefits, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to State statutes, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rates increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates will increase in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be a least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform: established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Funding Policy

Contribution Requirements:

The contribution policy for PFRS and PERS is set by New Jersey State statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members of PFRS contribute at a uniform rate of 10.0% of base salary, as defined. Members of PERS contribute at a uniform rate of 6.50% of base salary, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS. In the PERS the employer contribution includes funding for post-retirement medical premiums.

Township Contributions:

The Township's required contributions were as follows:

		For the Year Ended December 31,				
		2011	2010	2009	2008	2007
PERS	\$	761,744	616,635	522,615	390,397	213,818
PFRS	\$	1,752,196	1,378,992	1,346,627	1,234,122	843,882

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

(3) Long-term Debt

**Summary of Municipal Debt
(Excluding Current and Utility Operating Debt and Type I School Debt)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Issued:			
General - bonds and notes	\$ 31,680,000	33,040,000	34,120,000
Water Utility - notes	6,800,000	8,000,000	4,725,000
Sewer Utility - notes	4,480,000	5,008,500	5,408,500
Sewer Utility - Assessment notes	0	0	66,500
Total issued	<u>46,048,500</u>	<u>44,320,000</u>	<u>44,320,000</u>
Authorized but not issued:			
General - bonds and notes	217,454	530,803	856,553
Water Utility - bonds and notes	3,228,256	2,792,178	3,902,250
Sewer Utility - bonds and notes	<u>2,373,200</u>	<u>2,244,700</u>	<u>2,244,700</u>
Total authorized but not issued	<u>5,818,910</u>	<u>5,567,681</u>	<u>7,003,503</u>
Total bonds and notes issued and authorized but not issued	\$ <u>48,778,910</u>	<u>51,616,181</u>	<u>51,323,503</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicates a statutory net debt of .45%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local school district debt	\$ 19,194,000	19,194,000	—
Water Utility debt	10,028,256	10,028,256	—
Sewer Utility debt	6,853,200	6,853,200	—
General debt	<u>31,897,454</u>	<u>2,020,732</u>	<u>29,876,722</u>
	\$ <u>62,972,910</u>	<u>38,096,188</u>	<u>29,876,722</u>

Net debt of \$29,876,722 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$6,661,735,997 equals .45%.

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

3-1/2% of equalized valuation basis (municipal)	\$233,160,760
Net debt	<u>29,876,722</u>
Remaining borrowing power	\$ <u>203,284,038</u>

On October 15, 2004 the Township sold \$17,165,000 of general improvement bonds at interest rates from 2.5% to 4.20% payable each April 15 and October 15 until maturity. The bonds mature on

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

October 15, 2005 through 2024. There are \$13,440,000 and \$12,690,000 of bonds outstanding at December 31, 2010 and 2011, respectively.

On February 25, 2009 the Township sold \$14,855,000 of General Improvement Refunding Bonds at interest rates from .95% to 5.00% payable each June 1, and December 1 until maturity. The bonds mature on December 1, 2009 through 2020. There are \$14,600,000 and \$13,515,000 of bonds outstanding at December 31, 2010 and 2011, respectively.

Bond debt service requirements at December 31, 2011 were as follows;

Year Ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,835,000	1,067,605
2013	1,960,000	973,549
2014	2,055,000	899,274
2015	2,160,000	832,155
2016	2,225,000	745,755
2017-2021	11,535,000	2,399,487
2022-2024	<u>4,355,000</u>	<u>320,415</u>
	<u>\$ 26,205,000</u>	<u>7,192,540</u>

(4) Bond Anticipation Notes

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

At December 31, 2011 and 2010, the Township had outstanding bond anticipation notes as follows:

	<u>2011</u>	<u>2010</u>
Sewer Utility Capital Fund	\$ 4,480,000	5,008,500
Water Utility Capital Fund	6,800,000	8,000,000
General Capital Fund	5,475,000	5,000,000

It is the Township's intention to retire the Sewer and Water Capital notes through the budget without going to permanent financing.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

(5) Fund Balances Appropriated

Fund balances appropriated and included as anticipated revenue in the 2012 budgets are as follows:

Current Fund	\$ 3,250,000
Water Utility Operating Fund	2,116,220
Sewer Utility Operating Fund	1,663,710

(6) Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the Township Current Fund had the following deferred charges to be raised in the 2012 or subsequent budgets.

	Balance, Dec. 31, <u>2011</u>	2012 Budget <u>Appropriation</u>
Current Fund:		
Special emergencies	\$120,000	120,000
Emergency	62,000	62,000

(7) Deferred Compensation Plans

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary to future years. Individuals are one hundred percent vested. The plan, which began formal operations on November 13, 1985, is funded solely from voluntary employee payroll deductions. Distribution is available to employees upon termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the Township's general creditors.

The Public Employees Benefit Services Corporation, Columbus, Ohio, the ICMA Retirement Corporation, Washington, D.C. and Lincoln National Insurance Company, Fort Wayne, Indiana were chosen to serve as the plan's trustees.

(8) Accrued Sick and Vacation Benefits

The Township permits employees to accrue unused vacation pay, which may be taken as time off or paid at a later date upon absence. It is estimated that the current cost of such unpaid compensation approximates \$2,448,774 and \$2,214,975 for the years ended December 31, 2011 and 2010 respectively.. This amount, in accordance with state accounting requirements, is not reported either as an expenditure or liability.

(9) Contingencies

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2011. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

Funding of any ultimate liability would be provided for in succeeding years' budgets or through a refunding bond ordinance which would allow the Township to fund these liabilities over a number of years.

The Township is also involved in suits in the normal course of business. These cases, if decided against the Township, would be paid by its insurance carrier. The Township expects such amounts, if any, to be immaterial.

The Township participates in numerous Federal and State of New Jersey grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at December 31, 2011 may be impaired. In the opinion of the Township, there are no significant contingent liabilities relating to compliance with rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

(10) Risk Retention Program

On January 1, 2011 the Township medical self insurance policy was renewed with a maximum annual retention per individual of \$60,000 and a minimum annual aggregate deductible of approximately \$4,504,703. This was funded with budget appropriations from the Current, Water and Sewer Utility Funds which amount was not totally expended in 2011. Employees contributed approximately \$176,231 towards the cost of coverage.

The Township participates in a joint insurance fund that provides coverage for its automobile, general liability and workers' compensation exposures property, fire, water, utility, boiler and machinery, and employee fidelity. Various deductibles, limits, and coinsurance provisions apply to these policies.

(11) Fixed Assets

The Township records assets with a useful life in excess of five years and with a value over \$5,000 as a fixed asset. The accounts are adjusted for dispositions and abandonment's. Depreciation is not recorded.

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

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

The Township's fixed assets are summarized as follows:

	Balance			Balance
	Dec 31, 2010	Additions	Dispositions	Dec. 31, 2011
General Fixed Assets:				
Land and buildings	\$ 19,832,750	496,009	—	20,328,759
Buildings	20,580,763	—	—	20,580,763
Vehicular equipment	13,832,018	875,150	254,975	14,452,193
General equipment	5,439,225	15,082	—	5,545,307
	<u>59,684,756</u>	<u>1,386,241</u>	<u>254,975</u>	<u>60,816,022</u>
Water Utility				
Acq. And impvt. Of plant	157,623	—	—	157,623
Bond issue expenses	1,665	—	—	1,665
Professional services	62,397	—	—	62,397
Interest	12,342	—	—	12,342
General equipment	148,361	—	—	148,361
Pump house and pumps	91,372	—	—	91,372
Supply and distrib. system	6,090,444	—	—	6,090,444
Vehicle equipment	72,810	—	—	72,810
Wells	978,957	—	—	978,957
Acquisition of land	856,834	—	—	856,834
	<u>8,472,805</u>	<u>—</u>	<u>—</u>	<u>8,472,805</u>
Sewer Utility:				
Sanitary sewer system	17,858,408	—	—	17,858,408
Sewer cleaning machine	90,000	—	—	90,000
Sewer jet truck	196,692	—	—	196,692
Darlington Project	241,275	—	—	241,275
Generators	65,000	—	—	65,000
Sewer mains	50,000	—	—	50,000
	<u>\$ 18,501,375</u>	<u>—</u>	<u>—</u>	<u>18,501,375</u>

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

	Balance			Balance
	Dec 31, 2009	Additions	Dispositions	Dec. 31, 2010
General Fixed Assets:				
Land and buildings	\$ 19,417,833	414,917	—	19,832,750
Buildings	20,457,328	123,435	—	20,580,763
Vehicular equipment	13,850,726	93,610	112,318	13,832,018
General equipment	5,475,454	7,142	43,371	5,439,225
	<u>59,201,341</u>	<u>639,104</u>	<u>155,689</u>	<u>59,684,756</u>
Water Utility:				
Acq. And impvt. Of plant	157,623	—	—	157,623
Bond issue expenses	1,665	—	—	1,665
Professional services	62,397	—	—	62,397
Interest	12,342	—	—	12,342
General equipment	145,961	2,400	—	148,361
Pump house and pumps	91,372	—	—	91,372
Supply and distrib. system	5,956,119	134,325	—	6,090,444
Vehicle equipment	72,810	—	—	72,810
Wells	978,957	—	—	978,957
Acquisition of land	856,834	—	—	856,834
	<u>8,336,080</u>	<u>136,725</u>	<u>—</u>	<u>8,472,805</u>
Sewer Utility:				
Sanitary sewer system	17,858,408	—	—	17,858,408
Sewer cleaning machine	90,000	—	—	90,000
Sewer jet truck	196,692	—	—	196,692
Darlington Project	241,275	—	—	241,275
Generators	65,000	—	—	65,000
Sewer mains	50,000	—	—	50,000
	<u>\$ 18,501,375</u>	<u>—</u>	<u>—</u>	<u>18,501,375</u>

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

(12) Interfund Balances

The Township has interfund balances at December 31, 2011 and 2010 as follows:

	2009		2010	
	Due From	Due To	Due From	Due To
Current Fund:				
Other Trust Fund	\$ 280		252	\$
Dog License Fund	4,787		8,703	
Federal and State Grant Fund	277,646		76,115	
General Capital Fund	19		37	
Water Operating Fund		\$		34
Affordable Housing Trust		338		
Federal and State Grant Fund:				
Current Fund		277,646		76,115
Other Trust Fund				
Current Fund		280		252
Affordable Housing Trust				
Current Fund	338			
Dog License Fund:				
Current Fund		4,787		8,703
General Capital Fund:				
Current Fund		19		37
Water Utility Operating Fund:				
Water Utility Capital Fund	4		26	
Current Fund			34	
Sewer Utility Operating Fund			642	
Water Utility Capital Fund:				
Water Utility Operating Fund		4		26
Sewer Utility Operating Fund:				
Sewer Utility Capital Fund	1		4	
Sewer Utility Assessment Fund	582		569	
Water Utility Operating Fund				642
Sewer Utility Capital Fund:				
Sewer Utility Operating Fund		1		4
Sewer Utility Assessment Fund:				
Sewer Utility Operating Fund		582		569

(13) Volunteer Length of Service Award Plan (Unaudited)

The Township established a Volunteer Length of Service Award Plan (LOSAP) on behalf of the volunteer firefighters, rescue workers, emergency medical services and ambulances services. The Township contributions to the LOSAP are vested after five years of service and are not taxable to the volunteers until receipt of such funds by the volunteer due to retirement, termination after vesting, death

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

or disability or unforeseeable emergency. Lincoln National Insurance Company, Fort Wayne, Indiana was chosen to serve as the plan's trustee. All amounts contributed under the plan are recorded in the Deferred Award Revolving Fund and shall remain the assets of the Township and are subject to the claims of the Township's general creditors until distributed to the participants.

Township activity for the years ended December 31, 2011 and 2010 are as follows; contributions for the year amounted to \$205,134 and \$192,654, distributions were \$63,118 and \$45,424, account fees were \$5,500 and \$6,366 and the (loss)/gain on investments was (\$13,889) and \$245,782. The total value of plan assets at December 31, 2011 and 2010 were \$1,862,977 and \$1,740,350 as determined by the trustees.

(14) Cash

Cash and cash equivalents includes amounts on deposit, and short term investments with original maturities of three months or less from the date of acquisition.

Deposits

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes (GUDPA) require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of December 31, 2011 the Township's bank deposits are insured or covered by the State's Government Unit Deposit Protection Act.

(15) Taxes Receivable, Tax Title Liens

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2011

In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable and tax title liens are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

Taxes for the Township are levied annually in June and are payable February 1, May 1, August 1, and November 1. The taxes are liens on the property as of the billing date.

(16) Post Employment Healthcare Plan

Plan description. Township of Mahwah Health Benefits Plan (MHBP) is a single employer defined benefit healthcare plan administered by the Township of Mahwah. MHBP provides medical and dental insurance benefits to eligible retirees and their spouses and dependents. Ordinance 1407 adopted December 20, 2001 assigns the authority to establish and amend benefit provisions to the governing body.

Funding Policy. The contributions requirements of the Township and plan members are established and may be amended by the governing body. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2010 and 2011 the Township contributed \$1,183,554 and \$1,183,088, respectively to the plan. There are no required contributions from retirees.

Annual Required Contribution. The Annual Required Contribution (ARC) is the measure of annual cost on an accrual basis. It is comprised of the "Normal Cost" which is the portion of future liabilities attributable to the measurement year, plus 30 year amortization of the "Unfunded Accrued Liability". As of December 31, 2010 the plan had no assets to offset any portion of the Actuarial Accrued Liability. Accounting requirements prescribed by the Division of local Government Services, Department of Community Affairs, State of New Jersey prohibit the Township from accumulating assets for that purpose. The ARC as of December 31, 2010 is \$1,595,036.

Unfunded Accrued Liability. The Unfunded Actuarial Accrued Liability at December 31, 2010 is \$24,088,200 based upon a discount rate of 4.5% per annum and plan provisions in effect at December 31, 2010.

Actuarial Assumptions. New Jersey Local Finance Notice 2007-15 calls for measurement of actuarial liability which can be met by using actuarial assumptions used by the State Division of Pensions and Benefits consultants in evaluating the State's OPEB obligation. The purpose of this is to provide consistency between local governments.

ADDITIONAL FINANCIAL INFORMATION

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>9,532,783</u>
Increased by receipts:	
Collector of taxes	90,659,471
Revenue accounts receivable	8,221,772
Miscellaneous revenue not anticipated	1,091,802
Due from State of New Jersey	213,332
Due to Grant Fund - unappropriated grants received	36,666
Prepaid health licenses	1,420
Various reserves	379,262
Due from Dog License Fund	8,703
Due from General Capital Fund	275,395
Due from Other Trust Fund	246
Due from Outside detail account	15,261
Due from Grant Fund	278,971
Prior year checks cancelled	<u>702</u>
	<u>101,183,003</u>
	<u>110,715,786</u>
Decreased by disbursements:	
Budget appropriations	28,987,376
Appropriation reserves	1,279,508
Local district school taxes	55,129,066
County taxes	13,022,492
Municipal open space tax	574,011
Due County for added taxes	84,819
Due from Other Trust Funds	274
Due from General Capital Fund	3,538
Various reserves	313,506
Due to Water Operating Fund	34
Due from Outside Detail	14,923
Grant expenditures	518,407
Reserve for revaluation	7,905
Encumbrances	5,098
Tax overpayment refunds	249,664
Refund of tax appeals	207,430
Refund of prior year revenue	<u>3,075</u>
	<u>100,401,126</u>
Balance, December 31, 2011	\$ <u><u>10,314,660</u></u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Tax Collector

Current Fund

Year ended December 31, 2011

Receipts:		
Taxes receivable	\$	89,779,243
Tax overpayments		256,551
Prepaid taxes		<u>623,677</u>
Decreased by deposit in Treasurer's account	\$	<u><u>90,659,471</u></u>

TOWNSHIP OF MAHWAH

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

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>5,169</u>
Increased by:	
Senior Citizens' deductions per duplicate	38,000
Veterans' deductions per duplicate	177,250
Senior Citizens' deductions allowed by tax collector	2,500
Veterans' deductions allowed by tax collector	<u>4,000</u>
	<u>221,750</u>
	<u>226,919</u>
Decreased by:	
Cash received	213,332
Senior Citizens' and Veterans' deductions disallowed	5,349
Senior Citizens' and Veterans' deductions disallowed - 2010	<u>2,616</u>
	<u>221,297</u>
Balance, December 31, 2011	\$ <u><u>5,622</u></u>

TOWNSHIP OF MAHWAH

Schedule of Taxes Receivable

Current Fund

Year ended December 31, 2011

Year	Balance, Dec. 31, 2010	2011 levy	Added Taxes	Cash collections		Transferred to tax title liens	Cancelled	Balance, Dec. 31, 2011
				2010	2011			
2009	50	—	—	—	50	—	—	—
2010	459,195	—	8,042	—	466,396	—	841	—
	459,245	—	8,042	—	466,446	—	—	—
2011	—	90,618,930	75,375	456,476	89,529,198	33,439	194,920	480,272
	\$ 459,245	90,618,930	83,417	456,476	89,995,644	33,439	194,920	480,272
Senior Citizens' and Veterans' deductions					\$ 216,401			
Cash					89,779,243			
					\$ 89,995,644			

Analysis of Property Tax Levy

Tax yield:

General purpose tax	\$ 90,618,930
Added and omitted taxes	75,375
	<u>\$ 90,694,305</u>

Tax levy:

County taxes	\$ 12,864,620
County Open Space	157,872
Local district school taxes	55,129,066
Due County for added taxes	10,897
Local tax for municipal purposes	21,875,231
Municipal open space	574,011
Additional taxes levied	82,608
	<u>\$ 90,694,305</u>

TOWNSHIP OF MAHWAH

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	234,912
Increased by:		
Transferred from current taxes receivable		<u>33,439</u>
Balance, December 31, 2011	\$	<u><u>268,351</u></u>

TOWNSHIP OF MAHWAH

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2011

	Balance, Dec. 31, 2010	Accrued in 2011	Collected by Treasurer	Balance, Dec. 31, 2011
Clerk:				
Alcoholic beverage license	\$ —	30,804	30,804	—
Licenses - other	—	48,370	48,370	—
Fees and permits	—	58,716	58,716	—
Fines and costs - municipal court	25,716	357,933	350,244	33,405
Interest and costs on taxes	—	119,231	119,231	—
Interest on investments and deposits	—	34,628	34,628	—
Rental of Township owned property	—	216,944	216,944	—
Fire Safety Act fees	—	164,388	164,388	—
Energy Receipts Tax (P.L. 1999, Ch 162 & 167)	—	4,909,572	4,909,572	—
Garden State Trust Fund	—	3,844	3,844	—
Uniform construction code official	—	904,623	904,623	—
Swim and Tennis Club fees	—	150,341	150,341	—
Reserve for Open Space	—	415,000	415,000	—
Reserve for Debt Service	—	321,500	321,500	—
Municipal Hotel/Motel Occupancy Tax	—	674,834	674,834	—
Cable television franchise fee	—	141,972	141,972	—
	<u>\$ 25,716</u>	<u>8,410,728</u>	<u>8,545,011</u>	<u>33,405</u>
Cash			\$ 8,221,772	
Reserve for Payment of Debt			321,500	
Due from General Capital - interest			339	
Prepaid health licenses			<u>1,400</u>	
			<u>\$ 8,545,011</u>	

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2011

	Balance Dec. 31, 2010	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Operations within "CAPS":						
Legislation:						
Township Council:						
Salaries and wages	291	—	—	291	—	291
Other expenses	2,092	302	—	2,394	302	2,092
Office of the Township Clerk:						
Salaries and wages	3,325	—	800	4,125	3,684	441
Other expenses	5,631	1,472	(800)	6,303	955	5,348
Election:						
Salaries and wages	2,126	—	—	2,126	—	2,126
Other expenses	11,317	15,918	—	27,235	14,580	12,655
Animal Control:						
Other expenses	5,463	—	—	5,463	—	5,463
Administration:						
Office of the Mayor:						
Other expenses	1,209	—	—	1,209	—	1,209
Office of the Business Administrator:						
Salaries and wages	8,823	—	—	8,823	—	8,823
Other expenses	4,152	1,512	—	5,664	1,756	3,908
Insurance:						
Comprehensive business liability insurance:						
Other expenses	1,990	103,999	—	105,989	102,508	3,481
Employee medical insurance:						
Other expenses	66,135	6,231	—	72,366	72,366	—
Workers Compensation Insurance:						
Other expenses	2,040	108,000	—	110,040	107,987	2,053
Employee physicals:						
Other expenses	10,760	42,240	—	53,000	32,185	20,815
Employee life insurance:						
Other expenses	10,379	—	—	10,379	—	10,379
Insurance miscellaneous:						
Other expenses	9,953	—	—	9,953	—	9,953
Health and Safety Programs						
Other expenses	1,446	6,877	—	8,323	5,903	2,420
Division of Law:						
Other expenses	31,524	58,036	—	89,560	54,322	35,238
Division of Engineering:						
Other expenses	15,848	24,477	—	40,325	6,558	33,767
Municipal Land Use Law (N.J.S.A. 40:55):						
Division of Planning and Zoning:						
Salaries and wages	9,202	—	—	9,202	—	9,202
Other expenses	17,954	32,393	—	50,347	23,201	27,146
Division of Finance:						
Bureau of Treasury:						
Salaries and wages	330	—	—	330	—	330
Other expenses	312	—	—	312	—	312
Bureau of Collections:						
Salaries and wages	3,741	—	—	3,741	530	3,211
Other expenses	4,606	150	—	4,756	501	4,255
Bureau of Assessment:						
Salaries and wages	1,380	—	—	1,380	1,341	39
Other expenses	9,615	1,477	—	11,092	902	10,190

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2011

	Balance Dec. 31, 2010	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Auditor:						
Other expenses	2,800	3,500	—	6,300	3,500	2,800
DPW administration:						
Salaries and wages	2,062	—	—	2,062	—	2,062
Other expenses	705	341	—	1,046	341	705
DPW streets and roads:						
Salaries and wages	1,757	—	—	1,757	—	1,757
Other expenses	7,772	21,994	—	29,766	11,642	18,124
DPW buildings and grounds:						
Salaries and wages	36	—	—	36	—	36
Other expenses	23,912	37,563	—	61,475	35,683	25,792
DPW emergency services:						
Other expenses	625	27,910	—	28,535	26,149	2,386
DPW parks and playgrounds:						
Salaries and wages	44	—	—	44	—	44
Other expenses	4,650	24,694	—	29,344	24,077	5,267
DPW recycling:						
Salaries and wages	6,015	—	—	6,015	163	5,852
Other expenses	10,984	196	—	11,180	895	10,285
DPW motor pool:						
Salaries and wages	277	(1)	—	276	—	276
Other expenses	27,327	51,898	—	79,225	44,721	34,504
DPW snow removal:						
Salaries and wages	18,745	—	—	18,745	—	18,745
Other expenses	8,971	61,259	—	70,230	63,920	6,310
DPW overtime:						
Salaries and wages	4,003	—	—	4,003	117	3,886
Sanitation:						
Collection service:						
Other expenses	409	83,716	—	84,125	83,716	409
Disposal:						
Other expenses	30,697	56,439	(14,000)	73,136	55,915	17,221
Disposal/Recyclables:						
Other expenses	4,873	2,950	—	7,823	650	7,173
Municipal Services Act:						
Other expenses	1,210	10,951	—	12,161	11,908	253
Board of Health:						
Board of Health administration:						
Salaries and wages	782	—	—	782	—	782
Other expenses	8,377	2,269	—	10,646	3,187	7,459
Visiting Nurse service:						
Other expenses	36	—	—	36	—	36
West Bergen Mental Health Agreement:						
Other expenses	2,600	—	—	2,600	—	2,600
Department of Police:						
Police administration:						
Salaries and wages	44	—	—	44	—	44
Other expenses	15,417	23,612	—	39,029	24,278	14,751
Police records:						
Salaries and wages	620	—	—	620	617	3
Police patrol:						
Salaries and wages	26,683	—	(10,000)	16,683	—	16,683
Police dispatchers:						
Salaries and wages	12,645	—	—	12,645	2,900	9,745

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2011

	Balance Dec. 31, 2010	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Police detectives:						
Salaries and wages	4,703	—	—	4,703	—	4,703
Police juvenile:						
Salaries and wages	81	—	—	81	—	81
Police crossing guards:						
Salaries and wages	454	—	—	454	—	454
Police purchase of police cars:						
Other expenses	—	65,200	—	65,200	64,875	325
Police supplemental programs: Municipal Alliance/ DARE						
Other expenses	4,000	—	—	4,000	—	4,000
Emergency Management:						
Bureau of Emergency Management:						
Salaries and wages	10	—	—	10	—	10
Other expenses	11,053	18,054	—	29,107	15,583	13,524
Fire Department:						
Salaries and wages	4,173	—	—	4,173	3,067	1,106
Other expenses	23,473	40,485	(10,000)	53,958	34,389	19,569
Bureau of Fire Prevention:						
Salaries and wages	3,463	—	—	3,463	—	3,463
Other expenses	1,036	139	—	1,175	—	1,175
Ambulance Company #1:						
Salaries and wages	2,950	—	—	2,950	1,800	1,150
Ambulance Company #4:						
Salaries and wages	7,000	—	—	7,000	5,200	1,800
Division of Human Services:						
Salaries and wages	828	—	—	828	—	828
Other expenses	1,866	16	—	1,882	17	1,865
Senior Citizens activities:						
Salaries and wages	52	—	—	52	—	52
Other expenses	11,281	6,306	—	17,587	6,835	10,752
Access Transportation:						
Salaries and wages	181	—	—	181	—	181
Other expenses	650	—	—	650	—	650
Boards, Commissions and Committees:						
Environmental Commission:						
Other expenses	3,858	—	—	3,858	—	3,858
Housing Commission:						
Other expenses	1,650	—	—	1,650	—	1,650
Historic Preservation Commission:						
Other expenses	4,538	—	—	4,538	—	4,538
Recreation:						
Salaries and wages	5,360	—	—	5,360	—	5,360
Other expenses	17,081	12,818	—	29,899	10,173	19,726
Municipal Pool:						
Salaries and wages	3,886	—	—	3,886	—	3,886
Other expenses	22,399	7,297	—	29,696	6,193	23,503
Municipal Prosecutor						
Other expenses	10,600	3,267	—	13,867	3,267	10,600
Municipal Court:						
Salaries and wages	10,397	—	—	10,397	65	10,332
Other expenses	8,214	624	—	8,838	946	7,892
Public Defender:						
Other expenses	4,702	6,468	—	11,170	6,510	4,660
Computer Equipment/Consultant	2,947	2,328	4,000	9,275	7,902	1,373
Community Cable Television:						
Other expenses	2,314	20	—	2,334	—	2,334
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Uniform Construction Code official:						
Salaries and wages	795	—	—	795	—	795

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2011

	Balance Dec. 31, 2010	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Other expenses	4,174	4,648	—	8,822	3,905	4,917
Building Sub-code official:						
Salaries and wages	447	—	—	447	—	447
Plumbing Sub-code official:						
Salaries and wages	1,477	—	—	1,477	—	1,477
Electrical Sub-code official:						
Salaries and wages	7,462	—	—	7,462	—	7,462
Fire Sub-code official:						
Salaries and wages	1,713	—	—	1,713	—	1,713
Unclassified:						
Central accounts:						
Gasoline	24,597	3,921	—	28,518	17,774	10,744
Fuel oil - Diesel	20,516	3,180	—	23,696	18,526	5,170
Electricity	25,032	—	—	25,032	21,563	3,469
Street lighting	25,400	—	—	25,400	19,404	5,996
Telephone	18,253	5,130	—	23,383	20,614	2,769
Natural gas	34,889	—	—	34,889	18,507	16,382
Heating oil	5,873	3,553	—	9,426	3,042	6,384
Photocopying	4,254	3,977	—	8,231	3,143	5,088
Printing and binding	13,941	7,360	—	21,301	7,471	13,830
Postage	16,718	—	—	16,718	40	16,678
Office supplies	7,405	2,505	—	9,910	2,505	7,405
Tuition Reimbursement Account	2,000	—	—	2,000	—	2,000
Contingent	4,010	—	—	4,010	—	4,010
Deferred charges and statutory expenditures - municipal within "CAPS":						
Statutory expenditures - contributions to:						
Social Security System (O.A.S.I.)	14,977	—	—	14,977	1,499	13,478
Defined Contribution Retirement Program (DCRP)	2,484	—	—	2,484	387	2,097
Operations excluded from "CAPS" - mandated expenditures per N.J.S.A. 40A:4-45.3g:						
Length of Service Award Program (L.O.S.A.P.)	210,000	—	30,000	240,000	226,173	13,827
Recycling Tax	925	5,999	—	6,924	2,743	4,181
	<u>\$ 1,089,264</u>	<u>1,015,670</u>	<u>—</u>	<u>2,104,934</u>	<u>1,358,078</u>	<u>746,856</u>
					Disbursed	\$ 1,279,508
					Accounts payable	78,570
						<u>\$ 1,358,078</u>

TOWNSHIP OF MAHWAH

Schedule of Unappropriated Reserves

Current Fund

Year ended December 31, 2011

	Balance Dec. 31, 2010	Balance Dec. 31, 2011
Security deposit - sublease	\$ 426	426
Security deposit	<u>31,165</u>	<u>31,165</u>
	<u>\$ 31,591</u>	<u>31,591</u>

TOWNSHIP OF MAHWAH

Schedule of Local District School
Taxes Payable

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	—
Increased by tax levy		<u>55,129,066</u>
		55,129,066
Decreased by payments		<u>55,129,066</u>
Balance, December 31, 2011	\$	<u><u>—</u></u>

TOWNSHIP OF MAHWAH
 Schedule of County Taxes Payable
 Current Fund
 Year ended December 31, 2011

Balance, December 31, 2010		\$	<u>—</u>
Increased by:			
Increased by County tax levy			12,864,620
County Open Space Preservation			<u>157,872</u>
			<u>13,022,492</u>
			13,022,492
Decreased by:			
Payments			<u>13,022,492</u>
Balance, December 31, 2011		\$	<u><u>—</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due County for Added
and Omitted Taxes

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	84,819
Increased by 2011 added taxes		<u>10,898</u>
		95,717
Decreased by payments		<u>84,819</u>
Balance, December 31, 2011	\$	<u><u>10,898</u></u>

TOWNSHIP OF MAHWAH
 Schedule of Encumbrances Payable
 Current Fund
 Year ended December 31, 2011

Balance, December 31, 2010	\$	1,020,769
Increased by budget encumbrances		<u>1,055,949</u>
		<u>2,076,718</u>
Decreased by:		
Transfer to Appropriation Reserves		1,015,671
Disbursed		<u>5,098</u>
		<u>1,020,769</u>
Balance, December 31, 2011	\$	<u><u>1,055,949</u></u>

TOWNSHIP OF MAHWAH

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ 17,676
Increased by cash receipts	<u>256,551</u>
	274,227
Decreased by:	
Cash disbursed	<u>249,664</u>
Balance, December 31, 2011	<u><u>\$ 24,563</u></u>

TOWNSHIP OF MAHWAH

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	456,476
Increased by cash receipts		<u>623,677</u>
		1,080,153
Decreased by transfer to taxes receivable		<u>456,476</u>
Balance, December 31, 2011	\$	<u><u>623,677</u></u>

TOWNSHIP OF MAHWAH

Schedule of Prepaid Health Licenses

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ 1,400
Increased by cash receipts	<u>1,420</u>
	2,820
Decreased by revenue realized	<u>1,400</u>
Balance, December 31, 2011	<u><u>\$ 1,420</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Tax Appeals

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>337,128</u>
Increased by:	
Contested amount of taxes collected pending appeal	275,000
Budget appropriations	<u>200,000</u>
	<u>475,000</u>
	812,128
Decreased by cash disbursements for tax refunds	<u>207,430</u>
Balance, December 31, 2011	\$ <u><u>604,698</u></u>

TOWNSHIP OF MAHWAH

Schedule of Various Reserves

Current Fund

Year ended December 31, 2011

	<u>Accounts payable</u>	<u>Premium on tax sale</u>	<u>Excess Library Funds</u>	<u>Burial Disinterment</u>	<u>Marriage Lic. and Domestic Partnership</u>	<u>Totals</u>
Balance, December 31, 2010	\$ 292,615	66,100	—	10	475	359,200
Increased by:						
Cash receipts	—	193,900	182,557	5	2,800	379,262
Reserve for revaluation	56,275	—	—	—	—	56,275
Appropriation reserves	78,570	—	—	—	—	78,570
	<u>134,845</u>	<u>193,900</u>	<u>182,557</u>	<u>5</u>	<u>2,800</u>	<u>514,107</u>
	<u>427,460</u>	<u>260,000</u>	<u>182,557</u>	<u>15</u>	<u>3,275</u>	<u>873,307</u>
Decreased by:						
Cancellation	4,719	—	—	—	—	4,719
Cash disbursed	130,901	179,800	—	5	2,800	313,506
	<u>135,620</u>	<u>179,800</u>	<u>—</u>	<u>5</u>	<u>2,800</u>	<u>318,225</u>
Balance, December 31, 2011	\$ <u>291,840</u>	<u>80,200</u>	<u>182,557</u>	<u>10</u>	<u>475</u>	<u>555,082</u>

TOWNSHIP OF MAHWAH

Schedule of Interfunds

Current Fund

Year ended December 31, 2011

	Dog License Fund	Other Trust Fund	General Capital Fund	Water Utility Operating Fund	Federal and State Grant Fund	Housing Trust
Balance, December 31, 2010, due from (to)	\$ 8,703	252	37	(34)	76,115	—
Increased by:						
Cash disbursed	—	274	3,538	34	—	14,923
Statutory excess	4,787	—	—	—	—	—
Grant encumbrances paid by Current Fund	—	—	—	—	80,961	—
Interest earned	—	—	339	—	—	—
Debt service reserve anticipated	—	—	321,500	—	—	—
Cancellation of Appropriated Reserves	—	—	—	—	2,280	—
Grant expenditures paid by Current Fund	—	—	—	—	437,446	—
	<u>4,787</u>	<u>274</u>	<u>325,377</u>	<u>34</u>	<u>520,687</u>	<u>14,923</u>
	<u>13,490</u>	<u>526</u>	<u>325,414</u>	<u>—</u>	<u>596,802</u>	<u>14,923</u>
Decreased by:						
Cash receipts	8,703	246	275,395	—	278,971	15,261
Unappropriated grants received deposited in Current Fund	—	—	—	—	36,666	—
2011 Budget Appropriation	—	—	50,000	—	3,039	—
Cancellation of Grants receivable	—	—	—	—	480	—
	<u>8,703</u>	<u>246</u>	<u>325,395</u>	<u>—</u>	<u>319,156</u>	<u>15,261</u>
Balance, December 31, 2011, due from (to)	\$ <u>4,787</u>	<u>280</u>	<u>19</u>	<u>—</u>	<u>277,646</u>	<u>(338)</u>

TOWNSHIP OF MAHWAH

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended December 31, 2011

	Balance, Dec. 31, 2010	Awarded in 2011	Received	Canceled	Balance, Dec. 31, 2011
Drunk Driving Enforcement Grant	\$ —	12,624	12,624	—	—
Clean Communities	—	39,334	39,334	—	—
NJ DEP Flood Management	37,877	—	—	—	37,877
County of Bergen:					
Replacement of Pulis Avenue Bridge	82,080	—	—	—	82,080
Open Space - Winters Pond	100,000	—	—	—	100,000
Recycling Tonnage Grant	—	32,498	32,498	—	—
US Department of Homeland Security (Pass Through):					
FY 2010 Buffer Zone Protection Program	—	124,633	—	—	124,633
Alcohol Education and Rehabilitation Act	—	4,854	4,854	—	—
Municipal Alliance on Alcoholism and Drug Abuse	3,925	12,157	12,780	—	3,302
State of New Jersey - Department of Transportation:					
Miller Road	50,000	—	50,000	—	—
Airmount Road Section 2	—	150,000	112,500	—	37,500
United States Department of Transportation (NJ Division of Highway					
Safety) Pass through - Over the Limit Under Arrest	5,000	4,400	9,050	350	—
Cops in Shop Initiative	—	2,400	2,400	—	—
Drive Sober or Get Pulled Over	—	5,000	—	—	5,000
County of Bergen:					
Open Space Trust Fund - Veterans Park	94,494	—			94,494
Office of County Prosecutor - Mahwah Municipal Escrow - Police	115,311	17,465	2,931	130	129,715
	<u>\$ 488,687</u>	<u>405,365</u>	<u>278,971</u>	<u>480</u>	<u>614,601</u>

TOWNSHIP OF MAHWAH

Schedule of Appropriated Reserves

Federal and State Grant Fund

Year ended December 31, 2011

	Balance, Dec. 31, 2010	Transferred from budget	Appropriation by 40A:4-87	Expended	Canceled	Balance, Dec. 31, 2011
Drunk Driving Enforcement Fund	\$ 5,953	—	—	5,953	—	—
US Department of Homeland Security (Pass Through)						
FY 2010 Buffer Zone Protection Program	—	—	124,633	—	—	124,633
Bergen County Open Space - Winters Pond	100,000	—	—	96,330	—	3,670
Bergen County Prosecutor's Office						
Escrow Account - Police Department	66,946	—	17,465	39,105	130	45,176
Alcohol Education Rehabilitation Fund	—	—	4,854	4,854	—	—
Drunk Driving Enforcement Act	15,697	12,624	—	12,383	—	15,938
NJ Clean Communities Grant	—	—	39,334	39,334	—	—
NJ Dept. L&PS:						
Body Armor Fund	4,655	—	—	4,388	—	267
United States Department of Transportation (NJ Division of Highway						
Safety) Pass Through - Over the Limit	5,000	—	4,400	7,250	2,150	—
Cops in Shop	—	2,400	—	2,400	—	—
Drive Sober or Get Pulled over	—	—	5,000	—	—	5,000
Municipal Alliance on Alcoholism and Drug Abuse	12,157	15,196	—	19,727	—	7,626
Municipal Alliance on Alcoholism and Drug Abuse - Match	3,039	—	—	3,039	—	—
Recycling Tonnage Grant	23,670	32,498	—	55,506	—	662
Bergen County Open Space - Veterans Park	94,494	—	—	94,494	—	—
DOT Airmont Road	—	150,000	—	150,000	—	—
	<u>\$ 331,611</u>	<u>212,718</u>	<u>195,686</u>	<u>534,763</u>	<u>2,280</u>	<u>202,972</u>
Encumbrances				\$ 97,317		
Due to Current Fund				<u>437,446</u>		
				<u>\$ 534,763</u>		

TOWNSHIP OF MAHWAH

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year ended December 31, 2011

	<u>Balance, Dec. 31, 2010</u>	<u>Received</u>	<u>Balance, Dec. 31, 2011</u>
State:			
Body Armor Fund	\$ —	4,846	4,846
Recycling Tonnage Grant	—	31,820	31,820
	<u>\$ —</u>	<u>36,666</u>	<u>36,666</u>
		\$ <u>36,666</u>	

TOWNSHIP OF MAHWAH

Schedule of Foreclosed Property

Current Fund

Year ended December 31, 2011

Balance, December 31, 2011 and 2010	\$ <u>1,353,400</u>
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TOWNSHIP OF MAHWAH

Schedule of Reserve for Arbitrage Rebate Payable

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>30,000</u>
Balance, December 31, 2011	\$ <u>30,000</u>

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ 80,961
Increased by encumbrances authorized	<u>97,317</u>
	178,278
Decreased by:	
Paid by Current Fund	<u>80,961</u>
Balance, December 31, 2011	<u><u>\$ 97,317</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Revaluation

Current Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>93,525</u>
Decreased by:	
Transfer to accounts payable	56,275
Cash disbursed	7,905
Cancelled	<u>29,345</u>
	<u>93,525</u>
Balance, December 31, 2011	\$ <u><u>—</u></u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2011

	<u>Dog License Fund</u>	<u>Other Trust Funds</u>	<u>Unemployment Compensation Fund</u>	<u>Uniform Construction Code Training Fees</u>
Balance, December 31, 2010	\$ 28,646	6,025,259	234,512	9,161
Increased by receipts:				
Dog license fees	9,931	—	—	—
Due to State of New Jersey	2,257	—	—	—
Recreation contributions	—	121,965	—	—
Reserve for Other Expenses	—	5,530,452	—	—
Due from Current Fund	—	17,516	—	—
Special deposits	—	610,033	—	—
Deposits	—	—	54,188	—
Training fees collected	—	—	—	41,483
	<u>12,188</u>	<u>6,279,966</u>	<u>54,188</u>	<u>41,483</u>
	<u>40,834</u>	<u>12,305,225</u>	<u>288,700</u>	<u>50,644</u>
Decreased by disbursements:				
Payments to State of New Jersey	2,277	—	65,238	40,672
Dog license expenditures	2,147	—	—	—
Due to Current Fund	8,703	17,828	—	—
Recreation expenses	—	121,378	—	—
Special deposits - refunded	—	1,093,297	—	—
Reserve for Other Expenses	—	4,948,584	—	—
	<u>13,127</u>	<u>6,181,087</u>	<u>65,238</u>	<u>40,672</u>
Balance, December 31, 2011	\$ <u>27,707</u>	<u>6,124,138</u>	<u>223,462</u>	<u>9,972</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Dog License
Fund Expenditures - Dog License Fund

Trust Funds

Year ended December 31, 2011

Balance, December 31, 2010	\$	19,926
Increased by:		
Licenses and fees		<u>9,931</u>
		<u>29,857</u>
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Excess balance due to Current Fund		4,787
Other disbursements		<u>2,147</u>
		<u>6,934</u>
Balance, December 31, 2011	\$	<u><u>22,923</u></u>
2010 license revenue	\$	13,863
2009 license revenue		<u>9,060</u>
	\$	<u><u>22,923</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due to (from) State of New Jersey -
Dog License Fund

Trust Funds

Year ended December 31, 2011

Balance, December 31, 2010	\$	17
Increased by cash collected		<u>2,257</u>
		2,274
Decreased by cash disbursed		<u>2,277</u>
Balance, December 31, 2011	\$	<u><u>(3)</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Special Deposits -
Other Trust Funds

Trust Funds

Year ended December 31, 2011

Balance, December 31, 2010	\$ 2,920,401
Increased by:	
Deposits	<u>610,033</u>
	3,530,434
Decreased by disbursements	<u>1,093,297</u>
Balance, December 31, 2011	<u><u>\$ 2,437,137</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for State
Unemployment Insurance -
Unemployment Compensation Fund

Trust Funds

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>234,512</u>
Increased by:	
Budget appropriation	40,000
Employee contributions	14,043
Interest	<u>145</u>
	<u>54,188</u>
	288,700
Decreased by disbursed State of New Jersey	<u>65,238</u>
Balance, December 31, 2011	\$ <u><u>223,462</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Uniform Construction
Code Training Fees -
Uniform Construction Code Fund

Trust Funds

Year ended December 31, 2011

Balance, December 31, 2010	\$	9,161
Increased by training fees collected		<u>41,483</u>
		50,644
Decreased by cash disbursements		<u>40,672</u>
Balance, December 31, 2011	\$	<u><u>9,972</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due to (from) Current

Trust Funds

Year ended December 31, 2011

	Dog License Fund	Affordable Housing	Escrow	Soil	Total
Balance, December 31, 2010, Due to	\$ 8,703	—	247	5	8,955
Increased by:					
Excess balance in Dog License fund	4,787	—	—	—	4,787
Cash received	—	14,923	2,540	53	17,516
	<u>4,787</u>	<u>14,923</u>	<u>2,540</u>	<u>53</u>	<u>22,303</u>
	<u>13,490</u>	<u>14,923</u>	<u>2,787</u>	<u>58</u>	<u>31,258</u>
Decreased by:					
Cash disbursed	8,703	15,261	2,513	54	26,531
Balance, December 31, 2011, Due to	<u>\$ 4,787</u>	<u>(338)</u>	<u>274</u>	<u>4</u>	<u>4,727</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Recreation
Expenses - Other Trust Funds

Trust Funds

Year ended December 31, 2011

Balance, December 31, 2010	\$	8,560
Increased by contributions		<u>121,965</u>
		130,525
Decreased by cash disbursements		<u>121,378</u>
Balance, December 31, 2011	\$	<u><u>9,147</u></u>

TOWNSHIP OF MAHWAH

Schedule of Various Reserves for Other
Trust Fund Expenses -
Other Trust Funds

Trust Funds

Year ended December 31, 2011

	Balance, Dec. 31, 2010	Increased	Decreased	Balance, Dec. 31, 2011
Reserve for:				
Historic Preservation	\$ 2,971	91	—	3,062
Self Insurance - Optical	2,916	40,440	35,587	7,769
Open Space	123,256	574,335	477,153	220,438
Lien Redemption	2,333	278,299	255,609	25,023
Community Donation	14,979	300	794	14,485
Access Transportation	35,743	3,299	277	38,765
Municipal Court	1,054	82	—	1,136
Celebration of Public Events	16,698	14,550	10,070	21,178
Beautification project	211	376	—	587
Winter Park	3,589	—	—	3,589
Affordable Housing	1,938,257	323,418	174,111	2,087,564
Development fees	348,572	5,143	4,183	349,532
Shade Tree	71,639	—	—	71,639
Sidewalk	181,637	—	27,366	154,271
Senior Center	6,795	719	212	7,302
Outside Detail	74,832	395,365	363,310	106,887
Self Insurance	137,128	3,784,900	3,494,441	427,587
Self Insurance - Section 125 Plan	12,252	57,439	51,838	17,853
Developers' escrow - Soil Movement	121,184	51,696	53,633	119,247
	<u>\$ 3,096,046</u>	<u>5,530,452</u>	<u>4,948,584</u>	<u>3,677,914</u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>3,030,647</u>
Increased by receipts:	
Interest earned	339
Bond anticipation note proceeds	975,000
Premium on sale of notes	90,392
Reserve for debt	<u>100,000</u>
	<u>1,165,731</u>
	<u>4,196,378</u>
Decreased by disbursements:	
Due from Current Fund	275,395
Improvement authorizations	<u>1,390,986</u>
	<u>1,666,381</u>
Balance, December 31, 2011	\$ <u><u>2,529,997</u></u>

TOWNSHIP OF MAHWAH

Schedule of Analysis of General Capital Cash

General Capital Fund

December 31, 2011

Encumbrances payable	\$ 109,129
Due to Current Fund	19
Reserve for payment of debt	2,020,732
Capital Improvement Fund	24,647
Fund balance	245,148

Improvement Authorizations:

Ordinance number	Improvement description	
1241	Various improvements	9,823
1362/1415/1427	Various improvements	18,947
1387	Various improvements	18,015
1420	Various capital improvements	92,462
1446	Various capital improvements	19,463
1488	Acquisition of land	30,961
1518	Various capital improvements	1,206
1546	Various improvements	(101)
1558	Renovation of Police Building	(143)
1576	Various capital improvements	20,362
1612	Various capital improvements	(2,179)
1643	Various capital improvements	(20,506)
1672	Various capital improvements	1,012
1692	Various capital improvements	(59,000)
		<u>\$ 2,529,997</u>

TOWNSHIP OF MAHWAH

Schedule of Amount Due from /(to) Current Fund

General Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010 (Due To)	\$ <u>(37)</u>
Increased by:	
Interfund transfer	275,395
Budget appropriation	<u>50,000</u>
	<u>325,395</u>
	<u>325,358</u>
Decreased by:	
Interest earned	339
Debt service reserve anticipated	321,500
Expenses paid by Current Fund	<u>3,538</u>
	<u>325,377</u>
Balance, December 31, 2011 (Due To)	\$ <u><u>(19)</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Charges to
Future Taxation Funded

General Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ 28,040,000
Decreased by bonds paid	<u>1,835,000</u>
Balance, December 31, 2011	<u><u>\$ 26,205,000</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2011

Ordinance number	Description	Balance, Dec. 31, 2010	Authorizations	Notes paid	Cancelled/ Reauthorized	Balance, Dec. 31, 2011	Analysis of balance		
							Bond anticipation notes	Expended	Unexpended balance of improvement authorizations
1518	Various capital improvements	\$ 986,941	—	175,000	—	811,941	811,500	—	441
1546	Various improvements	1,204,280	—	200,000	2,992	1,001,288	980,000	101	21,187
1558	Renovation of Police Building	332,500	—	—	357	332,143	332,000	—	—
1576	Various capital improvements	103,935	—	—	—	103,935	99,000	—	4,935
1612	Various capital improvements	1,795,670	—	125,000	—	1,670,670	1,643,500	2,179	24,991
1643	Various capital improvements	333,227	—	—	—	333,227	308,000	20,506	4,721
1665	Various Road Improvements	475,000	—	—	—	475,000	475,000	—	—
1672	Various capital improvements	299,250	—	—	—	299,250	270,000	—	29,250
1692	Various capital improvements	—	665,000	—	—	665,000	556,000	59,000	50,000
		<u>\$ 5,530,803</u>	<u>665,000</u>	<u>500,000</u>	<u>3,349</u>	<u>5,692,454</u>	<u>5,475,000</u>	<u>81,786</u>	<u>135,525</u>
									Improvement authorizations unfunded \$ 158,105
									Less - Unexpended note proceeds:
									Ordinance 1518 1,206
									Ordinance 1576 20,362
									Ordinance 1672 1,012
									<u>22,580</u>
									\$ <u>135,525</u>

TOWNSHIP OF MAHWAH

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	9,647
Increased by:		.
Budget appropriation		<u>50,000</u>
		59,647
Decreased by appropriated to finance improvement authorizations		<u>35,000</u>
Balance, December 31, 2011	\$	<u><u>24,647</u></u>

TOWNSHIP OF MAHWAH

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2011

Ordinance number	Improvement description	Ordinance Original Amount	Balance, December 31, 2010		Authorizations	Expended	Authorizations Canceled	Balance, December 31, 2011	
			Funded	Unfunded				Funded	Unfunded
1241	Various improvements	\$ 1,310,715	9,823	—	—	—	—	9,823	—
1362/ 1415/1427	Various improvements	3,220,165	18,947	—	—	—	—	18,947	—
1387	Various improvements	2,695,500	18,015	—	—	—	—	18,015	—
1420	Various capital improvements	3,421,000	186,765	—	—	94,303	—	92,462	—
1446	Various capital improvements	4,652,200	34,229	—	—	14,766	—	19,463	—
1488	Various capital improvements	2,915,400	51,861	—	—	20,900	—	30,961	—
1518	Various capital improvements	1,746,000	—	—	—	(1,647)	—	—	1,647
1546	Various improvements	1,981,000	—	113,196	—	89,017	2,992	—	21,187
1558	Renovation of Police Building	350,000	—	4,744	—	4,387	357	—	—
1576	Various capital improvements	1,191,000	20,274	5,023	—	—	—	—	25,297
1612	Various capital improvements	2,209,500	—	27,772	—	2,781	—	—	24,991
1643	Various capital improvements	664,000	—	29,565	—	24,844	—	—	4,721
1665	Various Road Improvements	500,000	—	50,030	—	50,030	—	—	—
1672	Various capital improvements	315,000	—	234,126	—	203,864	—	—	30,262
1692	Various capital improvements	700,000	—	—	700,000	650,000	—	—	50,000
			<u>\$ 319,640</u>	<u>484,730</u>	<u>700,000</u>	<u>1,153,245</u>	<u>3,349</u>	<u>189,671</u>	<u>158,105</u>
	Deferred Charges Unfunded				\$ 665,000				
	Capital Improvement Fund				<u>35,000</u>				
					<u>\$ 700,000</u>				
	Encumbrances				\$ 1,193,287				
	Paid by Current Fund				3,538				
	Encumbrances canceled				(1,434,566)				
	Cash				<u>1,390,986</u>				
					<u>\$ 1,153,245</u>				

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

General Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ 350,408
Increased by improvement authorization encumbrances	<u>1,193,287</u>
	1,543,695
Decreased by encumbrances canceled	<u>1,434,566</u>
Balance, December 31, 2011	<u><u>\$ 109,129</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ 2,242,232
Increased by:	
Ordinance #1446 Open Space	<u>100,000</u>
	2,342,232
Decreased by:	
Anticipation as Current Fund revenue	<u>321,500</u>
Balance, December 31, 2011	<u><u>\$ 2,020,732</u></u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2011

<u>Ordinance number</u>	<u>Purpose</u>	<u>Original date of issue</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2011</u>
1518	Various capital improvements	8/17/06	8/11/11	8/10/12	2.000%	950,000	775,000	950,000	775,000
1546	Various capital improvements	8/17/06	8/11/11	8/10/12	2.000%	1,075,000	875,000	1,075,000	875,000
1558	Expansion of police department	8/13/09	8/11/11	8/10/12	2.000%	200,000	200,000	200,000	200,000
1612	Various capital improvements	8/14/08	8/11/11	8/10/12	2.000%	925,000	800,000	925,000	800,000
1612	Various capital improvements	8/13/09	8/11/11	8/10/12	2.000%	750,000	750,000	750,000	750,000
1518	Various capital improvements	8/12/10	8/11/11	8/10/12	2.000%	36,500	36,500	36,500	36,500
1546	Various capital improvements	8/12/10	8/11/11	8/10/12	2.000%	55,000	55,000	55,000	55,000
1558	Expansion of police department	8/12/10	8/11/11	8/10/12	2.000%	128,500	128,500	128,500	128,500
1576	Various capital improvements	8/12/10	8/11/11	8/10/12	2.000%	79,000	79,000	79,000	79,000
1612	Various capital improvements	8/12/10	8/11/11	8/10/12	2.000%	78,500	78,500	78,500	78,500
1643	Various capital improvements	8/12/10	8/11/11	8/10/12	2.000%	247,500	247,500	247,500	247,500
1665	Various Road Improvements	8/12/10	8/11/11	8/10/12	2.000%	475,000	475,000	475,000	475,000
1546	Various Road Improvements	8/11/11	8/11/11	8/10/12	2.000%	—	50,000	—	50,000
1558	Expansion of police department	8/11/11	8/11/11	8/10/12	2.000%	—	3,500	—	3,500
1576	Various capital improvements	8/11/11	8/11/11	8/10/12	2.000%	—	20,000	—	20,000
1612	Various capital improvements	8/11/11	8/11/11	8/10/12	2.000%	—	15,000	—	15,000
1643	Various capital improvements	8/11/11	8/11/11	8/10/12	2.000%	—	60,500	—	60,500
1672	Various capital improvements	8/11/11	8/11/11	8/10/12	2.000%	—	270,000	—	270,000
1692	Various capital improvements	8/11/11	8/11/11	8/10/12	2.000%	—	556,000	—	556,000
						<u>\$ 5,000,000</u>	<u>5,475,000</u>	<u>5,000,000</u>	<u>5,475,000</u>
					Renewal		\$ 4,500,000	4,500,000	
					Issued		975,000	—	
					Paid from budget appropriation		—	500,000	
							<u>\$ 5,475,000</u>	<u>5,000,000</u>	

TOWNSHIP OF MAHWAH

Schedule of Serial Bonds Payable

General Capital Fund

Year ended December 31, 2011

<u>Date of Issue</u>	<u>Purpose</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2010</u>	<u>Bonds paid</u>	<u>Balance, Dec. 31, 2011</u>
			<u>Date</u>	<u>Amount</u>				
Oct. 15, 2004	General Improvement Bond	\$ 17,165,000	10/15/12	\$ 775,000	3.375			
			10/15/13	825,000	3.500			
			10/15/14	875,000	3.625			
			10/15/15	900,000	4.000			
			10/15/16	950,000	4.000			
			10/15/17	1,025,000	4.000			
			10/15/18	1,050,000	4.000			
			10/15/19	1,050,000	4.000			
			10/15/20	1,050,000	4.000			
			10/15/21	1,050,000	4.000			
			10/15/22	1,050,000	4.000			
			10/15/23	1,050,000	4.125			
						10/15/24	1,040,000	4.200
Feb. 25, 2009	General Improvement Refunding Bonds (Bonds maturing on or after 12/1/20 are subject to redemption on or after Dec. 1, 2019)	14,885,000	12/01/12	1,110,000	2.000			
			12/01/13	1,135,000	4.000			
			12/01/14	1,180,000	3.000			
			12/01/15	1,260,000	4.000			
			12/01/16	400,000	2.375			
			12/01/16	905,000	3.500			
			12/01/17	1,285,000	4.000			
			12/01/18	1,275,000	3.250			
			12/01/19	1,250,000	5.000			
			12/01/20	1,250,000	5.000			
			12/01/21	1,250,000	4.000			
			12/01/22	1,215,000	5.000			
						<u>14,600,000</u>	<u>1,085,000</u>	<u>13,515,000</u>
						\$ <u>28,040,000</u>	<u>1,835,000</u>	<u>26,205,000</u>

TOWNSHIP OF MAHWAH

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2011

Ordinance number	Description	Balance, Dec. 31, 2010	2011 authori- zations	Debt Issued	Cancellation/ Reappropriated	Balance, Dec. 31, 2011
1518	Various improvements	\$ 441	—	—	—	441
1546	Various improvements	74,280	—	50,000	2,992	21,288
1558	Renovation of Police Building	4,000	—	3,500	357	143
1576	Various capital improvements	24,935	—	20,000	—	4,935
1612	Varios capital improvements	42,170	—	15,000	—	27,170
1643	Various capital improvements	85,727	—	60,500	—	25,227
1672	Various capital improvements	299,250	—	270,000	—	29,250
1692	Various capital improvements	—	665,000	556,000	—	109,000
		<u>\$ 530,803</u>	<u>665,000</u>	<u>975,000</u>	<u>3,349</u>	<u>217,454</u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

Water Utility Fund

Year Ended December 31, 2011

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	\$ 4,571,552	5,324,243
Increased by receipts:		
Water rents	4,643,021	—
Tapping and capacity fees	39,180	—
Miscellaneous revenue not anticipated	47,807	—
Note proceeds	—	300,000
Premium on notes	—	84,728
Premium on water liens	48,500	—
Interest earned	—	137
Due from Water Utility Capital Fund	211,784	—
Overpayments	216,058	—
Due from Current Fund	34	—
Due to Water Utility Operating	—	9,625
Due from Sewer Utility Operating Fund	642	—
	<u>5,207,026</u>	<u>394,490</u>
	<u>9,778,578</u>	<u>5,718,733</u>
Decreased by disbursements:		
Accounts payable	18,803	2,479,323
Budget appropriations	3,822,341	—
Appropriation reserves	340,002	—
Refund of prior year revenue	2,629	—
Accrued Interest on Notes	160,000	—
Premium on water liens refunded	41,600	—
Water overpayments refunded	214,895	—
Note retired	—	750,000
Due to Water Utility Operating Fund	—	211,784
Improvement authorizations	—	133,079
	<u>4,600,270</u>	<u>3,574,186</u>
Balance, December 31, 2011	\$ <u>5,178,308</u>	<u>2,144,547</u>

TOWNSHIP OF MAHWAH

Schedule of Analysis of Capital Fund Cash

Water Utility Capital Fund

December 31, 2011

Encumbrances	\$ 1,571,220
Due to Water Utility Operating Fund	4
Capital Improvement Fund	61,369
Reserve for payment of debt	56,816
Fund balance	370,153

Improvement authorizations:

Ordinance number	Improvement description	
1165/1183	Various water improvements	3,779
1244/1371	Acquisition-water meters	7,832
1361/1394	Various improvements	230
1519/1567	Various improvements	28,246
1544	Various improvements	112
1575	Various improvements	2,588
1613	Various improvements	11,724
1647	Various improvements	880
1677	Improvements to Ford Well Field	29,594
		<u>\$ 2,144,547</u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year ended December 31, 2011

Ordinance number	Purpose	Original date of issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2010	Increase	Decrease	Balance, Dec. 31, 2011
1165/1183	Various improvements	Oct. 25, 2001				\$ 100,000	—	100,000	—
1361/ 1394	Various improvements	Oct. 25, 2001				200,000	—	200,000	—
1244/1371	Acquisition - water meters	Oct. 25, 2001				100,000	—	100,000	—
1519/1567	Various improvements	Oct. 19, 2006	Oct. 13, 2011	Oct. 12, 2012	1.50%	700,000	250,000	700,000	250,000
1544	Various improvements	Oct. 19, 2006	Oct. 13, 2011	Oct. 12, 2012	1.50%	275,000	125,500	275,000	125,500
1165/1183	Various improvements	Oct. 16, 2008	Oct. 13, 2011	Oct. 12, 2012	1.50%	125,000	20,000	125,000	20,000
1361/ 1394	Various improvements	Oct. 16, 2008				25,000	—	25,000	—
1519/1567	Various improvements	Oct. 16, 2008	Oct. 13, 2011	Oct. 12, 2012	1.50%	925,000	850,000	925,000	850,000
1544	Various improvements	Oct. 16, 2008	Oct. 13, 2011	Oct. 12, 2012	1.50%	75,000	50,000	75,000	50,000
1575	Various improvements	Oct. 16, 2008	Oct. 13, 2011	Oct. 12, 2012	1.50%	450,000	315,000	450,000	315,000
1613	Various improvements	Oct. 16, 2008	Oct. 13, 2011	Oct. 12, 2012	1.50%	600,000	507,500	600,000	507,500
1165/1183	Various improvements	Oct. 15, 2009	Oct. 13, 2011	Oct. 12, 2012	1.50%	50,000	50,000	50,000	50,000
1244/1371	Acquisition - water meters	Oct. 15, 2009	Oct. 13, 2011	Oct. 12, 2012	1.50%	50,000	50,000	50,000	50,000
1519/1567	Various improvements	Oct. 15, 2009	Oct. 13, 2011	Oct. 12, 2012	1.50%	355,000	355,000	355,000	355,000
1575	Various improvements	Oct. 15, 2009	Oct. 13, 2011	Oct. 12, 2012	1.50%	10,000	10,000	10,000	10,000
1613	Various improvements	Oct. 15, 2009	Oct. 13, 2011	Oct. 12, 2012	1.50%	85,000	85,000	85,000	85,000
1575	Various improvements	Oct. 14, 2010	Oct. 13, 2011	Oct. 12, 2012	1.50%	2,230,000	2,230,000	2,230,000	2,230,000
1677	Ford Well Field	Oct. 14, 2010	Oct. 13, 2011	Oct. 12, 2012	1.50%	1,645,000	1,602,000	1,645,000	1,602,000
1244/1371	Acquisition - water meters	Oct. 13, 2011	Oct. 13, 2011	Oct. 12, 2012	1.50%	—	187,150	—	187,150
1519-1567	Various improvements	Oct. 13, 2011	Oct. 13, 2011	Oct. 12, 2012	1.50%	—	110,000	—	110,000
1575	Various improvements	Oct. 13, 2011	Oct. 13, 2011	Oct. 12, 2012	1.50%	—	2,850	—	2,850
						<u>\$ 8,000,000</u>	<u>6,800,000</u>	<u>8,000,000</u>	<u>6,800,000</u>
Renewed							\$ 6,500,000	6,500,000	
Issued							300,000	—	
Paid not renewed							—	750,000	
Paid - Budget							—	750,000	
							<u>\$ 6,800,000</u>	<u>8,000,000</u>	

TOWNSHIP OF MAHWAH

Schedule of Water Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2011

Balance, December 31, 2010	\$	267,595
Increased by water rents levied		<u>4,550,161</u>
		4,817,756
Decreased by:		
Water rents collected		<u>4,643,021</u>
Balance, December 31, 2011	\$	<u><u>174,735</u></u>

TOWNSHIP OF MAHWAH

Schedule of Water Overpayments

Water Utility Operating Fund

Year Ended December 31, 2011

Balance, December 31, 2010	\$	1,422
Increased by water overpayments		<u>216,058</u>
		217,480
Decreased by disbursements		<u>214,895</u>
Balance, December 31, 2011	\$	<u><u>2,585</u></u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended December 31, 2011

	Balance, Dec. 31, 2010	Balance, Dec. 31, 2011
	<u>2010</u>	<u>2011</u>
Acquisition and improvement of plant	\$ 157,623	157,623
Bond issue expenses	1,665	1,665
Professional services	62,397	62,397
Interest	12,342	12,342
General equipment	148,361	148,361
Pump house and pumps	91,372	91,372
Improvement of water supply and distribution system	6,090,444	6,090,444
Vehicle equipment	72,810	72,810
Wells	978,957	978,957
Acquisition of land	<u>856,834</u>	<u>856,834</u>
	<u>\$ 8,472,805</u>	<u>8,472,805</u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2011

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Original Amount</u>	<u>Balance, Dec. 31, 2010</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2011</u>
1165/1183	Various water improvements	\$ 6,200,000	6,200,000	—	6,200,000
1244	Acquisition-water meters	600,000	600,000	—	600,000
1326	Various improvements	136,925	—	—	—
1361/ 1394	Various improvements	2,897,000	2,897,000	—	2,897,000
1371	Acquisition-water meters	900,000	900,000	—	900,000
1388	Various improvements	400,000	400,000	—	400,000
1519/1567	Various improvements	2,270,000	2,495,000	—	2,495,000
1544	Various improvements	638,000	638,000	—	638,000
1575	Various improvements	2,875,000	2,874,928	13,922	2,861,006
1613	Various improvements	1,030,000	1,030,000	—	1,030,000
1677	Improvements to Ford Well Field	2,765,000	2,765,000	—	2,765,000
			<u>\$ 20,799,928</u>	<u>13,922</u>	<u>20,786,006</u>
			Cancellation	<u>\$ 13,922</u>	
				<u>\$ 13,922</u>	

TOWNSHIP OF MAHWAH

Schedule of Accrued Interest
on Notes

Water Utility Operating Fund
Year Ended December 31, 2011

Balance, December 31, 2010	\$	34,667
Increased by:		
Budget appropriation		<u>200,000</u>
		<u>234,667</u>
Decreased by:		
Payments		160,000
Cancellations		<u>52,284</u>
		<u>212,284</u>
Balance, December 31, 2011	\$	<u><u>22,383</u></u>

TOWNSHIP OF MAHWAH

Schedule of Amount Due from Water Utility Capital Fund

Water Utility Operating Fund
Year Ended December 31, 2011

Balance, December 31, 2010	\$ <u>26</u>
Increased by:	
Interest earned in Capital Fund	137
Deposit collected in Capital Fund	9,625
Capital Fund Balance anticipated	<u>202,000</u>
	<u>211,762</u>
	211,788
Decreased by cash received	<u>211,784</u>
Balance, December 31, 2011	\$ <u><u>4</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2011

Balance, December 31, 2010	\$ <u>16,092,805</u>
Increased by:	
Bond anticipation notes paid	<u>750,000</u>
Balance, December 31, 2011	\$ <u><u>16,842,805</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Reserve for
Amortization

Water Utility Capital Fund
Year Ended December 31, 2011

Balance, December 31, 2010	\$ <u>2,387,750</u>
Balance, December 31, 2011	\$ <u>2,387,750</u>

Analysis of Balance

Ordinance #1165/1183	\$ 1,796,000
Ordinance #1244	30,000
Ordinance #1361/ 1394	144,850
Ordinance #1371	45,000
Ordinance #1388	20,000
Ordinance #1519	113,500
Ordinance #1544	31,900
Ordinance #1567	11,250
Ordinance #1575	143,750
Ordinance #1613	<u>51,500</u>
	\$ <u>2,387,750</u>

TOWNSHIP OF MAHWAH

Schedule of Amount Due to (from) Current Fund

Water Utility Operating Fund
Year Ended December 31, 2011

Balance, December 31, 2010	\$	(34)
Decreased by cash receipt		<u>34</u>
Balance, December 31, 2011	\$	<u><u>—</u></u>

TOWNSHIP OF MAHWAH

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2011

Ordinance number	Improvement description	Balance, December 31, 2010			Authorizations Canceled	Balance, December 31, 2011	
		Amount	Unfunded	Expended		Funded	Unfunded
1165/1183	Various water improvements	—	812,935	156	—	—	812,779
1244/1371	Acquisition - water meters	—	—	(7,832)	—	—	7,832
1388	Various improvements	—	15,335	15,335	—	—	—
1361/1394	Various improvements	—	185,356	126	—	230	185,000
1519/1567	Various improvements	—	190,492	106,996	—	—	83,496
1544	Various improvements	—	255,909	197	—	—	255,712
1575	Various improvements	—	42,431	1,515	13,922	—	26,994
1613	Various improvements	—	387,642	14,918	—	—	372,724
1647	Renovation of Campgaw Water Tank	—	376,650	770	—	—	375,880
1677	Improvements to Ford Well Field	—	1,193,492	898	—	—	1,192,594
		\$ —	<u>3,460,242</u>	<u>133,079</u>	<u>13,922</u>	<u>230</u>	<u>3,313,011</u>
				Notes authorized not issued	\$ <u>13,922</u>		

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

Water Utility Capital Fund

Year Ended December 31, 2011

Balance, December 31, 2010	\$	4,050,543
Decreased by:		
Disbursements		<u>2,479,323</u>
Balance, December 31, 2011	\$	<u><u>1,571,220</u></u>

TOWNSHIP OF MAHWAH

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year Ended December 31, 2011

Balance, December 31, 2010	\$ <u>61,369</u>
Balance, December 31, 2011	\$ <u>61,369</u>

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Transfer of encum- brances</u>	<u>Balance after transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
Salaries and wages	\$ 62,673	—	62,673	1,768	60,905
Other expenses	552,564	255,249	807,813	328,162	479,651
Insurance	90,917	19,000	109,917	17,264	92,653
Statutory expenditures - contribution to: Social Security System (O.A.S.I.)	<u>13,834</u>	<u>—</u>	<u>13,834</u>	<u>—</u>	<u>13,834</u>
	<u>\$ 719,988</u>	<u>274,249</u>	<u>994,237</u>	<u>347,194</u>	<u>647,043</u>
		Accounts payable		7,192	
		Cash		<u>340,002</u>	
				<u>347,194</u>	

TOWNSHIP OF MAHWAH

Schedule of Bonds and Notes Authorized but not Issued

Water Utility Capital Fund

Year Ended December 31, 2011

Ordinance number	Description	Balance, Dec. 31, 2010	Increased by nonrenewal	Decreased by Issued	Cancelled	Balance, Dec. 31, 2011
1165/1183	Various water improvements	\$ 729,000	80,000	—	—	809,000
1244/ 1371	Acquisition - water meters	187,150	—	187,150	—	—
1361/1394	Various improvements	75,000	110,000	—	—	185,000
1519/1567	Various improvements	165,250	—	110,000	—	55,250
1544	Various improvements	156,100	99,500	—	—	255,600
1575	Various improvements	41,178	—	2,850	13,922	24,406
1613	Various improvements	293,500	67,500	—	—	361,000
1647	Renovation of Campgaw Tank	25,000	350,000	—	—	375,000
1677	Improvements to Ford Well Field	1,120,000	43,000	—	—	1,163,000
		<u>\$ 2,792,178</u>	<u>750,000</u>	<u>300,000</u>	<u>13,922</u>	<u>3,228,256</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Payment of Debt

Water Utility Capital Fund

Year Ended December 31, 2011

Balance, December 31, 2010	\$ <u>56,816</u>
Balance, December 31, 2011	\$ <u>56,816</u>

TOWNSHIP OF MAHWAH

Schedule of Accounts Payable

Water Utility Operating Fund

Year Ended December 31, 2011

Balance, December 31, 2010	\$ 41,576
Increased by:	
Transfer from appropriation reserves	<u>7,192</u>
	48,768
Decreased by:	
Disbursements	18,803
Cancellations	<u>22,773</u>
	<u>41,576</u>
Balance, December 31, 2011	<u><u>\$ 7,192</u></u>

TOWNSHIP OF MAHWAH

Schedule of Premium on Water Liens

Water Utility Operating Fund

Year Ended December 31, 2011

Balance, December 31, 2010	\$	3,800
Increased by premiums collected		<u>48,500</u>
		52,300
Decreased by premiums disbursed		<u>41,600</u>
Balance December 31, 2011	\$	<u><u>10,700</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due From Sewer Utility Operating Fund

Water Utility Operating Fund

Year Ended December 31, 2011

Balance, December 31, 2010	\$	642
Decreased by interfund returned		<u>642</u>
Balance December 31, 2011	\$	<u><u>—</u></u>

TOWNSHIP OF MAHWAH

Schedule of Cash

Sewer Utility Fund

Year ended December 31, 2011

	<u>Operating</u>	<u>Capital</u>	<u>Assessment</u>
Balance, December 31, 2010	\$ 3,074,429	907,668	736,052
Increased by receipts:			
Sewer rents	5,751,038	—	—
Miscellaneous revenues not anticipated	58,743	—	—
Due from Sewer Utility Capital Fund	288,594	—	—
Due to Water Operating Fund	6,811	—	—
Due from Sewer Assessment Fund	17,881	—	—
Due to Sewer Utility Operating Fund	—	24	17,894
Premium on sale of notes	41,933	—	—
Sewer overpayments	9,916	—	—
Assessments receivable	—	—	133,257
	<u>6,174,916</u>	<u>24</u>	<u>151,151</u>
	<u>9,249,345</u>	<u>907,692</u>	<u>887,203</u>
Decreased by disbursements:			
Budget appropriations	5,571,728	—	—
Appropriation reserves	32,543	—	—
Accrued interest on notes	75,127	—	—
Due from Sewer Utility Capital Fund	128,500	—	—
Due to Water Utility Operating Fund	7,453	—	—
Due to Sewer Utility Operating Fund	—	288,594	17,881
Improvement authorizations	—	9,013	—
Encumbrances paid	—	1,000	—
Accounts payable	2,960	—	—
Refund of overpayments	10,192	—	—
	<u>5,828,503</u>	<u>298,607</u>	<u>17,881</u>
Balance, December 31, 2011	<u>\$ 3,420,842</u>	<u>609,085</u>	<u>869,322</u>

TOWNSHIP OF MAHWAH

Schedule of Analysis of Cash

Sewer Utility Capital Fund

December 31, 2011

Reserve for encumbrances		\$	141,336
Reserve for payment of debt			44,242
Due to Sewer Utility Operating Fund			1
Capital Improvement Fund			196,947
Fund balance			311,662
Improvement authorizations:			
Ordinance			
number	Improvement description		
1507/ 1553/1566	Sanitary Sewer Phase V		(85,794)
1545	Improvements to sanitary sewer system		(336)
1648	Acquisition and installation of telemetry		1,027
		\$	<u>609,085</u>

TOWNSHIP OF MAHWAH

Schedule of Sewer Rents Receivable

Sewer Utility Operating Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	199,397
Increased by sewer rents levied		<u>5,733,668</u>
		5,933,065
Decreased by sewer rents collected		<u>5,751,038</u>
Balance, December 31, 2011	\$	<u><u>182,027</u></u>

TOWNSHIP OF MAHWAH

Schedule of Accounts Payable

Sewer Utility Operating Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	<u>3,999</u>
Decreased by:		
Cancellation		1,039
Disbursement		<u>2,960</u>
		<u>3,999</u>
Balance, December 31, 2011	\$	<u><u>—</u></u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year ended December 31, 2011

Ordinance number	Improvement description	Balance, Dec. 31, 2011	Balance, Dec. 31, 2010
1507/1553/1566	Improvements to sanitary sewer system Phase V	\$ 6,455,000	6,455,000
1545	Various improvements	<u>561,000</u>	<u>561,000</u>
		<u>\$ 7,016,000</u>	<u>7,016,000</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Assessments and Liens
Utility Assessment Trust Fund

Sewer Utility Operating Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	425,371
Decreased by collections		<u>133,257</u>
Balance, December 31, 2011	\$	<u><u>292,114</u></u>

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Sewer Utility Operating Fund

Year ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Encum- brances</u>	<u>Balance after transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
Operating:					
Salaries and wages	\$ 24,526	—	24,526	—	24,526
Other expenses	78,021	43,047	121,068	26,459	94,609
Insurance	61,264	5,800	67,064	6,084	60,980
NW Bergen County Utility Authority	42,086	—	42,086	—	42,086
Deferred charges:					
Statutory expenditures - contribution to: Social Security System	10,725	—	10,725	—	10,725
	<u>\$ 216,622</u>	<u>48,847</u>	<u>265,469</u>	<u>32,543</u>	<u>232,926</u>
			Cash	<u>32,543</u>	

TOWNSHIP OF MAHWAH

Schedule of Due to Water Operating Fund

Sewer Utility Operating Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	642
Increased by collections from tax sale		<u>6,811</u>
		7,453
Decreased by transfer		<u>7,453</u>
Balance, December 31, 2011	\$	<u><u>—</u></u>

TOWNSHIP OF MAHWAH

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year ended December 31, 2011

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, December 31, 2010</u>		<u>Expended</u>	<u>Balance, December 31, 2011</u>	
		<u>Amount</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
1507/ 1553/1566	Sanitary sewer Phase V	\$ —	1,928,219	9,013	—	1,919,206
1447	Improvements to sanitary sewer system	—	100,000	—	—	100,000
1545	Various improvements	—	267,864	—	—	267,864
1648	Acquisition and installation of telemetry	—	1,027	—	—	1,027
		<u>\$ —</u>	<u>2,297,110</u>	<u>9,013</u>	<u>—</u>	<u>2,288,097</u>

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

Sewer Utility Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	142,336
Decreased by:		
Payments		<u>1,000</u>
Balance, December 31, 2011	\$	<u><u>141,336</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Reserve
for Amortization

Sewer Utility Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>226,300</u>
Balance, December 31, 2011	\$ <u>226,300</u>

Analysis of Balance

Ordinance #1343	190,000
Ordinance #1447	8,250
Ordinance #1545	<u>28,050</u>
	\$ <u>226,300</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Amortization

Sewer Utility Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ 18,037,875
Increased by:	
Budget appropriation for payment of bond anticipation notes	<u>400,000</u>
Balance, December 31, 2011	<u><u>\$ 18,437,875</u></u>

TOWNSHIP OF MAHWAH

Schedule of Sewer Overpayments

Sewer Operating Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	4,301
Increased by cash received		<u>9,916</u>
		14,217
Decreased by refunded		<u>10,192</u>
Balance, December 31, 2011	\$	<u><u>4,025</u></u>

TOWNSHIP OF MAHWAH

Schedule of Capital Improvement Fund

Sewer Utility Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>196,947</u>
Balance, December 31, 2011	\$ <u>196,947</u>

TOWNSHIP OF MAHWAH

Schedule of Assessments Receivable

Sewer Utility Assessment Fund

Year ended December 31, 2011

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of confirmation</u>	<u>Balance, Dec. 31, 2010</u>	<u>Assess-ments collected</u>	<u>Balance, Dec. 31, 2011</u>
1343	Construction of sanitary sewer system - Phase IV	May 12, 2005	\$ <u>425,371</u>	<u>133,257</u>	<u>292,114</u>
			\$ <u>425,371</u>	<u>133,257</u>	<u>292,114</u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes Payable

Sewer Utility Capital Fund

Year ended December 31, 2011

<u>Ordinance number</u>	<u>Purpose</u>	<u>Original date of issue</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2010</u>	<u>Increased</u>	<u>Paid</u>	<u>Balance, Dec. 31, 2011</u>
1343/1390	Improvements to sanitary sewer system	Jun. 19, 2002	Jun. 9, 2011	Jun. 8, 2012	1.50%	\$ 333,500	158,500	333,500	158,500
1447	Various sewer improvements	Jun. 14, 2007	Jun. 9, 2011	Jun. 8, 2012	1.50%	125,000	6,750	125,000	6,750
1507/1553/1566	Sanitary sewer - Phase V	Jun. 14, 2007	Jun. 9, 2011	Jun. 8, 2012	1.50%	4,300,000	4,150,000	4,300,000	4,150,000
1545	Various sewer improvements	Jun. 14, 2007	Jun. 9, 2011	Jun. 8, 2012	1.50%	250,000	164,750	250,000	164,750
						<u>\$ 5,008,500</u>	<u>4,480,000</u>	<u>5,008,500</u>	<u>4,480,000</u>
					Renewed		\$ 4,480,000	4,480,000	
					Notes not renewed		—	128,500	
					Paid by budget appropriation		—	400,000	
							<u>\$ 4,480,000</u>	<u>5,008,500</u>	

TOWNSHIP OF MAHWAH

Schedule of Reserve for Payment of Debt

Sewer Utility Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>44,242</u>
Balance, December 31, 2011	\$ <u>44,242</u>

TOWNSHIP OF MAHWAH

Schedule of Amount Due from (to) Sewer
Utility Capital Fund

Sewer Utility Operating Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>4</u>
Increased by	
Non renewal of notes paid by Operating Fund	128,500
Anticipated Capital Fund Balance	202,000
Interest earned	<u>24</u>
	<u>330,524</u>
	330,528
Decreased by:	
Interfund returned	288,594
Premium on note sale	<u>41,933</u>
	<u>330,527</u>
Balance, December 31, 2011	\$ <u><u>1</u></u>

TOWNSHIP OF MAHWAH

Schedule of Accrued Interest on Notes

Sewer Utility Operating Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ 42,572
Increased by:	
Budget appropriation	<u>150,000</u>
	192,572
Decreased by:	
Cancellation	79,178
Cash disbursed	<u>75,127</u>
	<u>154,305</u>
Balance, December 31, 2011	<u><u>\$ 38,267</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Arbitrage Payable

Sewer Utility Operating Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$ <u>45,000</u>
Balance, December 31, 2011	\$ <u>45,000</u>

TOWNSHIP OF MAHWAH

Schedule of Bonds and Notes Authorized
but not Issued

Sewer Utility Capital Fund

Year ended December 31, 2011

<u>Ordinance number</u>	<u>Improvement</u>	<u>Balance, Dec. 31, 2010</u>	<u>Reauthorized</u>	<u>Notes Issued</u>	<u>Balance, Dec. 31, 2011</u>
1447	Various improvements	\$ 6,750	93,250	—	100,000
1545	Various improvements	107,950	35,250	125,000	268,200
1507/1553/1566	Sanitary sewer Stage V	2,005,000	—	—	2,005,000
1648	Acquisition and installation of telemetry	125,000	—	(125,000)	—
		<u>\$ 2,244,700</u>	<u>128,500</u>	<u>—</u>	<u>2,373,200</u>

TOWNSHIP OF MAHWAH

Schedule of Due from Sewer
Utility Assessment Trust Fund

Sewer Utility Operating Fund

Year ended December 31, 2011

Balance, December 31, 2010	\$	569
Increased by interest collected in assessment fund		<u>17,894</u>
		18,463
Decreased by interest transfer		<u>17,881</u>
Balance, December 31, 2011	\$	<u><u>582</u></u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital

Sewer Utility Capital Fund

Year ended December 31, 2011

<u>Account</u>	<u>Balance, Dec. 31, 2010</u>	<u>Balance, Dec. 31, 2011</u>
Sanitary sewer system	\$ 17,858,408	17,858,408
Sewer cleaning machine	90,000	90,000
Sewer jet truck	196,692	196,692
Sanitary sewer - Darlington Project	241,275	241,275
Generators	65,000	65,000
Sewer mains	<u>50,000</u>	<u>50,000</u>
	<u>\$ 18,501,375</u>	<u>18,501,375</u>

TOWNSHIP OF MAHWAH

Schedule of Changes in General Fixed Assets

General Fixed Assets Account Group

Year Ended December 31, 2011

Category	Balance Dec. 31, 2010	Additions	Deletions	Balance Dec. 31, 2011
Land	\$ 19,832,750	496,009	—	20,328,759
Buildings	20,580,763	—	—	20,580,763
Vehicular equipment	13,832,018	875,150	254,975	14,452,193
General equipment and machinery	5,439,225	15,082	—	5,454,307
	<u>\$ 59,684,756</u>	<u>1,386,241</u>	<u>254,975</u>	<u>60,816,022</u>

SUPPLEMENTARY DATA

TOWNSHIP OF MAHWAH

Supplementary Data

December 31, 2011

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax rate	\$ 1.580	2.124	2.063
Apportionment of tax rate:			
Municipal	0.381	0.493	0.471
Municipal Open Space	0.010	0.010	0.010
County	0.228	0.323	0.330
Local school	0.961	1.298	1.252
Assessed valuation:			
2011		\$ 5,735,375,297	
2010		4,148,146,994	
2009		4,146,537,102	

Comparison of Tax Levies and Collections Currently

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2011	\$ 90,694,305	89,985,674	99.22 %
2010	88,664,398	87,687,234	98.90
2009	85,757,635	84,997,722	99.11
2008	81,868,720	81,215,922	99.20
2007	78,380,298	77,860,917	99.33

Delinquent Taxes and Tax Title Liens

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

<u>Dec.31</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2011	\$ 268,351	480,272	748,623	0.83 %
2010	234,912	459,245	694,157	0.78
2009	190,824	408,645	599,469	0.70
2008	165,014	458,047	623,061	0.76
2007	150,053	382,461	532,514	0.68

(Continued)

TOWNSHIP OF MAHWAH

Supplementary Data

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2011	\$ 1,353,400
2010	1,353,400
2009	1,353,400
2008	1,353,400
2007	1,353,400

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash collections</u>	<u>Percent collected</u>
2011	\$ 4,550,161	4,643,021	102%
2010	4,463,753	4,404,570	99%
2009	3,266,870	3,187,055	98%
2008	2,729,068	2,864,644	105%
2007	2,845,400	2,705,465	95%

Comparison of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash collections</u>	<u>Percent collected</u>
2011	\$ 5,733,668	5,751,038	100%
2010	5,437,955	5,487,694	101%
2009	4,840,314	4,749,157	98%
2008	4,631,048	4,695,419	101%
2007	4,698,102	4,667,283	99%

(Continued)

TOWNSHIP OF MAHWAH

Supplementary Data

Comparative Schedule of Fund Balances

Fund	Year	Balance, Dec.31	Utilized in budget of succeeding year	Percent utilized
Current	2011	\$ 5,940,228	3,250,000	55%
	2010	6,256,820	3,825,000	61%
	2009	6,983,611	4,625,000	66%
	2008	7,287,814	4,750,000	65%
	2007	7,578,924	4,750,000	63%
Water Utility Operating	2011	\$ 3,962,335	2,116,220	53%
	2010	3,496,602	1,993,883	57%
	2009	2,323,412	1,790,733	77%
	2008	2,882,778	2,238,883	78%
	2007	3,666,176	1,949,296	53%
Sewer Utility Operating	2011	\$ 3,106,291	1,663,710	54%
	2010	2,713,019	1,597,570	59%
	2009	2,544,392	1,620,455	64%
	2008	2,871,287	1,401,450	49%
	2007	2,927,860	1,294,450	44%

(Continued)

TOWNSHIP OF MAHWAH

Supplementary Data

Officials in Office and Surety Bonds

The following officials were in office on December 31, 2011

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
William C. Laforet	Mayor	
John F. Roth	Council President	
Harry Williams	Council Vice President	
Samuel A. Alderisio	Councilmember	
H. Lisa DiGiulio	Councilmember	
John A. Spiech	Councilmember	
Roy B. Larson	Councilmember	
Charles J. Jandris	Councilmember	
Brain T. Campion	Business Administrator	
Kathrine G. Coletta	Township Clerk	
Kenneth Sesholtz	Chief Financial Officer	\$ 250,000
Monica Ullrich	Assistant to the Chief Financial Officer	100,000
Elizabeth M. Villano	Tax and Collector and Tax Search Officer	500,000
Maryann Malone	Water and Sewer Collector	100,000
Anthony J. Gianni	Municipal Court Judge	65,000
Lorraine Cuomo	Court Administrator	65,000
Michelle O'Donohue	Deputy Court Administrator	65,000
Stuart A. Stolarz	Tax Assessor	
Gary L. Montroy	Construction Official	
Kevin Boswell	Township Engineer	
John A. Conte	Township Attorney	

TOWNSHIP OF MAHWAH

General Comments and Recommendations

Year ended December 31, 2011

TOWNSHIP OF MAHWAH

General Comments

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:-11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements that exceeded the bid threshold, that may have been negotiated and awarded without public advertising for bids and bidding per N.J.S.A. 40A:11-5.

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

"WHEREAS, the penalty for nonpayment of taxes becoming delinquent on and after July 1, 2010, shall be at the rate of eight per centum (8%) per year for the first \$1,500 of delinquency and eighteen per centum (18%) per year on amounts over \$1,500; and WHEREAS, Section 54:4-67 of the Revised Statutes has been amended to allow the Tax Collector to collect no interest if payment of any installment is made within ten (10) days after the date upon which the same became payable, provided it meets with the approval of the Mayor and Council; BE IT RESOLVED, that the Tax Collector is granted permission to withhold interest charges for a period of ten (10) days after the date upon which the installment became payable, provided it is received within the period."

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

(Continued)

TOWNSHIP OF MAHWAH

General Comments

Delinquent Taxes and Tax Title Liens

The last tax sale was held on April 20, 2011 and was complete.

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

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

<u>Year</u>	<u>Number of liens</u>
2011	11
2010	10
2009	8
2008	7

Status of Prior Year Comments

The prior year comment was corrected.

Other Comments

Dog license fees were collected for replacement dog licenses and a portion was inadvertently remitted to the State.

There was one instance of fees collected for a dog license that was not remitted to the Tax Department for deposit.

Recommendations

Money collected for replacement dog licenses should be retained as municipal revenue.

Fees collected should be reconciled to the deposit prior to remittance to the Tax Collector.