

**TOWNSHIP OF MAHWAH**

Financial Statements  
with Additional Financial Information

December 31, 2008

(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 individual funds of the Township of Mahwah, New Jersey (the "Township") as of December 31, 2008 and 2007, the related statements of operations and changes in fund balances for the years then ended, and the related statements of revenues, expenditures and fund balance for the year ended December 31, 2008 as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Township. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices prescribed or permitted by the Division which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the Division's accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter described 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 for the years then ended.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the individual funds of the Township at December 31, 2008 and 2007, and the results of operations and changes in fund balance of such funds for the years then ended, and the revenues, expenditures and fund balance for the year ended December 31, 2008, on the basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Township taken as a whole. The additional 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. The additional information listed in the table of contents are also the responsibility of the management of the Township. Such information and schedules have been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2009 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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. Accordingly, we express no opinion on such information.

*Louis C. Mai CPA & Associates*  
*Louis C. Mai*

Louis C. Mai, Registered Municipal Accountant  
No. CR00217

August 28, 2009



**LOUIS C. MAI CPA & ASSOCIATES**

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

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

We have audited the financial statements of the Township of Mahwah, New Jersey, as of and for the year ended December 31, 2008, and have issued our report thereon dated August 28, 2009, 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; the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles described in Note 1 such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We noted no matters involving internal control over financial reporting, which would be reported to management of the Township of Mahwah in the accompanying General Comments and Recommendations section of this report.

## 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*.

This report is intended solely for the information and use of the governing body, management, the Division, federal and state awarding agencies 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 28, 2009

## FINANCIAL STATEMENTS

## TOWNSHIP OF MAHWAH

Balance Sheet

Current Fund

December 31, 2008 and 2007

<b>Assets</b>	<b>Ref.</b>	<b>2008</b>	<b>2007</b>
Regular Fund:			
Cash - checking	A-4	\$ 10,557,913	10,997,562
Change Fund - cash		750	750
Due from State of New Jersey - Senior Citizens' and Veterans' deductions	A-6	<u>5,767</u>	<u>3,757</u>
		<u>10,564,430</u>	<u>11,002,069</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-7	458,047	382,461
Tax title liens	A-8	165,014	150,053
Foreclosed property	A-25	1,353,400	1,353,400
Revenue accounts receivable	A-9	51,003	52,220
Due from:			
Other Trust Funds	A-21	1,229	4,006
Water Utility Operating Fund	A-21	69	300
General Capital Fund	A-21	795	6,344
Due from checking	A-4	—	474
Dog License Fund	A-21	3,491	5,625
Due from Payroll	A-4	145	—
Federal and State Grants Fund	A-21	<u>655,984</u>	<u>164,972</u>
		<u>2,689,177</u>	<u>2,119,855</u>
Deferred charges:			
Special emergency authorizations (40A-4:53)	A-3	480,000	600,000
Emergency authorizations (40A:4-47)	A-3	<u>70,000</u>	<u>58,500</u>
		<u>13,803,607</u>	<u>13,780,424</u>
Federal and State Grant Fund:			
Grants receivable	A-22	<u>950,244</u>	<u>1,001,924</u>
		<u>950,244</u>	<u>1,001,924</u>
		<u>\$ 14,753,851</u>	<u>14,782,348</u>

(Continued)

## TOWNSHIP OF MAHWAH

Balance Sheet

Current Fund

December 31, 2008 and 2007

<b>Liabilities, Reserves and Fund Balance</b>	<b>Ref.</b>	<b>2008</b>	<b>2007</b>
Regular Fund:			
Liabilities:			
Appropriation reserves	A-3,A-10	\$ 1,176,728	1,393,940
Encumbrances payable	A-15	1,282,647	941,174
Tax overpayments	A-16	18,970	—
Prepaid taxes	A-17	436,383	493,756
Prepaid health licenses	A-18	10,835	590
Due to:			
County for added taxes	A-14	45,770	55,117
Due to General Checking	A-3	1,252	—
Reserve for arbitrage rebate payable	A-26	30,000	30,000
Reserve for revaluation	A-29	374,900	600,000
Various reserves	A-20	278,424	401,954
Reserve for tax appeals	A-19	122,501	113,840
Unappropriated reserves	A-11	48,206	51,274
		3,826,616	4,081,645
Reserve for receivables and other assets		2,689,177	2,119,855
Fund balance	A-1	7,287,814	7,578,924
		13,803,607	13,780,424
Federal and State Grant Fund:			
Due to Regular Fund	A-21	655,984	164,972
Appropriated reserves	A-23	194,708	714,420
Accounts payable	A-27	2,682	60,943
Encumbrances payable	A-27	40,864	61,589
Due to General Capital Fund		42,301	—
Unappropriated reserves	A-24	13,705	—
		950,244	1,001,924
		\$ 14,753,851	14,782,348

See accompanying notes to financial statements.

## TOWNSHIP OF MAHWAH

## Statement of Operations and Changes in Fund Balance

## Current Fund

Years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenue and other income realized:		
Fund balance utilized	\$ 4,750,000	5,600,000
Miscellaneous revenue anticipated	11,299,700	11,078,319
Receipts from delinquent taxes	380,285	296,095
Receipts from current taxes	81,215,922	77,860,917
Non-budget revenues	900,181	856,430
Other credits to income:		
Budget appropriations canceled	48	10
Unexpended balance of appropriation reserves	956,074	672,244
Interfunds returned	—	79,223
Voided checks	1,516	352
Reserves cancelled	11	4,333
Accounts payable canceled	21,231	16,559
Total income	<u>99,524,968</u>	<u>96,464,482</u>
Expenditures:		
Budget and emergency appropriations:		
Appropriations within "CAPS":		
Operations:		
Salaries and wages	12,021,160	11,554,990
Other expenses	10,811,757	11,319,525
Deferred charges and statutory expenditures	504,507	500,043
Appropriations excluded from "CAPS":		
Operations:		
Other expenses	4,576,524	5,061,677
Capital improvements	210,000	140,000
Municipal debt service	3,361,805	3,224,025
Deferred charges	178,500	—
County taxes	12,522,532	11,657,979
Amount due County for added and omitted taxes	45,770	55,117
Local district school taxes	50,006,272	48,521,801
Municipal open space tax	414,316	412,534
Interfunds advanced	476,501	—
Prior year senior citizens deductions cancelled	2,800	4,568
Refund of prior year revenue	3,634	2,196
Total expenditures	<u>95,136,078</u>	<u>92,454,455</u>
Excess in revenue	4,388,890	4,010,027
Adjustments to income before surplus:		
Expenditures included above which are by statute deferred charges to budget of succeeding year - emergency appropriations	<u>70,000</u>	<u>658,500</u>
Statutory excess to fund balance	4,458,890	4,668,527
Fund balance, January 1	<u>7,578,924</u>	<u>8,510,397</u>
	12,037,814	13,178,924
Decreased by utilized as anticipated revenue	<u>4,750,000</u>	<u>5,600,000</u>
Fund balance, December 31	<u>\$ 7,287,814</u>	<u>7,578,924</u>

See accompanying notes to financial statements.

## TOWNSHIP OF MAHWAH

## Statement of Revenues

## Current Fund

Year ended December 31, 2008

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 4,750,000	4,750,000	—
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	29,500	29,103	(397)
Other	50,000	47,745	(2,255)
Fees and permits	51,000	53,579	2,579
Fines and costs - municipal court	655,000	698,801	43,801
Interest and costs on taxes	82,000	106,353	24,353
Interest on investments and deposits	720,000	325,359	(394,641)
Rental of Township owned property	159,000	209,784	50,784
Fire Safety Act fees	125,000	134,604	9,604
Energy Receipts Tax (P.L. 1999, Ch 162 & 167)	5,771,269	5,771,269	—
Garden State Trust Fund	6,433	6,433	—
Uniform construction code official	693,000	1,567,785	874,785
Recycling Tonnage Grant	18,911	18,911	—
Drunk Driving Enforcement Fund	20,119	20,119	—
Clean Communities Programs	30,530	30,530	—
Alcohol Education and Rehabilitation Act	6,586	6,586	—
Municipal Alliance on Alcoholism and Drug Abuse	13,500	13,500	—
NJ Dept. of LPS - Div. of Criminal Justice Body Armor Fund	5,940	5,940	—
State of New Jersey - Department of Transportation:			
Corporate Drive	150,000	150,000	—
United States Department of Transportation ( NJ Division of Highway Safety) Pass through - Over the Limit Under Arrest	5,000	5,000	—
Obey the Signs or Pay the Fines	4,000	4,000	—
Stryker Orthopaedics Donation - Fire Dept.	9,000	9,000	—
County of Bergen:			
Open Space Trust Fund	45,450	45,450	—
Office of County Prosecutor - Mahwah Municipal Escrow - Police Dept.	191,608	191,608	—
Swim and Tennis Club fees	174,000	170,524	(3,476)
Reserve for Township Calendar	11,250	11,250	—
Reserve for Open Space Fund	365,000	365,000	—
Reserve for Payment of Debt	400,000	400,000	—
Library Contribution	200,000	200,000	—
Municipal Hotel/Motel Occupancy Tax	675,000	701,467	26,467
	<u>10,668,096</u>	<u>11,299,700</u>	<u>631,604</u>
Receipts from delinquent taxes	\$ 275,000	380,285	105,285
Amount to be raised by taxes for support of municipal budget - local tax for municipal purposes	<u>18,592,007</u>	<u>20,917,882</u>	<u>2,325,875</u>
Budget totals	\$ <u>34,285,103</u>	37,347,867	<u>3,062,764</u>
Non-budget revenues		<u>900,181</u>	
		<u>\$ 38,248,048</u>	

(continued)

## TOWNSHIP OF MAHWAH

## Statement of Revenues

## Current Fund

Year ended December 31, 2008

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Allocation of current tax collections:			
Revenue from collections		\$ 81,215,922	
Allocated to:			
School, County and Open Space taxes		<u>62,988,890</u>	
Balance for support of municipal budget		18,227,032	
Add appropriation reserve for uncollected taxes		<u>2,690,850</u>	
Amount for support of municipal budget		<u>\$ 20,917,882</u>	
Receipts from delinquent taxes:			
Delinquent tax collections		\$ 380,102	
Tax title liens		<u>183</u>	
		<u>\$ 380,285</u>	
Miscellaneous revenue not anticipated:			
Payment in lieu of taxes		\$ 19,035	
Reimbursements		569,029	
Van Driver (Federal - Title III)		27,142	
County Reimbursement - Van (State Department of Health and Sr. Services)		10,000	
US DOT (passthrough NJ DOT)			
Cops in Shops		4,000	
Over the Limit		4,275	
NJ Office of Emergency Management (FEMA)		5,883	
NJ Department of Health - Hepatitis B		4,158	
Cable TV franchise fee		92,959	
Soil Fees		24,937	
Sale of assets		6,450	
Housing fees		15,760	
Recycling fees		78,150	
Copy duplication fees		5,341	
911 services		19,447	
Cat Licenses		1,972	
Senior Center		3,803	
Administrative fee Senior and Veterans deductions		4,531	
Forfeited Bail		88	
Miscellaneous		<u>3,221</u>	
		<u>\$ 900,181</u>	

See accompanying notes to financial statements.



## TOWNSHIP OF MAHWAH

## Statement of Expenditures

## Current Fund

Year ended December 31, 2008

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
General appropriations:							
Operations within "CAPS":							
Legislation:							
Township Council:							
Salaries and wages	\$ 50,000	—	—	50,000	43,000	7,000	—
Other expenses	8,380	—	—	8,380	4,073	4,307	—
Office of the Township Clerk:							
Salaries and wages	151,200	—	105	151,305	151,123	182	—
Other expenses	37,062	—	(105)	36,957	21,813	15,144	—
Election:							
Salaries and wages	6,500	—	—	6,500	4,563	1,937	—
Other expenses	93,500	—	(20,000)	73,500	61,360	12,140	—
Animal Control:							
Other expenses	40,000	—	—	40,000	35,842	4,158	—
Administration:							
Office of the Mayor:							
Salaries and wages	15,000	—	—	15,000	15,000	—	—
Other expenses	6,000	—	—	6,000	4,016	1,984	—
Office of the Business Administrator:							
Salaries and wages	390,000	—	—	390,000	382,302	7,698	—
Other expenses	33,425	—	—	33,425	24,802	8,623	—
Insurance:							
Comprehensive business liability insurance:							
Other expenses	384,500	—	—	384,500	378,943	5,557	—
Employee medical insurance:							
Other expenses	3,650,471	—	—	3,650,471	3,595,431	55,040	—
Workers Compensation Insurance:							
Other expenses	397,500	—	—	397,500	389,472	8,028	—
Employee optical plan:							
Other expenses	25,000	—	—	25,000	25,000	—	—
Employee physicals:							
Other expenses	55,000	—	—	55,000	51,510	3,490	—
Employee life insurance:							
Other expenses	40,000	—	—	40,000	36,983	3,017	—
Insurance miscellaneous:							
Other expenses	60,000	—	—	60,000	49,253	10,747	—
Unemployment Compensation Insurance							
Other expenses	10,000	—	—	10,000	10,000	—	—
Health and Safety Programs							
Other expenses	11,000	—	—	11,000	8,025	2,975	—
Division of Law:							
Other expenses	245,000	—	35,000	280,000	252,126	27,874	—

(Continued)

## TOWNSHIP OF MAHWAH

## Statement of Expenditures

## Current Fund

Year ended December 31, 2008

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Division of Engineering:							
Other expenses	\$ 75,000	—	—	75,000	70,950	4,050	—
Municipal Land Use Law (N.J.S.A. 40:55):							
Division of Planning and Zoning:							
Salaries and wages	266,900	—	(8,500)	258,400	244,886	13,514	—
Other expenses	82,015	—	—	82,015	75,949	6,066	—
Division of Finance:							
Bureau of Treasury:							
Salaries and wages	220,300	—	—	220,300	211,857	8,443	—
Other expenses	4,850	—	—	4,850	4,242	608	—
Bureau of Collections:							
Salaries and wages	171,200	—	—	171,200	170,125	1,075	—
Other expenses	12,310	—	—	12,310	8,696	3,614	—
Bureau of Assessment:							
Salaries and wages	129,800	—	105	129,905	129,900	5	—
Other expenses	15,050	—	(105)	14,945	14,452	493	—
Auditor:							
Other expenses	33,000	—	—	33,000	30,350	2,650	—
Department of Public Works:							
DPW administration:							
Salaries and wages	85,300	—	—	85,300	85,236	64	—
Other expenses	3,200	—	—	3,200	428	2,772	—
DPW streets and roads:							
Salaries and wages	507,600	—	—	507,600	505,970	1,630	—
Other expenses	103,325	—	20,000	123,325	114,910	8,415	—
DPW buildings and grounds:							
Salaries and wages	340,100	—	(1,000)	339,100	327,161	11,939	—
Other expenses	160,790	—	—	160,790	155,964	4,826	—
DPW emergency services:							
Other expenses	69,370	—	—	69,370	66,288	3,082	—
DPW parks and playgrounds:							
Salaries and wages	146,400	—	—	146,400	146,168	232	—
Other expenses	62,940	—	—	62,940	57,763	5,177	—
DPW recycling:							
Salaries and wages	429,300	—	(5,000)	424,300	413,871	10,429	—
Other expenses	23,700	—	—	23,700	19,715	3,985	—
DPW motor pool:							
Salaries and wages	64,100	—	—	64,100	63,563	537	—
Other expenses	232,800	—	35,000	267,800	244,143	23,657	—

(Continued)

## TOWNSHIP OF MAHWAH

## Statement of Expenditures

## Current Fund

Year ended December 31, 2008

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
DPW snow removal:							
Salaries and wages	\$ 175,000	—	(30,000)	145,000	109,954	35,046	—
Other expenses	169,400	—	—	169,400	166,590	2,810	—
DPW overtime:							
Salaries and wages	136,900	—	5,000	141,900	139,322	2,578	—
Sanitation:							
Collection service:							
Other expenses	995,000	—	—	995,000	994,058	942	—
Disposal:							
Other expenses	950,000	—	(20,000)	930,000	873,879	56,121	—
Disposal/Recyclables:							
Other expenses	16,000	—	1,000	17,000	13,756	3,244	—
Board of Health:							
Board of Health administration:							
Salaries and wages	225,200	—	11,000	236,200	234,726	1,474	—
Other expenses	36,480	—	(5,000)	31,480	25,627	5,853	—
Health Officer services (Paramus):							
Other expenses	31,485	—	—	31,485	31,485	—	—
Drug Center agreement:							
Other expenses	23,214	—	—	23,214	23,214	—	—
Visiting Nurse service:							
Other expenses	33,362	—	—	33,362	33,362	—	—
West Bergen Mental Health Agreement:							
Other expenses	8,085	—	(6,000)	2,085	2,000	85	—
Department of Police:							
Police administration:							
Salaries and wages	516,100	—	—	516,100	516,051	49	—
Other expenses	203,435	—	—	203,435	178,757	24,678	—
Police records:							
Salaries and wages	202,600	—	9,500	212,100	210,624	1,476	—
Police patrol:							
Salaries and wages	5,127,600	—	62,500	5,190,100	5,184,156	5,944	—
Police dispatchers:							
Salaries and wages	283,800	—	1,000	284,800	280,647	4,153	—

(Continued)

## TOWNSHIP OF MAHWAH

## Statement of Expenditures

## Current Fund

Year ended December 31, 2008

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Police detectives:							
Salaries and wages	\$ 524,000	—	—	524,000	515,151	8,849	—
Police juvenile:							
Salaries and wages	134,550	—	—	134,550	132,465	2,085	—
Police crossing guards:							
Salaries and wages	55,000	—	(10,000)	45,000	41,705	3,295	—
Police purchase of police cars:							
Other expenses	117,614	—	—	117,614	112,543	5,071	—
Police supplemental programs: Municipal Alliance/ DARE							
Other expenses	10,000	—	—	10,000	10,000	—	—
Emergency Management:							
Bureau of Emergency Management:							
Salaries and wages	18,000	—	—	18,000	17,990	10	—
Other expenses	76,370	—	(12,500)	63,870	58,491	5,379	—
Fire Department:							
Salaries and wages	78,100	—	—	78,100	77,389	711	—
Other expenses	139,400	—	(10,000)	129,400	111,455	17,945	—
Bureau of Fire Prevention:							
Salaries and wages	123,400	—	(10,750)	112,650	106,504	6,146	—
Other expenses	21,000	—	—	21,000	19,780	1,220	—
Ambulance Company #1:							
Salaries and wages	9,000	—	—	9,000	9,000	—	—
Other expenses	42,500	—	—	42,500	42,500	—	—
Ambulance Company #4:							
Salaries and wages	7,000	—	—	7,000	—	7,000	—
Other expenses	42,500	—	—	42,500	42,500	—	—
Aid to Volunteer Fire Companies:							
Other expenses	9,000	—	—	9,000	9,000	—	—
Division of Human Services:							
Salaries and wages	102,300	—	—	102,300	100,688	1,612	—
Other expenses	2,425	—	—	2,425	759	1,666	—
Senior Citizens activities:							
Salaries and wages	86,300	—	—	86,300	86,248	52	—
Other expenses	76,070	—	—	76,070	68,651	7,419	—
Access Transportation:							
Salaries and wages	133,100	—	—	133,100	124,513	8,587	—
Other expenses	19,200	—	(15,000)	4,200	388	3,812	—

(Continued)

## TOWNSHIP OF MAHWAH

## Statement of Expenditures

## Current Fund

Year ended December 31, 2008

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Boards, Commissions and Committees:							
Environmental Commission:							
Salaries and wages	\$ 3,500	—	—	3,500	3,500	—	—
Other expenses	4,650	—	—	4,650	441	4,209	—
Housing Commission:							
Salaries and wages	4,500	—	—	4,500	3,500	1,000	—
Other expenses	1,200	—	—	1,200	43	1,157	—
Historic Preservation Commission:							
Salaries and wages	3,500	—	—	3,500	3,500	—	—
Other expenses	7,000	—	—	7,000	6,061	939	—
Recreation:							
Salaries and wages	81,500	—	(15,000)	66,500	62,423	4,077	—
Other expenses	117,974	—	(10,000)	107,974	99,314	8,660	—
Municipal Pool:							
Salaries and wages	120,000	—	—	120,000	112,662	7,338	—
Other expenses	77,975	—	(5,000)	72,975	57,035	15,940	—
Municipal Prosecutor							
Salaries and wages	25,000	—	—	25,000	25,000	—	—
Other expenses	25,000	—	—	25,000	21,600	3,400	—
Municipal Court:							
Salaries and wages	300,700	—	(17,000)	283,700	261,806	21,894	—
Other expenses	29,500	—	—	29,500	15,061	14,439	—
Public Defender:							
Other expenses	28,500	—	—	28,500	21,089	7,411	—
Computer Equipment/Consultant	32,000	—	—	32,000	27,421	4,579	—
Municipal Services Act	175,000	—	—	175,000	123,587	51,413	—
Community Cable Television:							
Other expenses	3,025	—	—	3,025	1,487	1,538	—
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):							
Uniform Construction Code official:							
Salaries and wages	256,300	—	—	256,300	254,078	2,222	—
Other expenses	16,900	—	—	16,900	12,316	4,584	—
Building Sub-code official:							
Salaries and wages	84,000	—	—	84,000	83,617	383	—
Plumbing Sub-code official:							
Salaries and wages	79,300	—	150	79,450	79,412	38	—
Electrical Sub-code official:							
Salaries and wages	85,100	—	(150)	84,950	82,734	2,216	—

(Continued)

## TOWNSHIP OF MAHWAH

## Statement of Expenditures

## Current Fund

Year ended December 31, 2008

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Fire Sub-code official:							
Salaries and wages	\$ 73,400	—	750	74,150	72,888	1,262	—
Unclassified:							
Central accounts:							
Gasoline	162,000	25,000	—	187,000	173,599	13,401	—
Fuel oil - Diesel	111,000	45,000	—	156,000	138,486	17,514	—
Electricity	285,000	—	25,000	310,000	283,752	26,248	—
Street lighting	180,000	—	15,000	195,000	175,133	19,867	—
Telephone	117,300	—	—	117,300	98,878	18,422	—
Natural gas	135,000	—	—	135,000	100,856	34,144	—
Heating oil	20,500	—	—	20,500	15,680	4,820	—
Photocopying	45,000	—	—	45,000	34,518	10,482	—
Printing and binding	49,365	—	—	49,365	39,289	10,076	—
Postage	60,000	—	—	60,000	56,648	3,352	—
Office supplies	25,850	—	—	25,850	20,447	5,403	—
Salary Adjustment Account	5,000	—	(5,000)	—	—	—	—
Tuition Reimbursement Account	2,000	—	—	2,000	—	2,000	—
Total operations within "CAPS"	22,742,917	70,000	15,000	22,827,917	21,981,013	846,904	—
Contingent	5,000	—	—	5,000	—	5,000	—
Total operations including contingent-within "CAPS"	22,747,917	70,000	15,000	22,832,917	21,981,013	851,904	—
Detail:							
Salaries and wages	12,033,450	—	(12,290)	12,021,160	11,826,978	194,182	—
Other expenses (including contingent)	10,714,467	70,000	27,290	10,811,757	10,154,035	657,722	—
	22,747,917	70,000	15,000	22,832,917	21,981,013	851,904	—
Deferred charges and statutory expenditures - municipal within "CAPS":							
Deferred Charges:							
Prior year bills	4,507	—	—	4,507	4,466	—	41
Statutory expenditures - contributions to:							
Defined Contribution Retirement Program (DCRP)	2,000	—	—	2,000	—	2,000	—
Social Security System (O.A.S.I.)	513,000	—	(15,000)	498,000	485,381	12,619	—
Total deferred charges and statutory expenditures - municipal within "CAPS"	519,507	—	(15,000)	504,507	489,847	14,619	41

(Continued)

## TOWNSHIP OF MAHWAH

## Statement of Expenditures

## Current Fund

Year ended December 31, 2008

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Total general appropriations for municipal purposes within "CAPS"	\$ 23,267,424	70,000	—	23,337,424	22,470,860	866,523	41
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	2,240,986	—	—	2,240,986	2,240,986	—	—
Reserve for Pending Tax Appeals	100,000	—	—	100,000	100,000	—	—
Length of Service Award Program (L.O.S.A.P.)	230,000	—	—	230,000	—	230,000	—
Police and Firemen's Retirement System of N.J.	1,234,122	—	—	1,234,122	1,234,122	—	—
Public Employees Retirement System	390,397	—	—	390,397	310,192	80,205	—
Recycling Tax	27,000	—	—	27,000	27,000	—	—
Public and private programs offset by revenues:							
Bergen County Prosecutor's Office							
Escrow Account - Police Department	191,608	—	—	191,608	191,608	—	—
Alcohol Education Rehabilitation Fund (Ch. 159)	6,586	—	—	6,586	6,586	—	—
Drunk Driving Enforcement Act	20,119	—	—	20,119	20,119	—	—
NJ Clean Communities Grant (Ch 159)	30,530	—	—	30,530	30,530	—	—
NJ Dept. L&PS:							
Body Armor Fund	5,940	—	—	5,940	5,940	—	—
United States Department of Transportation ( NJ Division of Highway Safety) Pass Through - Over the Limit (CH. 159)	5,000	—	—	5,000	5,000	—	—
Obey the Signs (CH. 159)	4,000	—	—	4,000	4,000	—	—
NJ Recycling Tonnage Grant (CH. 159)	18,911	—	—	18,911	18,911	—	—
Stryker Orthopaedics Donation - Fire Dept. (CH. 159)	9,000	—	—	9,000	9,000	—	—
Municipal Alliance on Alcoholism and Drug Abuse	13,500	—	—	13,500	13,500	—	—
Municipal Alliance on Alcoholism and Drug Abuse - Match	3,375	—	—	3,375	3,375	—	—
NJ Dept. of Community Affairs - Domestic Violence Training	—	—	—	—	—	—	—
Bergen County Open Space Trust Fund (CH 159)	45,450	—	—	45,450	45,450	—	—
Total operations-excluded from "CAPS"	4,576,524	—	—	4,576,524	4,266,319	310,205	—
Detail:							
Salaries and wages	—	—	—	—	—	—	—
Other expenses	4,576,524	—	—	4,576,524	4,266,319	310,205	—
	4,576,524	—	—	4,576,524	4,266,319	310,205	—

(Continued)

## TOWNSHIP OF MAHWAH

## Statement of Expenditures

## Current Fund

Year ended December 31, 2008

	Appropriations			Expended			
	Budget	Emergency appropriations	Transfers	Budget after modification	Paid or charged	Reserved	Canceled
Capital improvements excluded from "CAPS":							
Capital Improvement Fund	60,000	—	—	60,000	60,000	—	—
NJ Department of Transportation:							
Corporate Drive	150,000	—	—	150,000	150,000	—	—
Total capital improvements excluded from "CAPS"	210,000	—	—	210,000	210,000	—	—
Municipal debt service excluded from "CAPS":							
Payment of bond principal	\$ 1,550,000	—	—	1,550,000	1,550,000	—	—
Payment of bond anticipation notes	300,000	—	—	300,000	300,000	—	—
Interest on bonds	1,401,410	—	—	1,401,410	1,401,405	—	5
Interest on notes	110,395	—	—	110,395	110,393	—	2
Total municipal debt service excluded from "CAPS"	3,361,805	—	—	3,361,805	3,361,798	—	7
Deferred charges - municipal - excluded from "CAPS":							
Emergency Authorization	58,500	—	—	58,500	58,500	—	—
Special Emergency Authorization	120,000	—	—	120,000	120,000	—	—
Total deferred charges - municipal - excluded from "CAPS"	178,500	—	—	178,500	178,500	—	—
Total general appropriations excluded from "CAPS"	8,326,829	—	—	8,326,829	8,016,617	310,205	7
Subtotal general appropriations	31,594,253	70,000	—	31,664,253	30,487,477	1,176,728	48
Reserve for uncollected taxes	2,690,850	—	—	2,690,850	2,690,850	—	—
Total general appropriations	\$ 34,285,103	70,000	—	34,355,103	33,178,327	1,176,728	48
Original budget	\$ 34,165,626						
Added by NJS A 40A:4-87 (CH 159)	119,477						
	\$ 34,285,103						
<u>Analysis of paid or charged</u>							
				\$ 28,361,059			
				504,019			
				178,500			
				100,000			
				1,252			
				60,000			
				2,690,850			
				1,282,647			
				\$ 33,178,327			

See accompanying notes to financial statements.



## TOWNSHIP OF MAHWAH

## Balance Sheet

## Trust Funds

December 31, 2008 and 2007

<b>Assets</b>	<b>Ref.</b>	<b>2008</b>	<b>2007</b>
Dog License Fund:			
Cash	B-1	\$ <u>25,403</u>	<u>26,886</u>
		<u>25,403</u>	<u>26,886</u>
Other Trust Funds:			
Cash	B-1	<u>7,568,358</u>	<u>6,772,120</u>
		<u>7,568,358</u>	<u>6,772,120</u>
Unemployment Compensation Fund - cash	B-1	<u>219,916</u>	<u>199,724</u>
Uniform Construction Code Fund - cash	B-1	<u>28,206</u>	<u>7,178</u>
Deferred Award Revolving Fund - investment ( <b>UNAUDITED</b> )		<u>924,171</u>	<u>1,093,612</u>
		<u>\$ 8,766,054</u>	<u>8,099,520</u>
<b>Liabilities and Reserves</b>			
Dog License Fund:			
Due to Current Fund	B-7	\$ 3,491	5,625
Due to State of New Jersey	B-3	17	—
Reserve for Dog License Fund expenditures	B-2	<u>21,895</u>	<u>21,261</u>
		<u>25,403</u>	<u>26,886</u>
Other Trust Funds:			
Reserve for special deposits	B-4	4,014,341	3,836,573
Due to Current Fund	B-7	1,229	4,006
Reserve for recreation expenses	B-8	3,140	7,715
Reserve for Other Trust Fund expenses	B-9	3,549,648	2,920,437
Due to developers	B-10	<u>—</u>	<u>3,389</u>
		<u>7,568,358</u>	<u>6,772,120</u>
Unemployment Compensation Fund - Reserve for State Unemployment Insurance	B-5	<u>219,916</u>	<u>199,724</u>
Uniform Construction Code Fund- Training Fees: Reserve for Uniform Construction Code training fees	B-6	<u>28,206</u>	<u>7,178</u>
Deferred Award Revolving Fund ( <b>UNAUDITED</b> ) Plan net assets		<u>924,171</u>	<u>1,093,612</u>
		<u>\$ 8,766,054</u>	<u>8,099,520</u>

See accompanying notes to financial statements.

**TOWNSHIP OF MAHWAH**

Balance Sheet

General Capital Fund

December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b>Assets</b>			
Cash	C-2,C-3	\$ 4,383,261	5,277,844
Deferred charges to future taxation unfunded	C-6	20,556,926	3,757,901
Deferred charges to future taxation funded	C-14	31,295,000	32,845,000
Due from checking	C-2	7,006	
Due from Grant Fund	C-2	42,301	—
Federal grants receivable	C-5	47,500	47,500
		<u>51,948,733</u>	<u>36,650,401</u>
		<u>\$ 56,331,994</u>	<u>41,928,245</u>
 <b>Liabilities, Reserves and Fund Balance</b>			
Encumbrances payable	C-9	\$ 1,443,911	413,199
Bond anticipation notes	C-11	3,750,000	3,000,000
Improvement authorizations:			
Funded	C-8	901,975	1,263,212
Unfunded	C-8	15,870,067	940,240
Due to Current Fund	C-4	795	6,344
Reserve for payment of debt	C-10	2,977,374	3,342,665
Reserve for CDBG receivable	C-5	47,500	47,500
Serial bonds payable	C-12	31,295,000	32,845,000
Capital Improvement Fund	C-7	397	50,872
Fund balance	C-1	44,975	19,213
		<u>\$ 56,331,994</u>	<u>41,928,245</u>

There were bonds and notes authorized but not issued at December 31, 2008 and 2007 of \$16,806,926 and \$757,901 respectively (Exhibit C-13).

See accompanying notes to financial statements.

**TOWNSHIP OF MAHWAH**

Statement of Fund Balance

General Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	19,213
Increased by:		
Premium on sale of notes		<u>25,762</u>
Balance, December 31, 2008	\$	<u><u>44,975</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

Water Utility Fund

December 31, 2008 and 2007

<b>Assets</b>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Operating Fund:			
Cash	D-5	\$ 3,907,807	4,571,012
Change Fund - Water Utility Collector		50	50
Due from Water Utility Capital Fund	D-13	<u>210</u>	<u>917</u>
		<u>3,908,067</u>	<u>4,571,979</u>
Receivables with full reserve:			
Water accounts receivable	D-8	<u>128,597</u>	<u>264,173</u>
Total Operating Fund		<u>4,036,664</u>	<u>4,836,152</u>
Capital Fund:			
Cash	D-5,D-6	2,441,828	1,376,796
Fixed capital	D-10	8,336,080	8,336,080
Fixed capital authorized and uncompleted	D-11	<u>18,171,925</u>	<u>17,141,925</u>
Total Capital Fund		<u>28,949,833</u>	<u>26,854,801</u>
		<u>\$ 32,986,497</u>	<u>31,690,953</u>

(Continued)

## TOWNSHIP OF MAHWAH

## Balance Sheet

## Water Utility Fund

December 31, 2008 and 2007

<b>Liabilities, Reserves and Fund Balance</b>	<b>Ref.</b>	<b>2008</b>	<b>2007</b>
Operating Fund:			
Liabilities:			
Appropriation reserves	D-3,D-20	\$ 695,948	658,250
Encumbrances	D-3,D-20	285,383	196,345
Accounts payable	D-23	8,449	20,025
Accrued interest on notes payable	D-12	32,378	23,716
Premium on water liens	D-24	1,000	1,000
Overpayments	D-9	2,062	6,167
Due to Current Fund	D-25	69	300
		<u>1,025,289</u>	<u>905,803</u>
Reserve for receivables		128,597	264,173
Fund balance	D-1	<u>2,882,778</u>	<u>3,666,176</u>
Total Operating Fund		<u>4,036,664</u>	<u>4,836,152</u>
Capital Fund:			
Encumbrances	D-18	895,501	1,154,222
Bond anticipation notes	D-7	4,900,000	3,250,000
Reserve for amortization	D-14	14,836,080	14,286,080
Improvement authorizations:			
Unfunded	D-17	5,523,039	5,393,579
Deferred reserve for amortization	D-15	2,394,675	2,343,175
Due to Water Utility Operating Fund	D-13	210	917
Capital Improvement Fund	D-19	21,369	47,869
Reserve for payment of debt	D-22	56,816	56,816
Fund balance	D-4	<u>322,143</u>	<u>322,143</u>
Total Capital Fund		<u>28,949,833</u>	<u>26,854,801</u>
		<u>\$ 32,986,497</u>	<u>31,690,953</u>

There were bonds and notes authorized but not issued at December 31, 2008 and 2007 of \$4,377,250 and \$5,598,750 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

Year Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,949,296	1,785,109
Rents	2,864,644	2,705,465
Tapping and capacity fees	107,550	44,830
Miscellaneous revenue not anticipated	175,608	357,678
Other credits to income:		
Unexpended balances of appropriation reserves	600,821	584,978
Accounts payable cancelled	19,972	5,744
Cancellation of accrued interest on notes	76,283	61,484
Total income	<u>5,794,174</u>	<u>5,545,288</u>
Expenditures:		
Budget Appropriations:		
Salaries and wages	1,029,300	967,650
Other expenses	2,116,246	1,935,959
Insurance	511,750	481,500
Debt service	750,000	950,000
Deferred charges and statutory expenditures	141,000	115,000
Refund of prior year revenue	13,980	231
Total expenditures	<u>4,628,276</u>	<u>4,450,340</u>
Excess in revenue	1,165,898	1,094,948
Fund balance, January 1	<u>3,666,176</u>	<u>4,356,337</u>
	4,832,074	5,451,285
Decreased by utilized as anticipated revenue	<u>1,949,296</u>	<u>1,785,109</u>
Fund balance, December 31	<u>\$ 2,882,778</u>	<u>3,666,176</u>

See accompanying notes to financial statements.

**TOWNSHIP OF MAHWAH**

Statement of Revenues

Water Utility Operating Fund

Year Ended December 31, 2008

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund balance anticipated	\$ 1,949,296	1,949,296	—
Rents	2,625,000	2,864,644	239,644
Tapping and capacity fees	<u>40,000</u>	<u>107,550</u>	<u>67,550</u>
	<u>\$ 4,614,296</u>	4,921,490	<u>307,194</u>
Miscellaneous revenue not anticipated		<u>175,608</u>	
		<u>\$ 5,097,098</u>	

**Analysis of Miscellaneous Revenue Not Anticipated**

Interest	\$ 118,390
Interest on water rents	6,280
Miscellaneous revenues	<u>50,938</u>
	<u>\$ 175,608</u>

See accompanying notes to financial statements.

**TOWNSHIP OF MAHWAH**

Statement of Expenditures

Water Utility Operating Fund

Year Ended December 31, 2008

	<u>Budget</u>	<u>Budget after modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and wages	\$ 1,009,300	1,029,300	996,875	32,425
Other expenses	2,136,246	2,116,246	1,495,118	621,128
Insurance	511,750	511,750	482,081	29,669
Capital Improvement:				
Capital Improvement Fund	25,000	25,000	25,000	—
Capital Outlay	41,000	41,000	38,250	2,750
Debt service:				
Payment of Bond Anticipation Notes and Capital Notes	550,000	550,000	550,000	—
Interest on notes	200,000	200,000	200,000	—
Statutory expenditures - contribution to:				
Public Employees' Retirement System	56,000	56,000	50,800	5,200
Social Security System (O.A.S.I.)	80,000	80,000	75,224	4,776
Unemployment compensation insurance	5,000	5,000	5,000	—
	<u>\$ 4,614,296</u>	<u>4,614,296</u>	<u>3,918,348</u>	<u>695,948</u>
Encumbrances			\$ 285,383	
Accrued interest on notes			200,000	
Due to Current Fund			69	
Cash disbursed			<u>3,432,896</u>	
			<u>\$ 3,918,348</u>	

See accompanying notes to financial statements.



**TOWNSHIP OF MAHWAH**

Statement of Fund Balance

Water Utility Capital Fund

Year Ended December 31, 2008

Balance, December 31, 2007	\$ <u>322,143</u>
Balance, December 31, 2008	\$ <u>322,143</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

Sewer Utility Fund

December 31, 2008 and 2007

<b>Assets</b>	<b>Ref.</b>	<b>2008</b>	<b>2007</b>
		<u>          </u>	<u>          </u>
Operating Fund:			
Cash	E-6	\$ <u>3,213,823</u>	<u>3,387,090</u>
Due from:			
Sewer Utility Capital Fund	E-23	25	77
Sewer Utility Assessment Trust Fund	E-27	<u>356</u>	<u>1,582</u>
		<u>381</u>	<u>1,659</u>
Receivables with full reserves:			
Sewer rents	E-8	<u>157,979</u>	<u>222,350</u>
Total Operating Fund		<u>3,372,183</u>	<u>3,611,099</u>
Capital Fund:			
Cash	E-6,E-7	1,968,196	6,646,715
Fixed Capital	E-28	18,501,375	18,336,375
Fixed capital authorized and uncompleted	E-10	<u>7,016,000</u>	<u>7,181,000</u>
Total Capital Fund		<u>27,485,571</u>	<u>32,164,090</u>
Assessment Trust Fund:			
Cash	E-6	940,372	1,142,728
Assessments receivable	E-20	<u>737,338</u>	<u>1,011,208</u>
Total Assessment Trust Fund		<u>1,677,710</u>	<u>2,153,936</u>
		\$ <u><u>32,535,464</u></u>	<u><u>37,929,125</u></u>

TOWNSHIP OF MAHWAH

Balance Sheet

Sewer Utility Fund

December 31, 2008 and 2007

<b>Liabilities, Reserves and Fund Balance</b>	<b>Ref.</b>	<b>2008</b>	<b>2007</b>
<b>Operating Fund:</b>			
Appropriation reserves	E-3,E-12	\$ 123,422	136,347
Reserve for encumbrances	E-3,E-12	56,503	90,208
Accounts payable	E-9	7,120	4,241
Sewer overpayments	E-18	4,401	3,100
Reserve for arbitrage refund	E-25	45,000	45,000
Accrued interest on notes	E-24	<u>106,471</u>	<u>181,993</u>
		342,917	460,889
Reserve for receivables		157,979	222,350
Fund balance	E-1	<u>2,871,287</u>	<u>2,927,860</u>
Total Operating Fund		<u>3,372,183</u>	<u>3,611,099</u>
<b>Capital Fund:</b>			
Reserve for encumbrances	E-15	141,728	2,279,957
Bond anticipation notes payable	E-21	5,808,500	7,983,500
Reserve for:			
Amortization	E-17	17,462,875	17,287,875
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	25	77
Improvement authorizations:			
Unfunded	E-14	3,234,878	3,851,259
Fund balance	E-4	<u>370,076</u>	<u>293,933</u>
Total Capital Fund		<u>27,485,571</u>	<u>32,164,090</u>
<b>Assessment Trust Fund:</b>			
Due to Sewer Utility Operating Fund	E-27	356	1,582
Reserve for assessments and liens	E-11	220,837	101,006
Bond anticipation notes payable	E-13	516,500	991,500
Fund balance	E-5	<u>940,017</u>	<u>1,059,848</u>
Total Assessment Trust Fund		<u>1,677,710</u>	<u>2,153,936</u>
		<u>\$ 32,535,464</u>	<u>37,929,125</u>

There were bonds and notes authorized but not issued at December 31, 2008 and 2007 of \$2,019,700 and \$19,700 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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,294,450	1,066,750
Rents	4,695,419	4,667,283
Miscellaneous revenues not anticipated	316,777	430,139
Other credits to income:		
Unexpended balances of appropriation reserves	153,320	178,099
Accrued interest on notes canceled	223,845	89,899
Prior year accounts payable cancelled	2,121	—
Total income	<u>6,685,932</u>	<u>6,432,170</u>
Expenditures:		
Budget appropriations:		
Operating	4,715,950	4,581,250
Debt service	650,000	575,000
Refund prior year revenue	3,605	402
Deferred charges and statutory expenditures	<u>78,500</u>	<u>60,500</u>
Total expenditures	<u>5,448,055</u>	<u>5,217,152</u>
Excess in revenue	1,237,877	1,215,018
Fund balance, January 1	<u>2,927,860</u>	<u>2,779,592</u>
	4,165,737	3,994,610
Decreased by utilized as anticipated revenue	<u>1,294,450</u>	<u>1,066,750</u>
Fund balance, December 31	<u>\$ 2,871,287</u>	<u>2,927,860</u>

See accompanying notes to financial statements.

**TOWNSHIP OF MAHWAH**

Statement of Revenues

Sewer Utility Operating Fund

Year ended December 31, 2008

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund balance appropriated	\$ 1,294,450	1,294,450	—
Sewer rents	<u>4,150,000</u>	<u>4,695,419</u>	<u>545,419</u>
	<u>\$ 5,444,450</u>	5,989,869	<u>545,419</u>
Miscellaneous revenues not anticipated		<u>316,777</u>	
		<u>\$ 6,306,646</u>	

**Analysis of Revenues Not Anticipated**

Interest on investments	\$ 223,569
Interest on Sewer rents	11,951
Miscellaneous	<u>81,257</u>
	<u>\$ 316,777</u>

See accompanying notes to financial statements.

**TOWNSHIP OF MAHWAH**

Statement of Expenditures

Sewer Utility Operating Fund

Year ended December 31, 2008

	<u>Budget</u>	<u>Budget after modifi- cation</u>	<u>Paid or charged</u>	<u>Reserved</u>
Operating:				
Salaries and wages	\$ 536,000	536,000	523,365	12,635
Other expenses	198,450	198,450	152,817	45,633
Insurance	256,500	256,500	243,354	13,146
NW Bergen County Utilities Authority	3,725,000	3,725,000	3,680,395	44,605
Debt service:				
Payment of bond anticipation notes and capital notes	175,000	175,000	175,000	—
Interest on notes	475,000	475,000	475,000	—
Statutory expenditures - contribution to:				
Public Employees' Retirement System	31,000	31,000	29,405	1,595
Social Security System	45,000	45,000	39,192	5,808
Unemployment compensation insurance	2,500	2,500	2,500	—
	<u>\$ 5,444,450</u>	<u>5,444,450</u>	<u>5,321,028</u>	<u>123,422</u>
			\$ 4,789,525	
			475,000	
			<u>56,503</u>	
			<u>\$ 5,321,028</u>	

See accompanying notes to financial statements.

**TOWNSHIP OF MAHWAH**

Statement of Fund Balance

Sewer Utility Capital Fund

Years ended December 31, 2008 and 2007

Balance, December 31, 2007	\$	293,933
Increased by:		
Premium on sale of notes		<u>76,143</u>
Balance, December 31, 2008	\$	<u><u>370,076</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF MAHWAH**

Statement of Operations and Changes in Fund Balance

Sewer Utility Assessment Trust Fund

Year ended December 31, 2008

Fund balance, December 31, 2007	\$	1,059,848
Increased by:		
Sewer assessments collected Phase IV		15,680
Sewer assessments collected Phase III		<u>96,320</u>
		<u>112,000</u>
		1,171,848
Decreased by:		
Payment of notes		<u>231,831</u>
Fund balance, December 31, 2008	\$	<u><u>940,017</u></u>

See accompanying notes to financial statements.



**TOWNSHIP OF MAHWAH**

Statement of General Fixed Assets

General Fixed Asset Account Group

December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Land	\$ 19,125,512	18,392,759
Buildings	20,314,537	20,272,152
Vehicular equipment	12,611,929	12,364,526
General equipment and machinery	<u>5,278,093</u>	<u>5,096,550</u>
Total fixed assets	<u>\$ 57,330,071</u>	<u>56,125,987</u>

See accompanying notes to financial statements.

# TOWNSHIP OF MAHWAH

## Notes to Financial Statements

December 31, 2008

### **(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.

# TOWNSHIP OF MAHWAH

## Notes to Financial Statements

December 31, 2008

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

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, 2008

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 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, 2008

### *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 8 to 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, 2008

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 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by municipal employers to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in SFY ending June 30, 2005, 20 percent; for payments due in SFY year ending June 30, 2006, not more than 40 percent; for payments due in SFY June 30, 2007, not more than 60%; and for payments due in SFY June 30, 2008, not more than 80%. The law provides that the municipality's PFRS normal and accrued liability contributions shall be as follows: for payments due in SFY ending June 30, 2004, 20 percent; for payments due in SFY ending June 30, 2005, not more than 40 percent; for payments due in SFY ending June 30, 2006, not more than 60 percent; for payments due in SFY ending June 30, 2007, not more than 80 percent.

***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 8.5% of base salary, as defined. Members of PERS contribute at a uniform rate of 5.50% 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.

During the year ended December 31, 2008, for PFRS and PERS, which are multi-employer pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 108, P.L. 2003.

***Township Contributions:***

The Township's contributions were as follows:

	<u>For the Year Ended December 31,</u>			
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
PERS	\$ 390,397	213,818	116,746	41,720
PFRS	\$ 1,234,122	843,882	522,641	263,155

**TOWNSHIP OF MAHWAH**

Notes to Financial Statements

December 31, 2008

**(3) Long-term Debt**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Issued:			
General - bonds and notes	\$ 35,045,000	35,845,000	37,495,000
Water Utility - notes	4,900,000	3,250,000	4,000,000
Sewer Utility - notes	5,808,500	7,983,500	1,108,500
Sewer Utility - Assessment notes	<u>516,500</u>	<u>991,500</u>	<u>1,391,500</u>
Total issued	<u>46,270,000</u>	<u>48,070,000</u>	<u>43,995,000</u>
Authorized but not issued:			
General - bonds and notes	16,816,926	757,901	758,344
Water Utility - bonds and notes	4,377,250	5,598,750	2,653,750
Sewer Utility - bonds and notes	<u>2,019,700</u>	<u>19,700</u>	<u>5,969,700</u>
Total authorized but not issued	<u>23,203,876</u>	<u>6,376,351</u>	<u>9,381,794</u>
Total bonds and notes issued and authorized but not issued	\$ <u>69,473,876</u>	<u>54,446,351</u>	<u>53,376,794</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 .51%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local school district debt	\$ 24,594,000	24,594,000	-
Water Utility debt	9,277,250	9,277,250	-
Sewer Utility debt	8,344,700	8,344,700	-
General debt	<u>51,851,926</u>	<u>17,607,374</u>	<u>34,244,552</u>
	\$ <u>94,067,876</u>	<u>59,823,324</u>	<u>34,244,552</u>

Net debt of \$34,244,552 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$6,725,616,530 equals .51%.

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

3-1/2% of equalized valuation basis (municipal)	\$235,396,578
Net debt	<u>34,244,552</u>
Remaining borrowing power	\$ <u>201,152,026</u>

**TOWNSHIP OF MAHWAH**

Notes to Financial Statements

December 31, 2008

On December 1, 2001 the Township sold \$21,780,000 of general improvement bonds at interest rates from 4.5% to 5.00% payable each June 1 and December 1 until maturity. The bonds mature on December 1, 2002 through 2022.

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 October 15, 2005 through 2024.

Bond debt service requirements at December 31, 2008 were as follows after the February 25, 2009 refunding:

<b>Year Ended <u>December 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2009	\$ 1,780,000	1,066,616
2010	1,730,000	1,133,755
2011	1,835,000	1,067,605
2012	1,885,000	1,021,905
2013	1,960,000	973,549
2014-2018	11,105,000	3,717,944
2019-2023	11,490,000	1,435,462
2024	<u>1,040,000</u>	<u>43,680</u>
	<u>\$ 31,550,000</u>	<u>10,460,516</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, 2008 and 2007, the Township had outstanding bond anticipation notes as follows:

	<u>2008</u>	<u>2007</u>
Sewer Utility Capital Fund	\$ 5,808,500	7,983,500
Sewer Utility Assessment Fund	516,500	991,500
Water Utility Capital Fund	4,900,000	3,250,000
General Capital Fund	3,750,000	3,000,000

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, 2008

**(5) Fund Balances Appropriated**

Fund balances appropriated and included as anticipated revenue in the 2009 budgets are as follows:

Current Fund	\$ 4,750,000
Water Utility Operating Fund	2,238,883
Sewer Utility Operating Fund	1,401,450

**(6) Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2008, the Township Current Fund had the following deferred charges to be raised in the 2009 or subsequent budgets.

	<b>Balance, Dec. 31, 2008</b>	<b>2009 Budget Appropriation</b>
Current Fund:		
Special emergencies	\$480,000	120,000
Emergency authorization	70,000	70,000

**(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 \$1,976,623 and \$2,369,654 for the years ended December 31, 2008 and 2007 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, 2008. 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

# TOWNSHIP OF MAHWAH

## Notes to Financial Statements

December 31, 2008

New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. 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, 2008 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) Self-Insurance Program**

On January 1, 2008 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 \$4,458,476. This was funded with \$4,300,471 of budget appropriations from the Current, Water and sewer Utility Funds which were not totally expended in 2008.

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, 2008

The Township's fixed assets are summarized as follows:

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
General fixed assets:				
Land and buildings	\$ 18,392,759	732,753	—	19,125,512
Buildings	20,272,152	42,385	—	20,314,537
Vehicular equipment	12,364,526	489,844	242,441	12,611,929
General equipment	5,096,550	181,543	—	5,278,093
	<u>56,125,987</u>	<u>1,446,525</u>	<u>242,441</u>	<u>57,330,071</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	—	—	145,961
Pump house and pumps	91,372	—	—	91,372
Supply and distribution system	5,956,119	—	—	5,956,119
Vehicle equipment	72,810	—	—	72,810
Wells	978,957	—	—	978,957
Acquisition of land	856,834	—	—	856,834
	<u>8,336,080</u>	<u>—</u>	<u>—</u>	<u>8,336,080</u>
Sewer Utility:				
Sanitary sewer system	17,758,408	100,000	—	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>\$ 18,336,375</u>	<u>165,000</u>	<u>—</u>	<u>18,501,375</u>

**TOWNSHIP OF MAHWAH**

Notes to Financial Statements

December 31, 2008

	<u>Balance</u> <u>Dec. 31, 2006</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
General fixed assets:				
Land and buildings	\$ 18,053,210	339,549	—	18,392,759
Buildings	16,851,814	3,566,229	145,891	20,272,152
Vehicular equipment	12,293,852	1,169,977	1,099,303	12,364,526
General equipment	4,804,704	296,359	4,513	5,096,550
	<u>52,003,580</u>	<u>5,372,114</u>	<u>1,249,707</u>	<u>56,125,987</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	—	—	145,961
Pump house and pumps	91,372	—	—	91,372
Supply and distribution system	5,956,119	—	—	5,956,119
Vehicle equipment	72,810	—	—	72,810
Wells	978,957	—	—	978,957
Acquisition of land	856,834	—	—	856,834
	<u>8,336,080</u>	<u>—</u>	<u>—</u>	<u>8,336,080</u>
Sewer Utility:				
Sanitary sewer system	17,758,408	—	—	17,758,408
Sewer cleaning machine	90,000	—	—	90,000
Sewer jet truck	196,692	—	—	196,692
Darlington Project	241,275	—	—	241,275
Sewer mains	50,000	—	—	50,000
	<u>\$ 18,336,375</u>	<u>—</u>	<u>—</u>	<u>18,336,375</u>

**TOWNSHIP OF MAHWAH**

Notes to Financial Statements

December 31, 2008

**(12) Interfund Balances**

The Township has interfund balances at December 31, 2008 as follows:

	<b><u>Due</u></b>	<b><u>Due To</u></b>
	<b><u>From</u></b>	
Current Fund:		
Other Trust Fund	\$ 1,229	
Dog License Fund	3,491	
Federal and State Grant Fund	655,984	
General Capital Fund	795	
Water Operating Fund	69	
Federal and State Grant Fund:		
Current Fund		\$ 655,984
General Capital Fund		42,301
Other Trust Fund:		
Current Fund		1,229
Dog License Fund:		
Current Fund		3,491
General Capital Fund:		
Grant Fund	42,301	
Current Fund		795
Water Utility Operating Fund:		
Water Utility Capital Fund	210	
Current Fund		69
Water Utility Capital Fund:		
Water Utility Operating Fund		210
Sewer Utility Operating Fund:		
Sewer Utility Capital Fund	25	
Sewer Utility Assessment Fund	356	
Sewer Utility Capital Fund:		
Sewer Utility Operating Fund		25
Utility Assessment Fund:Sewer		
Sewer Utility Operating Fund		356

# TOWNSHIP OF MAHWAH

## Notes to Financial Statements

December 31, 2008

### (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 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, 2008 and 2007 are as follows; contributions for the year amounted to \$211,171 and \$189,576, distributions were \$26,577 and \$23,659, account fees were \$5,842 and \$5,622 and the (loss)/gain on investments was (\$348,194) and \$76,108. The total value of plan assets at December 31, 2008 and 2007 were \$924,171 and \$1,093,612 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

# TOWNSHIP OF MAHWAH

## Notes to Financial Statements

December 31, 2008

December 31, 2008 the Township's bank deposits are insured or covered by the State's Government Unit Deposit Protection Act.

### **(15) Taxes Receivable, Tax Title Liens**

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 2008 the Township contributed \$4,157,306 to the plan. Annual contribution by white and blue collar employees was \$390; and the police employees contributed \$520.

*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, 2008 the plan had no assets to offset any portion of the Actuarial Accrued Liability. Audit 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, 2008 is \$5,931,936.

### **(17) Subsequent Events**

On February 25, 2009 a General Improvement Refunding Bond sale was held to refund \$14,630,000 of the December 1, 2001 general Improvement Bonds and issue \$14,885,000 of bonds with interest rates of .95% to 5% maturing December 1, 2009 to December 1, 2022. The refunding bond sale resulted in a \$971,015 debt service savings over the life of the bonds.

ADDITIONAL FINANCIAL STATEMENTS



**TOWNSHIP OF MAHWAH**

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>10,997,562</u>
Increased by receipts:	
Collector of taxes	81,469,096
Revenue accounts receivable	10,347,834
Miscellaneous revenue not anticipated	900,181
Due from State of New Jersey	226,559
Due to Grant Fund - appropriated grants received	473,238
Due to Grant Fund - unappropriated grants received	13,705
Unappropriated reserves	14,615
Prepaid health licenses	10,835
Various reserves	3,035
Due from Water Utility Operating Fund	300
Due from Dog License Fund	5,625
Due from General Capital Fund	383,805
Due from Other Trust Fund	4,006
Due from Outside detail account	279,030
Due from General Checking	474
Prior year checks cancelled	<u>1,516</u>
	<u>94,133,854</u>
	<u>105,131,416</u>
Decreased by disbursements:	
2008 budget appropriations	28,361,059
Appropriation reserves	1,259,592
Local district school taxes	50,006,272
County taxes	12,522,532
Municipal open space tax	414,316
Due County for added taxes	55,117
Due from Other Trust Funds	20
Due from General Capital Fund	6,516
Various reserves	256,192
Due to Water Operating Fund	69
Due from Outside Detail	279,030
Grant expenditures	949,909
Reserve for revaluation	225,100
Due to payroll account	145
Tax overpayment refunds	142,661
Refund of tax appeals	91,339
Refund of prior year revenue	<u>3,634</u>
	<u>94,573,503</u>
Balance, December 31, 2008	\$ <u><u>10,557,913</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Cash - Tax Collector

Current Fund

Year ended December 31, 2008

Receipts:

Taxes receivable	\$ 80,870,899
Tax overpayments	161,631
Prepaid taxes	436,383
Tax title liens receivable	<u>183</u>
Decreased by deposit in Treasurer's account	\$ <u><u>81,469,096</u></u>

**TOWNSHIP OF MAHWAH**

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

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>3,757</u>
Increased by:	
Senior Citizens' deductions per duplicate	42,750
Veterans' deductions per duplicate	187,000
Senior Citizens' deductions allowed by tax collector	1,750
Veterans' deductions allowed by tax collector	<u>4,250</u>
	<u>235,750</u>
	<u>239,507</u>
Decreased by:	
Cash received	226,559
Senior Citizens' and Veterans' deductions disallowed - 2007	2,800
Senior Citizens' and Veterans' deductions disallowed	<u>4,381</u>
	<u>233,740</u>
Balance, December 31, 2008	\$ <u><u>5,767</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Taxes Receivable

Current Fund

Year ended December 31, 2008

Year	Balance, Dec. 31, 2007	2008 levy	Added Taxes	Cash collections		Transferred to tax title liens	Cancelled	Balance, Dec. 31, 2008
				2007	2008			
2006	1,050	—	—		1,050	—	—	—
2007	381,411	—	2,802		379,052	486	4,675	—
	382,461	—	2,802	—	380,102	486	4,675	—
2008	—	81,571,166	297,554	493,756	80,722,166	14,658	180,093	458,047
	\$ 382,461	81,571,166	300,356	493,756	81,102,268	15,144	184,768	458,047
					\$ 231,369			
					80,870,899			
					\$ 81,102,268			

Senior Citizens' and Veterans' deductions  
Cash

**Analysis of Property Tax Levy**

Tax yield:	
General purpose tax	\$ 81,571,166
Added and omitted taxes	297,554
	<u>\$ 81,868,720</u>
Tax levy:	
County taxes	\$ 11,843,101
County Open Space	679,431
Local district school taxes	50,006,272
Due County for added taxes	45,770
Local tax for municipal purposes	18,592,007
Municipal open space	414,316
Additional taxes levied	287,823
	<u>\$ 81,868,720</u>

**TOWNSHIP OF MAHWAH**

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>150,053</u>
Increased by:	
Transferred from prior year taxes	486
Transferred from current taxes receivable	<u>14,658</u>
	<u>15,144</u>
	165,197
Decreased by:	
Cash received	<u>183</u>
Balance, December 31, 2008	\$ <u><u>165,014</u></u>

## TOWNSHIP OF MAHWAH

## Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2008

	<u>Balance, Dec. 31, 2007</u>	<u>Accrued in 2008</u>	<u>Collected by Treasurer</u>	<u>Balance, Dec. 31, 2008</u>
Clerk:				
Alcoholic beverage license	\$ —	29,103	29,103	—
Licenses - other	—	47,745	47,745	—
Fees and permits	—	53,579	53,579	—
Fines and costs - municipal court	52,220	697,584	698,801	51,003
Interest and costs on taxes	—	106,353	106,353	—
Interest on investments and deposits	—	325,359	325,359	—
Rental of Township owned property	—	209,784	209,784	—
Fire Safety Act fees	—	134,604	134,604	—
Energy Receipts Tax (P.L. 1999, Ch 162 & 167)	—	5,771,269	5,771,269	—
Garden State Trust Fund	—	6,433	6,433	—
Uniform construction code official	—	1,567,785	1,567,785	—
Swim and Tennis Club fees	—	170,524	170,524	—
Reserve for Open Space	—	365,000	365,000	—
Reserve for Debt Service	—	400,000	400,000	—
Municipal Hotel/Motel Occupancy Tax	—	701,467	701,467	—
Library Contribution	—	200,000	200,000	—
Reserve for Township Calendar	—	11,250	11,250	—
	<u>\$ 52,220</u>	<u>10,797,839</u>	<u>10,799,056</u>	<u>51,003</u>
Cash			\$ 10,347,834	
Unappropriated reserves			17,683	
Reserve for Payment of Debt			400,000	
Due from General Capital - interest			31,740	
Due from Other Trust - interest			1,209	
Prepaid health licenses			<u>590</u>	
			<u>\$ 10,799,056</u>	

## TOWNSHIP OF MAHWAH

## Schedule of Appropriation Reserves

## Current Fund

Year ended December 31, 2008

	Balance Dec. 31, 2007	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
Salaries and wages:						
Township Council	\$ 7,000	—	—	7,000	—	7,000
Office of the Township Clerk	6,424	—	—	6,424	492	5,932
Election	1,720	—	—	1,720	—	1,720
Office of Business Administrator	1,628	—	—	1,628	—	1,628
Municipal Land Use Law (N.J.S.A. 40:55-D1):						
Division of Planning and Zoning	8,048	—	—	8,048	—	8,048
Division of Finance:						
Bureau of Treasury	1,102	—	—	1,102	—	1,102
Bureau of Collections	312	—	—	312	—	312
Bureau of Assessment	45	—	—	45	—	45
Department of Public Works:						
DPW administration	96	—	—	96	—	96
DPW streets and roads	101	—	—	101	—	101
DPW buildings and grounds	1,966	—	—	1,966	—	1,966
DPW parks and playgrounds	100	—	—	100	—	100
DPW recycling	14,877	—	(5,500)	9,377	—	9,377
DPW motor pool	70	—	—	70	—	70
DPW snow removal	74,131	—	(45,500)	28,631	—	28,631
DPW overtime	2,616	—	—	2,616	—	2,616
Board of Health administration	19,941	—	—	19,941	2,416	17,525
Department of Police:						
Police administration	4,110	—	—	4,110	—	4,110
Police records	4,539	—	—	4,539	—	4,539
Police patrol	93,964	—	—	93,964	—	93,964
Police dispatchers	7,282	—	5,500	12,782	9,580	3,202
Police detectives	10,365	—	—	10,365	—	10,365
Police juvenile	3,910	—	—	3,910	—	3,910
Police crossing guards	15,515	—	(5,500)	10,015	—	10,015
Bureau of Emergency Management Services	3,776	—	—	3,776	—	3,776
Fire Department	1,134	—	100	1,234	800	434
Bureau of Fire Prevention	7,985	—	—	7,985	—	7,985
Ambulance Company #1	550	—	—	550	—	550
Ambulance Company #4	1,000	—	—	1,000	100	900
Division of Human Services	2,184	—	—	2,184	—	2,184
Senior citizens' activities	65	—	—	65	—	65
Access Transportation	4,467	—	—	4,467	—	4,467
Boards, Commissions & Committees:						
Housing Commission	—	—	—	—	—	—
Recreation Commission	18,943	—	—	18,943	—	18,943
Community Cable Television	3,500	—	—	3,500	—	3,500
Municipal prosecutor	2,400	—	—	2,400	—	2,400
Municipal Court	26,734	—	—	26,734	2,897	23,837
Municipal Pool	11,868	—	—	11,868	—	11,868
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Uniform Construction Code official	1,638	—	—	1,638	89	1,549
Building Sub-code official	107	—	—	107	—	107
Plumbing Sub-Code official	2,852	—	—	2,852	—	2,852
Electrical Sub-code official	274	—	—	274	—	274
Fire Sub-code official	892	—	600	1,492	579	913
Other expenses:						
Township Council	5,779	75	—	5,854	75	5,779
Office of the Township Clerk	9,065	2,075	—	11,140	1,897	9,243
Election	—	20,167	500	20,667	20,277	390
Animal control	4,591	—	—	4,591	—	4,591

(Continued)

## TOWNSHIP OF MAHWAH

## Schedule of Appropriation Reserves

## Current Fund

Year ended December 31, 2008

	Balance Dec. 31, 2007	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
Office of the Mayor	\$ 2,161	95	—	2,256	166	2,090
Office of Business Administrator	12,560	2,087	—	14,647	1,937	12,710
Health and Safety programs	548	9,352	—	9,900	8,516	1,384
Division of Law	54,623	30,173	—	84,796	44,255	40,541
Division of Engineering	1,320	46,123	—	47,443	18,135	29,308
Municipal Land Use Law (N.J.S.A. 40:55-D1):						
Division of Planning and Zoning	4,707	67,367	—	72,074	67,215	4,859
Division of Finance:						
Bureau of Treasury	623	56	—	679	68	611
Bureau of Collections	7,720	311	—	8,031	309	7,722
Bureau of Assessment	666	10,527	—	11,193	9,297	1,896
Auditor	915	—	—	915	—	915
Department of Public Works:						
DPW administration	325	—	—	325	12	313
DPW streets and roads	17,398	18,904	—	36,302	13,418	22,884
DPW buildings and grounds	7,679	28,233	—	35,912	24,854	11,058
DPW emergency services	3,226	9,325	—	12,551	10,233	2,318
DPW parks and playgrounds	6,248	3,108	—	9,356	2,864	6,492
DPW recycling	15,984	928	—	16,912	5,127	11,785
DPW motor pool	17,475	71,507	25,500	114,482	83,315	31,167
DPW snow removal	31,563	79,155	—	110,718	96,430	14,288
Sanitation collection costs	8,604	—	—	8,604	—	8,604
Disposal - BCUA	77,220	114,997	—	192,217	163,922	28,295
Disposal/Recyclables	8,193	2,778	—	10,971	1,528	9,443
Board of Health administration	3,125	4,259	—	7,384	5,150	2,234
Drug Center agreement	—	—	—	—	—	—
Visiting Nurse service	1	—	—	1	—	1
Department of Police:						
Police administration	62,283	35,611	(15,000)	82,894	51,369	31,525
Police purchase of police cars	2,521	106,720	—	109,241	106,814	2,427
Bureau of Emergency Management Services	3,696	14,767	—	18,463	14,784	3,679
Fire Department	6,474	58,395	(100)	64,769	53,323	11,446
Bureau of Fire Prevention	715	876	—	1,591	877	714
Ambulance Company #1	—	—	—	—	—	—
Ambulance Company #4	11	—	—	11	—	11
Division of Human Services	1,746	—	—	1,746	—	1,746
Senior citizens' activities	12,567	10,026	—	22,593	5,695	16,898
Access Transportation	1,531	—	—	1,531	—	1,531
Boards, Commissions & Committees:						
Environmental Commission	3,645	200	—	3,845	200	3,645
Housing Commission	700	185	—	885	185	700
Historic Preservation Commission	2,683	2,029	—	4,712	1,981	2,731
Recreation Commission	10,481	21,175	—	31,656	19,944	11,712
Municipal Pool	14,381	3,130	—	17,511	2,918	14,593
Municipal Court	12,035	668	—	12,703	668	12,035
Public Defender	6,884	6,854	—	13,738	6,717	7,021
Computer Equipment/Consultant	6,311	9,298	—	15,609	8,302	7,307
Municipal Services Act	70,512	15,480	—	85,992	65,480	20,512
Community Cable Television	292	2,863	—	3,155	2,863	292
Demolition of Structures	10,901	23,052	—	33,953	23,053	10,900
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Uniform Construction Code official	2,530	5,415	(600)	7,345	5,761	1,584
Unclassified:						
Gasoline	18,865	—	—	18,865	10,512	8,353
Fuel oil	15,504	3,784	15,000	34,288	29,245	5,043

(Continued)



## TOWNSHIP OF MAHWAH

## Schedule of Appropriation Reserves

## Current Fund

Year ended December 31, 2008

	Balance Dec. 31, 2007	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
Electricity	28,609	—	—	28,609	20,883	7,726
Street lighting	19,311	—	—	19,311	17,205	2,106
Telephone	19,116	5,672	—	24,788	19,064	5,724
Natural gas	30,563	—	—	30,563	19,205	11,358
Heating oil	7,035	2,826	—	9,861	5,501	4,360
Photocopying	9,840	6,914	—	16,754	5,411	11,343
Printing and binding	10,334	16,347	—	26,681	16,275	10,406
Postage	1,680	3,404	—	5,084	652	4,432
Office supplies	5,105	8,384	—	13,489	8,364	5,125
Salary Adjustment Account	—	—	—	—	—	—
Tuition Reimbursement Account	2,000	—	—	2,000	—	2,000
Contingent	5,000	—	—	5,000	104	4,896
Prior years bills	\$ —	10,043	—	10,043	10,043	—
Public Employees' Retirement System	—	—	—	—	—	—
Social Security System (O.A.S.I.)	13,806	—	—	13,806	1,207	12,599
Police and Firemen's Retirement System of N.J.	—	—	—	—	—	—
Capital improvement fund	—	—	—	—	—	—
Operations excluded from "CAPS" mandated expenditures (N.J.S.A 40A:4-45.3g):						
Length of Service Award Program (L.O.S.A.P.)	205,000	—	15,000	220,000	208,788	11,212
Public Employees' Retirement System	47,428	—	—	47,428	—	47,428
Police and Firemen's Retirement System of N.J.	—	—	—	—	—	—
Insurance:						
Comprehensive business liability insurance	6,191	—	—	6,191	—	6,191
Workers Compensation Insurance:	6,883	—	—	6,883	—	6,883
Insurance assessment	—	—	—	—	—	—
Employee medical insurance	10,223	5,080	10,000	25,303	15,314	9,989
Health and Safety programs	—	40,374	—	40,374	24,365	16,009
Employee physicals	—	—	—	—	15	13,601
Employee life insurance	13,616	—	—	13,616	—	—
Insurance miscellaneous	12,382	—	—	12,382	—	12,382
	<u>\$ 1,393,940</u>	<u>941,174</u>	<u>—</u>	<u>2,335,114</u>	<u>1,379,040</u>	<u>956,074</u>
Cash disbursed					\$ 1,259,592	
Appropriated Reserves - Accounts Payable					<u>119,448</u>	
					<u>\$ 1,379,040</u>	

**TOWNSHIP OF MAHWAH**

Schedule of Unappropriated Reserves

Current Fund

Year ended December 31, 2008

	<b>Balance Dec. 31, 2007</b>	<b>Increased by cash received</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2008</b>
Garden State Trust	\$ 6,433	6,092	6,433	6,092
Town calendar	11,250	8,190	11,250	8,190
Security deposit - sublease	426	—	—	426
Security deposit	<u>33,165</u>	<u>333</u>	<u>—</u>	<u>33,498</u>
	<u>\$ 51,274</u>	<u>14,615</u>	<u>17,683</u>	<u>48,206</u>
			\$ <u>17,683</u>	
			<u>\$ 17,683</u>	

**TOWNSHIP OF MAHWAH**

Schedule of Local District School  
Taxes Payable

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	—
Increased by 2008 tax levy		<u>50,006,272</u>
		50,006,272
Decreased by payments		<u>50,006,272</u>
Balance, December 31, 2008	\$	<u><u>—</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of County Taxes Payable

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>          —</u>
Increased by:	
Increased by 2008 tax levy	11,843,101
County Open Space Preservation	<u>        679,431</u>
	<u>12,522,532</u>
	12,522,532
Decreased by:	
Payments	<u>12,522,532</u>
Balance, December 31, 2008	\$ <u><u>          —</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Due County for Added  
and Omitted Taxes

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	55,117
Increased by 2008 added taxes		<u>45,770</u>
		100,887
Decreased by payments		<u>55,117</u>
Balance, December 31, 2008	\$	<u><u>45,770</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Encumbrances Payable

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	941,174
Increased by 2008 budget encumbrances		<u>1,282,647</u>
		<u>2,223,821</u>
Decreased by:		
Transfer to Appropriation Reserves		<u>941,174</u>
Balance, December 31, 2008	\$	<u><u>1,282,647</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	—
Increased by cash receipts		<u>161,631</u>
		<u>161,631</u>
Decreased by:		
Cash disbursed		<u>142,661</u>
		<u>142,661</u>
Balance, December 31, 2008	\$	<u><u>18,970</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	493,756
Increased by cash receipts		<u>436,383</u>
		930,139
Decreased by transfer to taxes receivable		<u>493,756</u>
Balance, December 31, 2008	\$	<u><u>436,383</u></u>



**TOWNSHIP OF MAHWAH**

Schedule of Prepaid Health Licenses

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	590
Increased by cash receipts		<u>10,835</u>
		11,425
Decreased by revenue realized		<u>590</u>
Balance, December 31, 2008	\$	<u><u>10,835</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Tax Appeals

Current Fund

Year ended December 31, 2008

Balance, December 31, 2006	\$	113,840
Increased by budget appropriations		<u>100,000</u>
		213,840
Decreased by cash disbursements for tax refunds		<u>91,339</u>
Balance, December 31, 2008	\$	<u><u>122,501</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Various Reserves

Current Fund

Year ended December 31, 2008

	<u>Accounts payable</u>	<u>Premium on tax sale</u>	<u>Burial Disinterment</u>	<u>Marriage Lic. and Domestic Partnership</u>	<u>Totals</u>
Balance, December 31, 2007	\$ 368,929	32,500	—	525	401,954
Increased by:					
Cash receipts	—	100	60	2,875	3,035
Transfer from Grant Fund	31,410	—	—	—	31,410
Appropriation reserves	119,448	—	—	—	119,448
	<u>150,858</u>	<u>100</u>	<u>60</u>	<u>2,875</u>	<u>153,893</u>
	<u>519,787</u>	<u>32,600</u>	<u>60</u>	<u>3,400</u>	<u>555,847</u>
Decreased by:					
Cancellation	21,231	—	—	—	21,231
Cash disbursed	222,527	30,800	40	2,825	256,192
	<u>243,758</u>	<u>30,800</u>	<u>40</u>	<u>2,825</u>	<u>277,423</u>
Balance, December 31, 2008	\$ <u>276,029</u>	<u>1,800</u>	<u>20</u>	<u>575</u>	<u>278,424</u>

**TOWNSHIP OF MAHWAH**

Schedule of Interfunds

Current Fund

Year ended December 31, 2008

	<b>Dog License Fund</b>	<b>Other Trust Fund</b>	<b>General Capital Fund</b>	<b>Water Utility Operating Fund</b>	<b>Federal and State Grant Fund</b>	<b>Outside Detail</b>
Balance, December 31, 2007, due from (to)	\$ 5,625	4,006	6,344	300	164,972	—
Increased by:						
Cash disbursed	—	20	6,516	69	—	279,030
Statutory excess	3,491	—	—	—	—	—
Grant encumbrances paid by Current Fund	—	—	—	—	61,589	—
Interest earned	—	1,209	31,740	—	—	—
Debt service reserve anticipated	—	—	400,000	—	—	—
Transfer to accounts payable	—	—	—	—	31,410	—
Cancellation of Appropriated Reserves	—	—	—	—	79,097	—
Grant expenditures paid by Current Fund	—	—	—	—	888,320	—
	<u>3,491</u>	<u>1,229</u>	<u>438,256</u>	<u>69</u>	<u>1,060,416</u>	<u>279,030</u>
	<u>9,116</u>	<u>5,235</u>	<u>444,600</u>	<u>369</u>	<u>1,225,388</u>	<u>279,030</u>
Decreased by:						
Cash receipts	5,625	4,006	383,805	300	—	279,030
Unappropriated grants received deposited in Current Fund	—	—	—	—	13,705	—
Grant receipts deposited in Current Fund	—	—	—	—	473,238	—
2008 Budget Appropriation	—	—	60,000	—	3,375	—
Cancellation of Grants receivable	—	—	—	—	79,086	—
	<u>5,625</u>	<u>4,006</u>	<u>443,805</u>	<u>300</u>	<u>569,404</u>	<u>279,030</u>
Balance, December 31, 2008, due from (to)	\$ <u>3,491</u>	<u>1,229</u>	<u>795</u>	<u>69</u>	<u>655,984</u>	<u>—</u>
Soil	\$	38				
Access Trans.		20				
Escrow		1,171				
	\$	<u>1,229</u>				

## TOWNSHIP OF MAHWAH

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year ended December 31, 2008

	<b>Balance, Dec. 31, 2007</b>	<b>Awarded in 2008</b>	<b>Received</b>	<b>Canceled</b>	<b>Balance, Dec. 31, 2008</b>
Clean Communities Program	\$ —	30,530	30,530	—	—
Alcohol Education Rehabilitation	—	6,586	6,586	—	—
Drunk Driving Enforcement	—	20,119	20,119	—	—
Body Armor Fund	—	5,940	5,940	—	—
Recycling Tonnage Grant	—	18,911	18,911	—	—
Municipal Alliance on Alcohol and Drug Abuse	13,500	13,500	13,500	—	13,500
NJ Office of Information and Technology Enhanced 911	43,850	—	—	43,850	—
U.S. Department of Housing and Urban Development: Community Development - ADA Firehouse #1	75,000	—	75,000	—	—
US Dept. of Highway Traffic Safety ( Pass Through) Cops in Shops	4,000	—	4,000	—	—
US Dept of Justice - Secure our Schools	75,000	—	75,000	—	—
US DOT (Pass through)over the limit; obey the Signs	—	9,000	7,850	1,150	—
U.S. EPA - Municipal Stormwater Program	3,527	—	3,527	—	—
NJ DEP - Acquisition of Property	50,000	—	—	—	50,000
NJ DEP Flood Management	150,000	—	—	—	150,000
NJ DOT Sidewalks	90,000	—	58,802	—	31,198
NJ DOT - Corporate Drive	—	150,000	87,040	—	62,960
Stryker Orthopaedics Donation	—	9,000	9,000	—	—
County of Bergen:					
Replacement of Pulis Avenue Bridge	82,080	—	—	—	82,080
Open Space	90,000	45,450	—	—	135,450
Office of the County Prosecutor - Police	324,967	191,608	57,433	34,086	425,056
	<u>\$ 1,001,924</u>	<u>500,644</u>	<u>473,238</u>	<u>79,086</u>	<u>950,244</u>
Due from Current Fund			\$ 473,238		
			<u>\$ 473,238</u>		

**TOWNSHIP OF MAHWAH**

Schedule of Appropriated Reserves

Federal and State Grant Fund

Year ended December 31, 2008

	<b>Balance, Dec. 31, 2007</b>	<b>Transferred from 2008 budget</b>	<b>Appropriation by 40A:4-87</b>	<b>Expended</b>	<b>Canceled</b>	<b>Balance, Dec. 31, 2008</b>
Drunk Driving Enforcement Fund	\$ 49,828	20,119	—	24,831	—	45,116
Clean Communities Program	—	—	30,530	30,530	—	—
Municipal Alcohol Education Rehabilitation Act	—	—	6,586	6,586	—	—
Municipal Alliance on Alcohol and Drug Abuse	11	16,875	—	16,875	11	—
Body Armor Fund	5,281	5,940	—	6,540	—	4,681
Recycling Tonnage Grant	26,220	—	18,911	10,504	—	34,627
NJ Office of Information and Technology Enhanced 911	43,850	—	—	—	43,850	—
NJ DEP - Acquisition of Property	48,162	—	—	—	—	48,162
NJ DEP - Flood Management	15,450	—	—	15,450	—	—
NJ DOT - Sidewalks	81,000	—	—	77,243	—	3,757
NJ DOT - Corporate Drive	—	150,000	—	139,212	—	10,788
NJ Dept. of Law and Public Safety - Forfeited Funds	3,522	—	—	3,522	—	—
Stryker Orthopaedics Donation	—	—	9,000	9,000	—	—
US Dept of Justice - Secure our Schools	75,000	—	—	75,000	—	—
US Dept. of Highway Traffic Safety ( Pass Through)						
Over the Limit; Obey the Signs	—	—	9,000	7,850	1,150	—
US EPA - Municipal Stormwater	—	—	—	—	—	—
County Open Space Park Improvements	40,000	—	45,450	61,717	—	23,733
County Prosecutor Municipal Fund - Police	326,096	191,608	—	459,774	34,086	23,844
	<u>\$ 714,420</u>	<u>384,542</u>	<u>119,477</u>	<u>944,634</u>	<u>79,097</u>	<u>194,708</u>
Encumbrances				\$ 40,864		
Paid by general capital fund				15,450		
Due to Current Fund				<u>888,320</u>		
				<u>\$ 944,634</u>		

**TOWNSHIP OF MAHWAH**

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year ended December 31, 2008

	<u>Balance, Dec. 31, 2007</u>	<u>Transferred to 2008 budget</u>	<u>Received</u>	<u>Balance, Dec. 31, 2008</u>
Other				
Fireman's Fund Fire Dept.	\$ —	—	8,376	8,376
State:				
Body Armor Fund	<u>—</u>	<u>—</u>	<u>5,329</u>	<u>5,329</u>
	<u>\$ —</u>	<u>—</u>	<u>13,705</u>	<u>13,705</u>
			<u>13,705</u>	
Due from Current Fund			<u>13,705</u>	

**TOWNSHIP OF MAHWAH**

Schedule of Foreclosed Property

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007 and 2008	\$ <u><u>1,353,400</u></u>
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**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Arbitrage Rebate Payable

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007 and 2008	\$ <u>30,000</u>
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**TOWNSHIP OF MAHWAH**

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	61,589
Increased by encumbrances authorized		<u>40,864</u>
		102,453
Decreased by:		
Paid by Current Fund		<u>61,589</u>
Balance, December 31, 2008	\$	<u><u>40,864</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Accounts Payable

Federal and State Grant Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>60,943</u>
Decreased by:	
Transferred to Current Fund	31,410
Transferred to General Capital Fund	<u>26,851</u>
	<u>58,261</u>
Balance, December 31, 2008	\$ <u><u>2,682</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Revaluation

Current Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	600,000
Decreased by:		
Disbursed		<u>225,100</u>
Balance, December 31, 2008	\$	<u><u>374,900</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2008

	<b>Dog License Fund</b>	<b>Other Trust Funds</b>	<b>Unemployment Compensation Fund</b>	<b>Uniform Construction Code Training Fees</b>
Balance, December 31, 2007	\$ 26,886	6,772,120	199,724	7,178
Increased by receipts:				
Dog license fees	10,866	—	—	—
Due to State of New Jersey	2,338	—	—	—
Recreation contributions	—	56,060	—	—
Reserve for Other Expenses	—	5,741,356	—	—
Due from Current Fund	—	1,209	—	—
Due to developers	—	35,437	—	—
Special deposits	—	1,366,518	—	—
Interest earned	—	—	35,799	—
Training fees collected	—	—	—	70,916
	<u>13,204</u>	<u>7,200,580</u>	<u>35,799</u>	<u>70,916</u>
	<u>40,090</u>	<u>13,972,700</u>	<u>235,523</u>	<u>78,094</u>
Decreased by disbursements:				
Payments to State of New Jersey	2,321	—	15,607	—
Dog license expenditures	6,741	—	—	—
Due to Current Fund	5,625	4,006	—	—
Due to Developers	—	38,826	—	—
Recreation expenses	—	60,635	—	—
Special deposits - refunded	—	1,188,750	—	—
Reserve for Other Expenses	—	5,112,125	—	—
Uniform Construction Code	—	—	—	49,888
	<u>14,687</u>	<u>6,404,342</u>	<u>15,607</u>	<u>49,888</u>
Balance, December 31, 2008	<u>\$ 25,403</u>	<u>7,568,358</u>	<u>219,916</u>	<u>28,206</u>

**TOWNSHIP OF MAHWAH**

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

Trust Funds

Year ended December 31, 2008

Balance, December 31, 2007	\$	21,261
Increased by:		
2008 licenses and fees		<u>10,866</u>
		<u>32,127</u>
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Excess balance due to Current Fund		3,491
Other disbursements		<u>6,741</u>
		<u>10,232</u>
Balance, December 31, 2008	\$	<u><u>21,895</u></u>
2007 license revenue	\$	9,702
2006 license revenue		<u>12,193</u>
	\$	<u><u>21,895</u></u>

**TOWNSHIP OF MAHWAH**

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

Trust Funds

Year ended December 31, 2008

Balance, December 31, 2007 - (Due from)	\$	—
Increased by cash collected		<u>2,338</u>
		2,338
Decreased by cash disbursed		<u>2,321</u>
Balance, December 31, 2008 - Due to	\$	<u><u>17</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Special Deposits -  
Other Trust Funds

Trust Funds

Year ended December 31, 2008

Balance, December 31, 2007	\$	3,836,573
Increased by:		
Deposits		<u>1,366,518</u>
		5,203,091
Decreased by disbursements		<u>1,188,750</u>
Balance, December 31, 2008	\$	<u><u>4,014,341</u></u>



**TOWNSHIP OF MAHWAH**

Schedule of Reserve for State  
Unemployment Insurance -  
Unemployment Compensation Fund

Trust Funds

Year ended December 31, 2008

Balance, December 31, 2007	\$	199,724
Increased by:		
Receipts		<u>35,799</u>
		235,523
Decreased by cash disbursed		<u>15,607</u>
Balance, December 31, 2008	\$	<u><u>219,916</u></u>

**TOWNSHIP OF MAHWAH**

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

Trust Funds

Year ended December 31, 2008

Balance, December 31, 2007	\$	7,178
Increased by training fees collected		<u>70,916</u>
		78,094
Decreased by cash disbursements		<u>49,888</u>
Balance, December 31, 2008	\$	<u><u>28,206</u></u>

## TOWNSHIP OF MAHWAH

## Schedule of Interfunds

## Trust Funds

Year ended December 31, 2008

	<b>Dog License Fund</b>	<b>Escrow</b>	<b>Soil</b>	<b>Access Transportation</b>	<b>Total</b>
Balance, December 31, 2007, Due to/ (from)	\$ 5,625	3,709	297	—	9,631
Increased by:					
Payments by Current Fund	—	—	—	20	—
Excess balance in Dog License fund	3,491	—	—	—	3,491
Cash received	—	1,171	38	—	1,209
	<u>3,491</u>	<u>1,171</u>	<u>38</u>	<u>20</u>	<u>4,700</u>
	9,116	4,880	335	20	14,331
Decreased by:					
Cash disbursed	5,625	3,709	297	—	9,631
	<u>5,625</u>	<u>3,709</u>	<u>297</u>	<u>—</u>	<u>9,631</u>
Balance, December 31, 2008, Due to/ (from)	\$ <u>3,491</u>	<u>1,171</u>	<u>38</u>	<u>20</u>	<u>4,700</u>

**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Recreation  
Expenses - Other Trust Funds

Trust Funds

Year ended December 31, 2008

Balance, December 31, 2007	\$	7,715
Increased by contributions		<u>56,060</u>
		63,775
Decreased by cash disbursements		<u>60,635</u>
Balance, December 31, 2008	\$	<u><u>3,140</u></u>

**TOWNSHIP OF MAHWAH**

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

Trust Funds

Year ended December 31, 2008

	<b>Balance, Dec. 31, 2007</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance, Dec. 31, 2008</b>
Reserve for:				
Historic Preservation	\$ 2,845	—	—	2,845
Optical	27,884	28,500	39,112	17,272
Open Space	588,448	433,856	461,102	561,202
Community Development	—	75,000	75,000	—
Lien Redemption	—	88,754	88,754	—
Community Donation	18,258	300	895	17,663
Access Transportation	48,356	3,632	15,319	36,669
Municipal Court	850	64	—	914
Celebration of Public Events	6,000	12,350	8,500	9,850
Beautification project	60	—	—	60
Winter Park	3,589	—	—	3,589
Affordable Housing	1,238,786	838,346	212,725	1,864,407
Development fees	339,384	7,153	—	346,537
Shade Tree	21,950	—	—	21,950
Sidewalk	116,814	35,750	60,727	91,837
Senior Center	459	—	—	459
Outside Detail	85,557	283,825	287,630	81,752
Self Insurance	238,022	3,768,659	3,711,234	295,447
Section 125 Plan	—	28,896	23,646	5,250
Developers' escrow - Soil Movement	183,175	136,271	127,501	191,945
	<u>\$ 2,920,437</u>	<u>5,741,356</u>	<u>5,112,145</u>	<u>3,549,648</u>
Cash		\$ 5,741,356	5,112,125	
Due from /to Current Fund		<u>—</u>	<u>20</u>	
		<u>\$ 5,741,356</u>	<u>5,112,145</u>	

**TOWNSHIP OF MAHWAH**

Schedule of Due to Developers -  
Other Trust Funds

Trust Funds

Year ended December 31, 2008

Balance, December 31, 2007	\$	3,389
Increased by 2008 interest		<u>35,437</u>
		38,826
Decreased by:		
Cash disbursements		<u>38,826</u>
Balance, December 31, 2008	\$	<u><u>—</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>5,277,844</u>
Increased by receipts:	
Interest earned	31,740
Bond anticipation note proceeds	3,750,000
Premium on sale of notes	<u>25,762</u>
	<u>3,807,502</u>
	<u>9,085,346</u>
Decreased by disbursements:	
Payment of notes	2,700,000
Due from Current Fund	349,096
Due from Grant Fund	42,301
Due from checking	7,006
Improvement authorizations	<u>1,603,682</u>
	<u>4,702,085</u>
Balance, December 31, 2008	\$ <u><u>4,383,261</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Analysis of General Capital Cash

General Capital Fund

December 31, 2008

Encumbrances payable	\$ 1,443,911
Due to Current Fund	795
Due from Grant Fund	(42,301)
Due from General checking	(7,006)
Reserve for payment of debt	2,977,374
Capital Improvement Fund	397
Fund balance	44,975

Improvement Authorizations:

<b>Ordinance number</b>	<b>Improvement description</b>	
1325	Various improvements	29,682
1241	Various improvements	9,823
1362/1415	Various improvements	25,432
1387	Various improvements	18,015
1406	Acquisition of land	108,588
1420	Various capital improvements	406,293
1466/1473	Acquisition of land	52,996
1446	Various capital improvements	146,391
1488	Acquisition of land	104,755
1518	Various capital improvements	(27,957)
1546	Various improvements	48,753
1558	Renovation of Police Building	(193,189)
1576	Various capital improvements	(69,238)
1612	Various capital improvements	(695,228)
		<u>\$ 4,383,261</u>



**TOWNSHIP OF MAHWAH**

Schedule of Amount Due from /(to) Current Fund

General Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007 (Due To)	\$ <u>(6,344)</u>
Increased by:	
Interfund advanced	349,096
County reimbursement	34,709
2008 budget appropriation	<u>60,000</u>
	<u>443,805</u>
	<u>437,461</u>
Decreased by:	
Interest earned	31,740
Debt service reserve anticipated	400,000
Expenses paid by Current Fund	<u>6,516</u>
	<u>438,256</u>
Balance, December 31, 2008 (Due To)	\$ <u><u>(795)</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Federal Grants Receivable

General Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>47,500</u>
----------------------------	------------------

Balance, December 31, 2008	\$ <u>47,500</u>
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**Analysis of Balance**

<u>Year</u>	<u>Project</u>	<u>Amount</u>
2002	Ord. 1362 Library improvements - CDBG	\$ <u>47,500</u>
		\$ <u>47,500</u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2008

Ordinance number	Description	Balance, Dec. 31, 2007	2008 authorizations	Notes paid	Balance, Dec. 31, 2008	Analysis of balance		
						Bond anticipation notes	Expended	Unexpended balance of improvement authorizations
1506	Install oil collection system	\$ 85,500	—	—	85,500	85,500	—	—
1518	Various capital improvements	1,451,944	—	100,000	1,351,944	1,200,000	27,957	123,987
1546	Various improvements	1,781,562	—	200,000	1,581,562	1,414,500	—	167,062
1558	Renovation of Police Building	332,500	—	—	332,500	—	193,189	139,311
1576	Various capital improvements	106,395	—	—	106,395	—	69,238	37,157
1607	Refunding bond ordinance	—	15,000,000	—	15,000,000	—	—	15,000,000
1612	Various capital improvements	—	2,099,025	—	2,099,025	1,050,000	695,228	353,797
		<u>\$ 3,757,901</u>	<u>17,099,025</u>	<u>300,000</u>	<u>20,556,926</u>	<u>3,750,000</u>	<u>985,612</u>	<u>15,821,314</u>
					Improvement authorizations unfunded			\$ 15,870,067
					Less - Unexpended note proceeds:			
					Ordinance	1546		<u>48,753</u>
								<u>\$ 15,821,314</u>

**TOWNSHIP OF MAHWAH**

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	50,872
Increased by:		.
Budget appropriation		<u>60,000</u>
		110,872
Decreased by appropriated to finance improvement authorizations		<u>110,475</u>
Balance, December 31, 2008	\$	<u><u>397</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2008

Ordinance number	Improvement description	Ordinance Original Amount	Balance, December 31, 2007		2008 authorizations	Expended	Balance, December 31, 2008	
			Funded	Unfunded			Funded	Unfunded
1241	Various improvements	\$ 1,310,715	9,823	—	—	—	9,823	—
1325	Various improvements	2,101,500	29,682	—	—	—	29,682	—
1362/ 1415	Various improvements	3,220,165	25,432	—	—	—	25,432	—
1387	Various improvements	2,695,500	18,015	—	—	—	18,015	—
1406	Acquisition of land	1,200,000	108,588	—	—	—	108,588	—
1420	Various capital improvements	3,421,000	452,321	—	—	46,028	406,293	—
1446	Various capital improvements	4,652,200	149,134	—	—	2,743	146,391	—
1466/1473	Acquisition of land	3,500,000	52,996	—	—	—	52,996	—
1488	Various capital improvements	2,915,400	229,038	—	—	124,283	104,755	—
1518	Various capital improvements	1,746,000	—	351,944	—	227,957	—	123,987
1546	Various improvements	1,981,000	—	245,347	—	29,532	—	215,815
1558	Renovation of Police Building	350,000	—	236,554	—	97,243	—	139,311
1576	Various capital improvements	1,191,000	188,183	106,395	—	257,421	—	37,157
1607	Refunding bond ordinance	15,000,000	—	—	15,000,000	—	—	15,000,000
1612	Various capital improvements	2,209,500	—	—	2,209,500	1,855,703	—	353,797
			<u>\$ 1,263,212</u>	<u>940,240</u>	<u>17,209,500</u>	<u>2,640,910</u>	<u>901,975</u>	<u>15,870,067</u>

Deferred charges unfunded  
Reserve for payment of debt

Deferred Charges Unfunded \$ 17,099,025  
Capital Improvement Fund 110,475  
\$ 17,209,500

Encumbrances \$ 1,443,911  
Paid by Current Fund 6,516  
Encumbrances canceled (413,199)  
Cash 1,603,682  
\$ 2,640,910

**TOWNSHIP OF MAHWAH**

Schedule of Encumbrances Payable

General Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	413,199
Increased by improvement authorization encumbrances		<u>1,443,911</u>
		1,857,110
Decreased by encumbrances canceled		<u>413,199</u>
Balance, December 31, 2008	\$	<u><u>1,443,911</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ 3,342,665
Increased by:	
Ordinance #1446 Parks and Bridges (County reimbursement)	<u>34,709</u>
	3,377,374
Decreased by:	
Anticipation as Current Fund revenue	<u>400,000</u>
Balance, December 31, 2008	\$ <u><u>2,977,374</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2008

<b>Ordinance number</b>	<b>Purpose</b>	<b>Original date of issue</b>	<b>Date of issue</b>	<b>Date of maturity</b>	<b>Interest rate</b>	<b>Balance, Dec. 31, 2007</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance, Dec. 31, 2008</b>
1506	Install oil collection system	8/17/06	8/14/2008	8/14/2009	2.500%	85,500	85,500	85,500	85,500
1518	Various capital improvements	8/17/06	8/14/2008	8/14/2009	2.500%	1,300,000	1,200,000	1,300,000	1,200,000
1546	Various improvements	8/17/06	8/14/2008	8/14/2009	2.500%	1,614,500	1,414,500	1,614,500	1,414,500
1612	Various capital improvements	8/14/08	8/14/2008	8/14/2009	2.500%	—	1,050,000	—	1,050,000
						<u>\$ 3,000,000</u>	<u>3,750,000</u>	<u>3,000,000</u>	<u>3,750,000</u>
							\$ 2,700,000	2,700,000	
							1,050,000	—	
							—	300,000	
							<u>\$ 3,750,000</u>	<u>3,000,000</u>	



**TOWNSHIP OF MAHWAH**

Schedule of Serial Bonds Payable

General Capital Fund

Year ended December 31, 2008

<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, 2007</u>	<u>Bonds paid</u>	<u>Balance, Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>				
Oct. 15, 2004	General Improvement Bond	\$ 17,165,000	10/15/09	\$ 675,000	2.750			
			10/15/10	700,000	3.000			
			10/15/11	750,000	3.200			
			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	\$ 15,465,000	650,000	14,815,000
Dec. 1, 2001	General Improvement Bonds	21,780,000	12/01/09	900,000	4.500			
			12/01/10	950,000	4.500			
			12/01/11	1,000,000	4.500			
			12/01/12	1,050,000	4.500			
			12/01/13	1,100,000	4.600			
			12/01/14	1,150,000	4.600			
			12/01/15	1,250,000	4.650			
			12/01/16	1,300,000	4.750			
			12/01/17	1,300,000	4.800			
			12/01/18	1,300,000	4.850			
			12/01/19	1,300,000	4.900			
			12/01/20	1,300,000	4.900			
			12/01/21	1,300,000	5.000			
			12/01/22	1,280,000	5.000			
						<u>17,380,000</u>	<u>900,000</u>	<u>16,480,000</u>
						\$ <u>32,845,000</u>	<u>1,550,000</u>	<u>31,295,000</u>

**TOWNSHIP OF MAHWAH**

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2008

<b>Ordinance number</b>	<b>Description</b>	<b>Balance, Dec. 31, 2007</b>	<b>2008 authori- zations</b>	<b>Notes Issued</b>	<b>Balance, Dec. 31, 2008</b>
1518	Various improvements	151,944	—	—	151,944
1546	Various improvements	167,062	—	—	167,062
1558	Renovation of Police Building	332,500	—	—	332,500
1576	Various capital improvements	106,395	—	—	106,395
1607	Refunding bond ordinance	—	15,000,000	—	15,000,000
1612	Various capital improvements	—	2,099,025	1,050,000	1,049,025
		<u>\$ 757,901</u>	<u>17,099,025</u>	<u>1,050,000</u>	<u>16,806,926</u>

**TOWNSHIP OF MAHWAH**

Schedule of Deferred Charges to  
Future Taxation Funded

General Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ 32,845,000
Decreased by bonds paid	<u>1,550,000</u>
Balance, December 31, 2008	<u><u>\$ 31,295,000</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Cash - Treasurer

Water Utility Fund

Year Ended December 31, 2008

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2007	\$ 4,571,012	1,376,796
Increased by receipts:		
Water rents	2,864,644	—
Tapping and capacity fees	107,550	—
Miscellaneous revenue not anticipated	175,608	—
Note proceeds	—	2,200,000
Interest earned	—	25,282
Due from Water Utility Capital Fund	25,989	—
Overpayments	3,517	—
Capital Improvement Fund	—	25,000
	<u>3,177,308</u>	<u>2,250,282</u>
	<u>7,748,320</u>	<u>3,627,078</u>
Decreased by disbursements:		
Budget appropriations	3,432,896	—
Appropriation reserves	245,378	—
Refund of prior year revenue	13,980	—
Due from Water Capital Fund	25,282	—
Accrued Interest on Notes	115,055	—
Premium on water liens refunded	300	—
Water overpayments refunded	7,622	—
Due to Water Utility Operating Fund	—	25,989
Improvement authorizations	—	1,159,261
	<u>3,840,513</u>	<u>1,185,250</u>
Balance, December 31, 2008	\$ <u><u>3,907,807</u></u>	<u><u>2,441,828</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Analysis of Capital Fund Cash

Water Utility Capital Fund

December 31, 2008

Encumbrances	\$ 895,501
Due to Water Utility Operating Fund	210
Capital Improvement Fund	21,369
Reserve for payment of debt	56,816
Fund balance	322,143

Improvement authorizations:

<b>Ordinance number</b>	<b>Improvement description</b>	
1165/1183	Various water improvements	2,695
1244	Acquisition-water meters	4,159
1388	Various improvements	15,335
1361/1394	Various improvements	1,352
1519/1567	Various improvements	637,577
1544	Various improvements	(5,253)
1575	Various improvements	122,824
1613	Various improvements	<u>367,100</u>
		<u>\$ 2,441,828</u>

**TOWNSHIP OF MAHWAH**

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year ended December 31, 2008

<b>Ordinance number</b>	<b>Purpose</b>	<b>Original date of issue</b>	<b>Date of issue</b>	<b>Date of maturity</b>	<b>Interest rate</b>	<b>Balance, Dec. 31, 2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance, Dec. 31, 2008</b>
1165/1183	Various improvements	Oct. 28, 1999	Oct. 16, 2008	Oct. 16, 2009	3.13%	\$ 200,000	100,000	200,000	100,000
1165/1183	Various improvements	Oct. 25, 2001	Oct. 16, 2008	Oct. 16, 2009	3.13%	450,000	325,000	450,000	325,000
1361/ 1394	Various improvements	Oct. 25, 2001	Oct. 16, 2008	Oct. 16, 2009	3.13%	800,000	600,000	800,000	600,000
1371	Acquisition - water meters	Oct. 25, 2001	Oct. 16, 2008	Oct. 16, 2009	3.13%	450,000	325,000	450,000	325,000
1519/1567	Various improvements	Oct. 19, 2006	Oct. 16, 2008	Oct. 16, 2009	3.13%	900,000	900,000	900,000	900,000
1544	Various improvements	Oct. 19, 2006	Oct. 16, 2008	Oct. 16, 2009	3.13%	450,000	450,000	450,000	450,000
1165/1183	Various improvements	Oct. 16, 2008	Oct. 16, 2008	Oct. 16, 2009	3.13%	—	125,000	—	125,000
1361/ 1394	Various improvements	Oct. 16, 2008	Oct. 16, 2008	Oct. 16, 2009	3.13%	—	25,000	—	25,000
1519/1567	Various improvements	Oct. 16, 2008	Oct. 16, 2008	Oct. 16, 2009	3.13%	—	925,000	—	925,000
1544	Various improvements	Oct. 16, 2008	Oct. 16, 2008	Oct. 16, 2009	3.13%	—	75,000	—	75,000
1575	Various improvements	Oct. 16, 2008	Oct. 16, 2008	Oct. 16, 2009	3.13%	—	450,000	—	450,000
1613	Various improvements	Oct. 16, 2008	Oct. 16, 2008	Oct. 16, 2009	3.13%	—	600,000	—	600,000
						<u>\$ 3,250,000</u>	<u>4,900,000</u>	<u>3,250,000</u>	<u>4,900,000</u>
							\$ 2,700,000	2,700,000	
							2,200,000	—	
							—	550,000	
						<u>\$ 4,900,000</u>	<u>3,250,000</u>		

**TOWNSHIP OF MAHWAH**

Schedule of Water Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2008

Balance, December 31, 2007	\$	264,173
Increased by water rents levied		<u>2,729,068</u>
		2,993,241
Decreased by water rents collected		<u>2,864,644</u>
Balance, December 31, 2008	\$	<u><u>128,597</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Water Overpayments

Water Utility Operating Fund

Year Ended December 31, 2008

Balance, December 31, 2007	\$	6,167
Increased by water overpayments		<u>3,517</u>
		9,684
Decreased by disbursements		<u>7,622</u>
Balance, December 31, 2008	\$	<u><u>2,062</u></u>



**TOWNSHIP OF MAHWAH**

Schedule of Fixed Capital

Water Utility Capital Fund

December 31, 2008 and 2007

	<b>Balance, Dec. 31, 2007</b>	<b>Balance, Dec. 31, 2008</b>
	<u>2007</u>	<u>2008</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	145,961	145,961
Pump house and pumps	91,372	91,372
Improvement of water supply and distribution system	5,956,119	5,956,119
Vehicle equipment	72,810	72,810
Wells	978,957	978,957
Acquisition of land	<u>856,834</u>	<u>856,834</u>
	<u>\$ 8,336,080</u>	<u>8,336,080</u>

## TOWNSHIP OF MAHWAH

## Schedule of Fixed Capital Authorized and Uncompleted

## Water Utility Capital Fund

Year Ended December 31, 2008

<b>Ordinance number</b>	<b>Improvement description</b>	<b>Original Amount</b>	<b>Balance, Dec. 31, 2007</b>	<b>Increased</b>	<b>Balance, Dec. 31, 2008</b>
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	136,925	—	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	2,875,000	—	2,875,000
1613	Various improvements	1,030,000	—	1,030,000	1,030,000
			<u>\$ 17,141,925</u>	<u>1,030,000</u>	<u>18,171,925</u>

**TOWNSHIP OF MAHWAH**

Schedule of Accrued Interest  
on Notes

Water Utility Operating Fund  
Year Ended December 31, 2008

Balance, December 31, 2007	\$ 23,716
Increased by:	
2008 budget appropriation	<u>200,000</u>
	<u>223,716</u>
Decreased by:	
Payments	115,055
Cancellations	<u>76,283</u>
	<u>191,338</u>
Balance, December 31, 2008	<u><u>\$ 32,378</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Amount Due from Water Utility Capital Fund

Water Utility Operating Fund  
Year Ended December 31, 2008

Balance, December 31, 2007	\$	917
Increased by interest earned in Capital Fund		<u>25,282</u>
		26,199
Decreased by cash received		<u>25,989</u>
Balance, December 31, 2008	\$	<u><u>210</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2008

Balance, December 31, 2007	\$ 14,286,080
Increased by:	
Increased by bond anticipation notes paid	<u>550,000</u>
Balance, December 31, 2008	\$ <u><u>14,836,080</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Deferred Reserve for  
Amortization

Water Utility Capital Fund  
December 31, 2008 and 2007

Balance, December 31, 2007	\$ 2,343,175
Increased by down payment Ord. 1613	<u>51,500</u>
Balance, December 31, 2008	<u><u>\$ 2,394,675</u></u>

**Analysis of Balance**

Ordinance #1165/1183	\$ 1,796,000
Ordinance #1244	30,000
Ordinance #1326	6,925
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><u>\$ 2,394,675</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Amount Due to Current Fund

Water Utility Operating Fund  
Year Ended December 31, 2008

Balance, December 31, 2007	\$	300
Increased by expenditures paid by Current Fund		<u>69</u>
		369
Decreased by cash disbursed		<u>300</u>
Balance, December 31, 2008	\$	<u><u>69</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2008

<b>Ordinance number</b>	<b>Improvement description</b>	<b>Balance, December 31, 2007</b>		<b>Authorizations</b>	<b>Expended</b>	<b>Balance, December 31, 2008</b>	
		<b>Amount</b>	<b>Unfunded</b>			<b>Funded</b>	<b>Unfunded</b>
1165/1183	Various water improvements	—	838,161	—	56,466	—	781,695
1244/1371	Acquisition - water meters	—	129,482	—	323	—	129,159
1388	Various improvements	—	—	—	(15,335)	—	15,335
1361/1394	Various improvements	—	186,410	—	(2,092)	—	188,502
1519/1567	Various improvements	—	1,263,057	—	80,230	—	1,182,827
1544	Various improvements	—	492,409	—	416,562	—	75,847
1575	Various improvements	—	2,484,060	—	79,986	—	2,404,074
1613	Various improvements	—	—	1,030,000	284,400	—	745,600
		<b>\$ —</b>	<b>5,393,579</b>	<b>1,030,000</b>	<b>900,540</b>	<b>—</b>	<b>5,523,039</b>
					\$ 1,159,261		
					(1,154,222)		
					895,501		
					<b>\$ 900,540</b>		
					51,500		
					<b>978,500</b>		
					<b>\$ 1,030,000</b>		



**TOWNSHIP OF MAHWAH**

Schedule of Encumbrances Payable

Water Utility Capital Fund

Year Ended December 31, 2008

Balance, December 31, 2007	\$	1,154,222
Increased by charges to improvement authorizations		<u>895,501</u>
		2,049,723
Decreased by:		
Cancellations		<u>1,154,222</u>
Balance, December 31, 2008	\$	<u><u>895,501</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year Ended December 31, 2008

Balance, December 31, 2007	\$	47,869
Increased by:		
2008 budget appropriation		<u>25,000</u>
		72,869
Decreased by:		
Appropriated for down payment		<u>51,500</u>
Balance, December 31, 2008	\$	<u><u>21,369</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2008

	<b>Balance Dec. 31, 2007</b>	<b>Transfer of encum- brances</b>	<b>Balance after transfers</b>	<b>Paid or charged</b>	<b>Balance lapsed</b>
Salaries and wages	\$ 19,687	—	19,687	—	19,687
Other expenses	593,080	190,800	783,880	249,101	534,779
Insurance	37,187	5,545	42,732	4,673	38,059
Statutory expenditures - contribution to:					
Public Employees' Retirement System	1,917	—	1,917	—	1,917
Social Security System (O.A.S.I.)	6,379	—	6,379	—	6,379
	<u>\$ 658,250</u>	<u>196,345</u>	<u>854,595</u>	<u>253,774</u>	<u>600,821</u>
		Accounts payable		8,396	
		Cash		<u>245,378</u>	
				<u>253,774</u>	

## TOWNSHIP OF MAHWAH

## Schedule of Bonds and Notes Authorized but not Issued

## Water Utility Capital Fund

Year Ended December 31, 2008

<b>Ordinance number</b>	<b>Description</b>	<b>Balance, Dec. 31, 2007</b>	<b>Increased by Authorizations</b>	<b>Decreased by Issued</b>	<b>Balance, Dec. 31, 2008</b>
1165/1183	Various water improvements	\$ 904,000	—	125,000	779,000
1361/1394	Various improvements	212,150	—	25,000	187,150
1244/ 1371	Acquisition - water meters	125,000	—	—	125,000
1519/1567	Various improvements	1,470,250	—	925,000	545,250
1544	Various improvements	156,100	—	75,000	81,100
1575	Various improvements	2,731,250	—	450,000	2,281,250
1613	Various improvements	—	978,500	600,000	378,500
		<u>\$ 5,598,750</u>	<u>978,500</u>	<u>2,200,000</u>	<u>4,377,250</u>

**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Payment of Debt

Water Utility Capital Fund

Year Ended December 31, 2008

Balance, December 31, 2007	\$ <u>56,816</u>
Balance, December 31, 2008	\$ <u>56,816</u>

**TOWNSHIP OF MAHWAH**

Schedule of Accounts Payable

Water Utility Operating Fund

Year Ended December 31, 2008

Balance, December 31, 2007	\$	20,025
Increased by:		
Transfer from appropriation reserves		<u>8,396</u>
		28,421
Decreased by:		
Cancellations		<u>19,972</u>
Balance, December 31, 2008	\$	<u><u>8,449</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Premium on Water Liens

Water Utility Operating Fund

Year Ended December 31, 2008

Balance, December 31, 2007	\$ <u>1,000</u>
Balance December 31, 2008	\$ <u>1,000</u>

TOWNSHIP OF MAHWAH

Schedule of Cash

Sewer Utility Fund

Year ended December 31, 2008

	<u>Operating</u>	<u>Capital</u>	<u>Assessment</u>
Balance, December 31, 2007	\$ 3,387,090	6,646,715	1,142,728
Increased by receipts:			
Sewer rents	4,695,419	—	—
Miscellaneous revenues not anticipated	316,777	—	—
Due from Sewer Utility Capital Fund	560	—	—
Due from Sewer Assessment Fund	44,926	—	—
Due to Sewer Utility Operating Fund	—	508	43,700
Premium on sale of notes	—	76,143	—
Sewer overpayments	7,172	—	—
Assessments receivable	—	—	273,870
	<u>5,064,854</u>	<u>76,651</u>	<u>317,570</u>
	<u>8,451,944</u>	<u>6,723,366</u>	<u>1,460,298</u>
Decreased by disbursements:			
Budget appropriations	4,789,525	—	—
Appropriation reserves	68,236	—	—
Accrued interest on notes	326,677	—	—
Due from Sewer Utility Capital Fund	508	—	—
Due from Sewer Utility Assessment Trust Fund	43,700	—	—
Due to Sewer Utility Operating Fund	—	560	44,926
Improvement authorizations	—	2,754,610	—
Payment of notes	—	2,000,000	475,000
Refund of overpayments	5,871	—	—
Refund of prior year revenue	3,604	—	—
	<u>5,238,121</u>	<u>4,755,170</u>	<u>519,926</u>
Balance, December 31, 2008	\$ <u><u>3,213,823</u></u>	<u><u>1,968,196</u></u>	<u><u>940,372</u></u>



**TOWNSHIP OF MAHWAH**

Schedule of Analysis of Cash

Sewer Utility Capital Fund

December 31, 2008

Reserve for encumbrances	\$ 141,728
Reserve for payment of debt	44,242
Due to Sewer Utility Operating Fund	25
Capital Improvement Fund	196,947
Fund balance	370,076

Improvement authorizations:

**Ordinance**

<u>number</u>	<u>Improvement description</u>	
1507/ 1553	Sanitary Sewer Phase V	835,319
1447	Improvements to sanitary sewer system	(6,750)
1545	Improvements to sanitary sewer system	<u>386,609</u>
		<u>\$ 1,968,196</u>

**TOWNSHIP OF MAHWAH**

Schedule of Sewer Rents Receivable

Sewer Utility Operating Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	222,350
Increased by sewer rents levied		<u>4,631,048</u>
		4,853,398
Decreased by sewer rents collected		<u>4,695,419</u>
Balance, December 31, 2008	\$	<u><u>157,979</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Accounts Payable

Sewer Utility Operating Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	4,241
Increased by appropriation reserve		<u>5,000</u>
		9,241
Decreased by:		
Cancellation		<u>2,121</u>
Balance, December 31, 2008	\$	<u><u>7,120</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year ended December 31, 2008

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, Dec. 31, 2007</u>	<u>Project Completed</u>	<u>Balance, Dec. 31, 2008</u>
507/1553/1566	Improvements to sanitary sewer system Phase V	\$ 6,455,000	—	6,455,000
1447	Various improvements	165,000	165,000	—
1545	Various improvements	561,000	—	561,000
		<u>\$ 7,181,000</u>	<u>165,000</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, 2008

Balance, December 31, 2007	\$	101,006
Increased by notes paid		<u>216,151</u>
		317,157
Decreased by collections		<u>96,320</u>
Balance, December 31, 2008	\$	<u><u>220,837</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Appropriation Reserves

Sewer Utility Operating Fund

Year ended December 31, 2008

	<u>Balance Dec. 31, 2007</u>	<u>Encum- brances</u>	<u>Balance after transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
Operating:					
Salaries and wages	\$ 13,328	—	13,328	—	13,328
Other expenses	26,256	87,958	114,214	72,010	42,204
Insurance	27,448	2,251	29,699	1,226	28,473
NW Bergen County Utility Authority	66,742	—	66,742	—	66,742
Deferred charges:					
Statutory expenditures - contribution to:					
Public Employees' Retirement System	655	—	655	—	655
Social Security System	1,918	—	1,918	—	1,918
	<u>\$ 136,347</u>	<u>90,209</u>	<u>226,556</u>	<u>73,236</u>	<u>153,320</u>
			Cash	\$ 68,236	
			Accounts payable	<u>5,000</u>	
				<u>\$ 73,236</u>	

**TOWNSHIP OF MAHWAH**

Schedule of Bond Anticipation Notes Payable

Sewer Utility Assessment Fund

Year ended December 31, 2008

<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, 2007</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2008</u>
1343	Improvements to sewer system Phase IV	Jun. 19, 2002	Jun. 12, 2008	Jun. 12, 2009	3.00%	\$ 991,500	516,500	991,500	516,500
						<u>\$ 991,500</u>	<u>516,500</u>	<u>991,500</u>	<u>516,500</u>
					Renewals		\$ 516,500	516,500	
					Payments		-	475,000	
							<u>\$ 516,500</u>	<u>\$ 991,500</u>	

**TOWNSHIP OF MAHWAH**

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year ended December 31, 2008

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, December 31, 2007</u>			<u>Balance, December 31, 2008</u>	
		<u>Funded</u>	<u>Unfunded</u>	<u>Expended</u>	<u>Funded</u>	<u>Unfunded</u>
1507/ 1553/1566	Sanitary sewer Phase V	\$ —	3,332,676	492,357	—	2,840,319
1447	Improvements to sanitary sewer system	—	—	—	—	—
1545	Various improvements	—	518,583	124,024	—	394,559
		<u>\$ —</u>	<u>3,851,259</u>	<u>616,381</u>	<u>—</u>	<u>3,234,878</u>
				Encumbrances	\$ 141,728	
				Encumbrances canceled	(2,279,957)	
				Cash	<u>2,754,610</u>	
					<u>\$ 616,381</u>	



**TOWNSHIP OF MAHWAH**

Schedule of Encumbrances Payable

Sewer Utility Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	2,279,957
Increased by encumbrances		<u>141,728</u>
		2,421,685
Decreased by:		
Cancellations		<u>2,279,957</u>
Balance, December 31, 2008	\$	<u><u>141,728</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Deferred Reserve  
for Amortization

Sewer Utility Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>226,300</u>
Balance, December 31, 2008	\$ <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, 2008

Balance, December 31, 2007	\$	17,287,875
Increased by:		
Budget appropriation for payment of bond anticipation notes		<u>175,000</u>
Balance, December 31, 2008	\$	<u><u>17,462,875</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Sewer Overpayments

Sewer Operating Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	3,100
Increased by cash received		<u>7,172</u>
		10,272
Decreased by refunded		<u>5,871</u>
Balance, December 31, 2008	\$	<u><u>4,401</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Capital Improvement Fund

Sewer Utility Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>196,947</u>
Balance, December 31, 2008	<u>196,947</u>

**TOWNSHIP OF MAHWAH**

Schedule of Assessments Receivable

Sewer Utility Assessment Fund

Year ended December 31, 2008

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of confirmation</u>	<u>Balance, Dec. 31, 2007</u>	<u>Assess-ments collected</u>	<u>Balance, Dec. 31, 2008</u>
1343	Construction of sanitary sewer system - Phase IV	Mar. 10, 1999	\$ 910,202	177,550	732,652
1164/1217	Construction of sanitary sewer system - Phase III	Dec. 9, 1993	101,006	96,320	4,686
			<u>\$ 1,011,208</u>	<u>273,870</u>	<u>737,338</u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes Payable

Sewer Utility Capital Fund

Year ended December 31, 2008

<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, 2007</u>	<u>Increased</u>	<u>Paid</u>	<u>Balance, Dec. 31, 2008</u>
1343/1390	Improvements to sanitary sewer system	Jun. 19, 2002	Jun. 12, 2008	Jun. 12, 2009	3.00%	\$ 858,500	683,500	858,500	683,500
1447	Various sewer improvements	Jun. 14, 2007	Jun. 12, 2008	Jun. 12, 2009	3.00%	150,000	150,000	150,000	150,000
1507/1553/1566	Sanitary sewer - Phase V	Jun. 14, 2007	Jun. 12, 2008	Jun. 12, 2009	3.00%	6,450,000	4,450,000	6,450,000	4,450,000
1545	Various sewer improvements	Jun. 14, 2007	Jun. 12, 2008	Jun. 12, 2009	3.00%	525,000	525,000	525,000	525,000
						<u>\$ 7,983,500</u>	<u>5,808,500</u>	<u>7,983,500</u>	<u>5,808,500</u>
					Renewed		\$ 5,808,500	5,808,500	
					Cancelled			2,000,000	
					Budget appropriations		—	175,000	
							<u>\$ 5,808,500</u>	<u>7,983,500</u>	

**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Payment of Debt

Sewer Utility Capital Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>44,242</u>
Balance, December 31, 2008	\$ <u>44,242</u>



**TOWNSHIP OF MAHWAH**

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

Sewer Utility Operating Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	(77)
Increased by		
Interest earned		<u>508</u>
		(585)
Decreased by:		
Cash received		<u>560</u>
Balance, December 31, 2008 (Due from)	\$	<u><u>(25)</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Accrued Interest on Notes

Sewer Utility Operating Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ 181,993
Increased by:	
2007 budget appropriation	<u>475,000</u>
	<u>656,993</u>
Decreased by:	
Cancellation	223,845
Cash disbursed	<u>326,677</u>
	<u>550,522</u>
Balance, December 31, 2008	<u><u>\$ 106,471</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Reserve for Arbitrage Payable

Sewer Utility Operating Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$ <u>45,000</u>
Balance, December 31, 2008	\$ <u>45,000</u>

**TOWNSHIP OF MAHWAH**

Schedule of Bonds and Notes Authorized  
but not Issued

Sewer Utility Capital Fund

Year ended December 31, 2008

<u>Ordinance number</u>	<u>Improvement</u>	<u>Balance, Dec. 31, 2007</u>	<u>Reauthorized</u>	<u>Balance, Dec. 31, 2008</u>
1447	Various improvements	\$ 6,750	—	6,750
1545	Various improvements	7,950	—	7,950
1507/1553/1566	Sanitary sewer Stage V	<u>5,000</u>	<u>2,000,000</u>	<u>2,005,000</u>
		<u>\$ 19,700</u>	<u>2,000,000</u>	<u>2,019,700</u>

**TOWNSHIP OF MAHWAH**

Schedule of Due from Sewer  
Utility Assessment Trust Fund

Sewer Utility Operating Fund

Year ended December 31, 2008

Balance, December 31, 2007	\$	1,582
Increased by interest collected in assessment fund		<u>43,700</u>
		45,282
Decreased by interest received		<u>44,926</u>
Balance, December 31, 2008	\$	<u><u>356</u></u>

**TOWNSHIP OF MAHWAH**

Schedule of Fixed Capital

Sewer Utility Capital Fund

Year ended December 31, 2008

<u>Account</u>	<u>Balance, Dec. 31, 2007</u>	<u>Transfer from Authorized Uncompleted</u>	<u>Balance, Dec. 31, 2008</u>
Sanitary sewer system	\$ 17,758,408	100,000	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	50,000	—	50,000
	<u>\$ 18,336,375</u>	<u>165,000</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, 2008

Category	Balance Dec. 31, 2007	Additions	Deletions	Balance Dec. 31, 2008
Land	\$ 18,392,759	732,753	—	19,125,512
Buildings	20,272,152	42,385	—	20,314,537
Vehicular equipment	12,364,526	489,844	242,441	12,611,929
General equipment and machinery	5,096,550	181,543	—	5,278,093
	<u>\$ 56,125,987</u>	<u>1,446,525</u>	<u>242,441</u>	<u>57,330,071</u>

SUPPLEMENTARY DATA



**TOWNSHIP OF MAHWAH**

Supplementary Data

Year ended December 31, 2008

**Comparative Schedule of Tax Rate Information**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax rate	\$ 1.976	1.900	1.790
Apportionment of tax rate:			
Municipal	0.451	0.430	0.396
Municipal Open Space	0.010	0.010	0.010
County	0.304	0.278	0.262
Local school	1.211	1.182	1.122
Assessed valuation:			
2008		\$ 4,128,095,435	
2007		4,105,452,839	
2006		4,114,118,459	

**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>
2008	\$ 81,868,720	81,215,922	99.20 %
2007	78,380,298	77,860,917	99.33
2006	73,956,892	73,448,242	99.31

**Delinquent Taxes and Tax Title Liens**

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

<u>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>
2008	\$ 165,014	458,047	623,061	0.76 %
2007	150,053	382,461	532,514	0.68
2006	136,339	295,516	431,855	0.58

**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>
2008	\$	1,353,400
2007		1,353,400
2006		1,353,400

**Comparison of Water Utility Levies**

<u>Year</u>		<u>Levy</u>	<u>Cash collections</u>
2008	\$	2,729,068	2,864,644
2007		2,845,400	2,705,465
2006		2,821,202	2,886,659

**Comparison of Sewer Utility Levies**

<u>Year</u>		<u>Levy</u>	<u>Cash collections</u>
2008	\$	4,631,048	4,695,419
2007		4,698,102	4,667,283
2006		4,896,272	4,941,350

**TOWNSHIP OF MAHWAH**

Supplementary Data

**Comparative Schedule of Fund Balances**

<b>Fund</b>	<b>Year</b>	<b>Balance, Dec.31</b>	<b>Utilized in budget of succeeding year</b>
Current	2008	\$ 7,287,815	4,750,000
	2007	7,578,924	4,750,000
	2006	8,510,397	5,600,000
	2005	7,394,063	4,000,000
	2004	6,377,798	3,750,000
Water Utility Operating	2008	\$ 2,882,778	2,238,883
	2007	3,666,176	1,949,296
	2006	4,356,337	1,785,109
	2005	4,607,615	1,559,650
	2004	3,753,163	1,540,400
Sewer Utility Operating	2008	\$ 2,871,287	1,401,450
	2007	2,927,860	1,294,450
	2006	2,779,592	1,066,750
	2005	2,084,053	812,950
	2004	1,940,620	952,200

**TOWNSHIP OF MAHWAH**

Supplementary Data

**Officials in Office and Surety Bonds**

The following officials were in office on December 31, 2008

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Richard J. Martel	Mayor	
John DaPuzzo	Council President	
Robert G. Hermansen	Council Vice President	
Samuel Alderisio	Councilmember	
H. Lisa DiGiulio	Councilmember	
Allan Kidd	Councilmember	
Roy B. Larson	Councilmember	
John Roth	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 Villano	Tax and Collector and Tax Search Officer	500,000
Mary Charest	Deputy Tax Collector	500,000
Mary Ann Malone	Water and Sewer Collector	100,000
Anthony J. Gianni	Municipal Court Judge	65,000
Lorraine Cuomo	Court Administrator	65,000
Dawn Baron	Deputy Court Administrator	65,000
Stuart A. Stolarz	Tax Assessor	
Gary L. Montroy	Construction Official	
Raymond R. Roe	Fire Official	
Kevin Boswell	Township Engineer	
Terry Paul Bottinelli	Township Attorney	

**TOWNSHIP OF MAHWAH**

General Comments and Recommendations

Year ended December 31, 2008

## 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 therefor, except as is provided otherwise in this act or specifically by any other law. No work, material or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$29,000 except by contract or agreement."

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 for "Professional Services" 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, 2008, 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 June 17, 2008 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>
2009	9
2008	7
2007	7

**Status of Prior Year Comments**

All prior year comments have been resolved.

**Other Comments**

None noted

**Recommendations**

None noted