

TOWNSHIP OF MAHWAH

Financial Statements
with Additional Financial Information

December 31, 2010

(With Independent Auditor's Report Thereon)

TOWNSHIP OF MAHWAH

Table of Contents

Part I		Page
	Independent Auditor’s Report	1-2
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	3-4
Exhibit		
	Financial Statements	
	<i>Current Fund</i>	
A	Balance Sheets	5-6
A-1	Statement of Operations and Changes in Fund Balances	7
A-2	Statement of Revenues	8-9
A-3	Statement of Expenditures	10-18
	<i>Trust Funds</i>	
B	Balance Sheets	19
	<i>General Capital Fund</i>	
C	Balance Sheets	20
C-1	Statement of Fund Balances	21
	<i>Water Utility Fund</i>	
D	Balance Sheets	22-23
D-1	Statement of Operations and Changes in Fund Balances - Operating Fund	24
D-2	Statement of Revenues - Operating Fund	25
D-3	Statement of Expenditures - Operating Fund	26
D-4	Statement of Fund Balances - Capital Fund	27
	<i>Sewer Utility Fund</i>	
E	Balance Sheets	28-29
E-1	Statement of Operations and Changes in Fund Balances - Operating Fund	30
E-2	Statement of Revenues - Operating Fund	31

TOWNSHIP OF MAHWAH

Table of Contents

Part I		Page
E-3	Statement of Expenditures - Operating Fund	32
E-4	Statement of Fund Balances - Capital Fund	33
E-5	Statement of Operations and Changes in Fund Balances – Sewer Utility Assessment Trust Fund	34
 <i>General Fixed Assets Account Group</i>		
G	Statement of General Fixed Assets	35
 <i>Notes to Financial Statements</i>		
		36-50
 <i>Additional Financial Information</i>		
 <i>Current Fund</i>		
A-4	Schedule of Cash - Treasurer	51
A-5	Schedule of Cash - Tax Collector	52
A-6	Schedule of Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	53
A-7	Schedule of Taxes Receivable	54
A-8	Schedule of Tax Title Liens	55
A-9	Schedule of Revenue Accounts Receivable	56
A-10	Schedule of Appropriation Reserves	57-59
A-11	Schedule of Unappropriated Reserves	60
A-12	Schedule of Local District School Taxes Payable	61
A-13	Schedule of County Taxes Payable	62
A-14	Schedule of Due County for Added and Omitted Taxes	63
A-15	Schedule of Encumbrances Payable	64
A-16	Schedule of Tax Overpayments	65
A-17	Schedule of Prepaid Taxes	66
A-18	Schedule of Prepaid Health Licenses	67
A-19	Schedule of Reserve for Tax Appeals	68
A-20	Schedule of Various Reserves	69
A-21	Schedule of Interfunds	70
A-22	Schedule of Grants Receivable - Federal and State Grant Fund	71
A-23	Schedule of Appropriated Reserves - Federal and State Grant Fund	72
A-24	Schedule of Unappropriated Reserves - Federal and State Grant Fund	73
A-25	Schedule of Foreclosed Property	74
A-26	Schedule of Reserve for Arbitrage Rebate Payable	75
A-27	Schedule of Encumbrances Payable – Federal and State Grant Fund	76
A-28	Schedule of Reserve for Revaluation	77

TOWNSHIP OF MAHWAH

Table of Contents

Part I		Page
	<i>Trust Funds</i>	
B-1	Schedule of Cash - Treasurer	78
B-2	Schedule of Reserve for Dog License Fund Expenditures - Dog License Fund	79
B-3	Schedule of Due to State of New Jersey - Dog License Fund	80
B-4	Schedule of Reserve for Special Deposits - Other Trust Funds	81
B-5	Schedule of Reserve for State Unemployment Insurance - Unemployment Compensation Fund	82
B-6	Schedule of Reserve for Uniform Construction Code Training Fees - Uniform Construction Code Fund	83
B-7	Schedule of Due to Current Fund	84
B-8	Schedule of Reserve for Recreation Expenses - Other Trust Funds	85
B-9	Schedule of Various Reserves for Other Trust Fund Expenses - Other Trust Funds	86
	<i>General Capital Fund</i>	
C-2	Schedule of Cash - Treasurer	87
C-3	Schedule of Analysis of General Capital Cash	88
C-4	Schedule of Amount Due from (to) Current Fund	89
C-5	Schedule of Deferred Charges to Future Taxation - Funded	90
C-6	Schedule of Deferred Charges to Future Taxation - Unfunded	91
C-7	Schedule of Capital Improvement Fund	92
C-8	Schedule of Improvement Authorizations	93
C-9	Schedule of Encumbrances Payable	94
C-10	Schedule of Reserve for Payment of Debt	95
C-11	Schedule of Bond Anticipation Notes	96
C-12	Schedule of Serial Bonds Payable	97
C-13	Schedule of Bonds and Notes Authorized but not Issued	98
	<i>Water Utility Fund</i>	
D-5	Schedule of Cash - Treasurer	99
D-6	Schedule of Analysis of Capital Fund Cash - Capital Fund	100
D-7	Schedule of Bond Anticipation Notes Payable - Capital Fund	101
D-8	Schedule of Water Accounts Receivable - Operating Fund	102
D-9	Schedule of Water Overpayments - Operating Fund	103
D-10	Schedule of Fixed Capital - Capital Fund	104
D-11	Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	105
D-12	Schedule of Accrued Interest on Notes - Operating Fund	106
D-13	Schedule of Amount Due from Water Utility Capital Fund - Operating Fund	107

TOWNSHIP OF MAHWAH

Table of Contents

Part I	Page
D-14 Schedule of Reserve for Amortization - Capital Fund	108
D-15 Schedule of Deferred Reserve for Amortization - Capital Fund	109
D-16 Schedule of Amount Due to (from) Current Fund - Operating Fund	110
D-17 Schedule of Improvement Authorizations - Capital Fund	111
D-18 Schedule of Encumbrances Payable - Capital Fund	112
D-19 Schedule of Capital Improvement Fund - Capital Fund	113
D-20 Schedule of Appropriation Reserves - Operating Fund	114
D-21 Schedule of Bonds and Notes Authorized but not Issued - Capital Fund	115
D-22 Schedule of Reserve for Payment of Debt - Capital Fund	116
D-23 Schedule of Accounts Payable - Operating Fund	117
D-24 Schedule of Premium on Water Liens	118
<i>Sewer Utility Fund</i>	
E-6 Schedule of Cash	119
E-7 Schedule of Analysis of Cash - Capital Fund	120
E-8 Schedule of Sewer Rents Receivable - Operating Fund	121
E-9 Schedule of Accounts Payable - Operating Fund	122
E-10 Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	123
E-11 Schedule of Reserve for Assessments and Liens Utility Assessment Trust Fund - Operating Fund	124
E-12 Schedule of Appropriation Reserves - Operating Fund	125
E-13 Schedule of Bond Anticipation Notes Payable – Assessment Trust Fund	126
E-14 Schedule of Improvement Authorizations - Capital Fund	127
E-15 Schedule of Encumbrances Payable - Capital Fund	128
E-16 Schedule of Deferred Reserve for Amortization - Capital Fund	129
E-17 Schedule of Reserve for Amortization - Capital Fund	130
E-18 Schedule of Sewer Overpayments – Operating Fund	131
E-19 Schedule of Capital Improvement Fund - Capital Fund	132
E-20 Schedule of Assessments Receivable - Assessment Fund	133
E-21 Schedule of Bond Anticipation Notes Payable - Capital Fund	134
E-22 Schedule of Reserve for Payment of Debt - Capital Fund	135
E-23 Schedule of Amount Due from (to) Sewer Utility Capital Fund - Operating Fund	136
E-24 Schedule of Accrued Interest on Notes - Operating Fund	137
E-25 Schedule of Reserve for Arbitrage - Operating Fund	138
E-26 Schedule of Bonds and Notes Authorized but not Issued - Capital Fund	139
E-27 Schedule of Due from Sewer Utility Assessment Trust Fund - Operating Fund	140
E-28 Schedule of Fixed Capital - Capital Fund	141
E-29 Schedule of Due to Water Operating Fund – Operating Fund	142

TOWNSHIP OF MAHWAH

Table of Contents

Part I		Page
	<i>General Fixed Assets Account Group</i>	
G-1	Schedule of Changes in General Fixed Assets	143
	<i>Supplementary Data</i>	
	Comparative Schedule of Tax Rate Information	144
	Comparison of Tax Levies and Collections Currently	144
	Delinquent Taxes and Tax Title Liens	144
	Property Acquired by Tax Title Lien Liquidation	145
	Comparison of Water Utility Levies	145
	Comparison of Sewer Utility Levies	145
	Comparative Schedule of Fund Balances	146
	Officials in Office and Surety Bonds	147
Part II		
	General Comments and Recommendations	148-149

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Independent Auditor's Report

Mayor and Council
Township of Mahwah:

We have audited the accompanying balance sheets of the various funds and account groups as of December 31, 2010 and 2009 of the Township of Mahwah, New Jersey, and the related statements of operations and changes in fund balances for the years then ended and the related statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2010, as listed in the accompanying table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The accompanying Balance Sheet and Note for the Deferred Award Revolving Fund for the years ended December 31, 2010 and 2009 were not audited, and in accordance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we were not engaged to audit the Deferred Award Revolving Fund. Accordingly, we do not express an opinion on them.

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

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Mahwah, New Jersey, as of December 31, 2010 and 2009 and the changes in financial position for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Mahwah, New Jersey, as of December 31, 2010 and 2009 and the related statements of operations and changes in fund balances for the years then ended and the related and the related statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2010 on the basis of accounting described in note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 7, 2011 on our consideration of the Township of Mahwah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements referred to above taken as a whole. The additional financial information included in the accompanying table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information and schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described in Note 1.

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

June 7, 2011

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**

Mayor and Council
Township of Mahwah:

We have audited the financial statements of Township of Mahwah, New Jersey, as of and for the year ended December 31, 2010 and 2009, and have issued our report thereon dated June 7, 2011, which report expressed an adverse opinion in accordance with accounting principles generally accepted in the United States of America and an unqualified opinion on the basis of accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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 management, Council, others within the entity, and the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No.CR00217

June 7, 2011

FINANCIAL STATEMENTS

TOWNSHIP OF MAHWAH

Balance Sheet

Current Fund

December 31, 2010 and 2009

Assets	Ref.	2010	2009
Regular Fund:			
Cash - checking	A-4	\$ 9,532,783	10,767,495
Change Fund - cash		750	750
Due from State of New Jersey - Senior Citizens' and Veterans' deductions	A-6	<u>5,169</u>	<u>4,795</u>
		<u>9,538,702</u>	<u>10,773,040</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-7	459,245	408,645
Tax title liens	A-8	234,912	190,824
Foreclosed property	A-25	1,353,400	1,353,400
Revenue accounts receivable	A-9	25,716	231,363
Due from:			
Other Trust Funds	A-21	252	405
General Capital Fund	A-21	37	702
Dog License Fund	A-21	8,703	7,110
Federal and State Grants Fund	A-21	<u>76,115</u>	<u>308,898</u>
		<u>2,158,380</u>	<u>2,501,347</u>
Deferred charges:			
Special emergency authorizations (40A-4:53)	A-3	<u>240,000</u>	<u>360,000</u>
		<u>11,937,082</u>	<u>13,634,387</u>
Federal and State Grant Fund:			
Grants receivable	A-22	<u>488,687</u>	<u>633,799</u>
		<u>488,687</u>	<u>633,799</u>
		<u>\$ 12,425,769</u>	<u>14,268,186</u>

TOWNSHIP OF MAHWAH

Balance Sheet

Current Fund

December 31, 2010 and 2009

Liabilities, Reserves and Fund Balance	Ref.	2010	2009
Regular Fund:			
Liabilities:			
Appropriation reserves	A-3,A-10	\$ 1,089,264	1,489,535
Encumbrances payable	A-15	1,020,769	1,144,281
Tax overpayments	A-16	17,676	9,966
Prepaid taxes	A-17	456,476	467,825
Prepaid health licenses	A-18	1,400	12,390
Due to:			
County for added taxes	A-14	84,819	34,306
Water Utility Operating Fund	A-21	34	100
Reserve for arbitrage rebate payable	A-26	30,000	30,000
Reserve for revaluation	A-28	93,525	318,625
Various reserves	A-20	359,200	396,878
Reserve for tax appeals	A-19	337,128	201,954
Unappropriated reserves	A-11	31,591	43,569
		<u>3,521,882</u>	<u>4,149,429</u>
Reserve for receivables and other assets		2,158,380	2,501,347
Fund balance	A-1	<u>6,256,820</u>	<u>6,983,611</u>
		<u>11,937,082</u>	<u>13,634,387</u>
Federal and State Grant Fund:			
Due to Regular Fund	A-21	76,115	308,898
Appropriated reserves	A-23	331,611	250,816
Encumbrances payable	A-27	80,961	22,861
Unappropriated reserves	A-24	—	51,224
		<u>488,687</u>	<u>633,799</u>
		<u>\$ 12,425,769</u>	<u>14,268,186</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance

Current Fund

Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue and other income realized:		
Fund balance utilized	\$ 4,625,000	4,750,000
Miscellaneous revenue anticipated	9,355,214	10,980,232
Receipts from delinquent taxes	402,432	456,429
Receipts from current taxes	87,362,234	84,997,722
Non-budget revenues	823,367	744,924
Other credits to income:		
Budget appropriations canceled	170	71,424
Unexpended balance of appropriation reserves	1,033,685	790,001
Interfunds returned	317,113	658,223
Grant reserves cancelled	90,220	—
Voided checks	8,908	50
Reserves cancelled	3,333	36,891
Accounts payable canceled	66,307	9,536
Total income	<u>104,087,983</u>	<u>103,495,432</u>
Expenditures:		
Budget and emergency appropriations:		
Appropriations within "CAPS":		
Operations:		
Salaries and wages	12,344,750	12,418,800
Other expenses	10,901,963	10,981,629
Deferred charges and statutory expenditures	2,315,865	2,312,842
Appropriations excluded from "CAPS":		
Operations:		
Other expenses	3,034,935	3,010,993
Capital improvements	250,000	200,000
Municipal debt service	3,379,015	3,361,790
Deferred charges	120,000	190,000
County taxes	13,358,453	13,620,846
Amount due County for added and omitted taxes	84,819	34,306
Local district school taxes	53,821,375	51,943,789
Municipal open space tax	417,441	415,695
Interfunds advanced	76,403	306,514
Due from Library	—	200,000
Cancellation Grants receivable	79,127	36,781
Prior year senior citizens deductions cancelled	2,140	3,750
Refund of prior year revenue	3,488	11,900
Total expenditures	<u>100,189,774</u>	<u>99,049,635</u>
Excess in revenue	3,898,209	4,445,797
Fund balance, January 1	<u>6,983,611</u>	<u>7,287,814</u>
	10,881,820	11,733,611
Decreased by utilized as anticipated revenue	<u>4,625,000</u>	<u>4,750,000</u>
Fund balance, December 31	<u>\$ 6,256,820</u>	<u>6,983,611</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Revenues

Current Fund

Year ended December 31, 2010

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 4,625,000	4,625,000	—
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	30,000	30,804	804
Other	47,500	39,936	(7,564)
Fees and permits	40,000	49,523	9,523
Fines and costs - municipal court	610,000	360,672	(249,328)
Interest and costs on taxes	95,000	116,957	21,957
Interest on investments and deposits	50,000	39,035	(10,965)
Rental of Township owned property	185,000	246,942	61,942
Fire Safety Act fees	130,000	154,486	24,486
Energy Receipts Tax (P.L. 1999, Ch 162 & 167)	4,909,572	4,909,572	—
Garden State Trust Fund	5,766	3,844	(1,922)
Uniform construction code fees	970,000	960,138	(9,862)
Recycling Tonnage Grant	35,528	35,528	—
Drunk Driving Enforcement Fund	15,697	15,697	—
Clean Communities Programs	40,980	40,980	—
Alcohol Education and Rehabilitation Act	5,731	5,731	—
Municipal Alliance on Alcoholism and Drug Abuse	12,157	12,157	—
NJ Dept. of LPS - Div. of Criminal Justice Body Armor Fund	6,679	6,679	—
State of New Jersey - Department of Transportation:			
Miller Road	200,000	200,000	—
United States Department of Transportation (NJ Division of Highway Safety) Pass through - Over the Limit Under Arrest	9,400	9,400	—
County of Bergen:			
Open Space Trust Fund	94,494	94,494	—
Office of County Prosecutor - Mahwah Municipal Escrow - Police Dept.	183,290	183,290	—
Swim and Tennis Club fees	160,000	149,843	(10,157)
Reserve for Township Calendar	8,645	8,645	—
Reserve for Open Space Fund	415,000	415,000	—
Reserve for Payment of Debt	328,000	328,000	—
Library Contribution	200,000	200,000	—
Municipal Hotel/Motel Occupancy Tax	500,000	612,184	112,184
Cable television Franchise Fee	100,000	125,677	25,677
	<u>9,388,439</u>	<u>9,355,214</u>	<u>(33,225)</u>

(Continued)

TOWNSHIP OF MAHWAH

Statement of Revenues

Current Fund

Year ended December 31, 2010

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Receipts from delinquent taxes	\$ 303,039	402,432	99,393
Amount to be raised by taxes for support of municipal budget - local tax for municipal purposes	<u>20,479,801</u>	<u>22,129,896</u>	<u>1,650,095</u>
Budget totals	<u>\$ 34,796,279</u>	<u>36,512,542</u>	<u>1,716,263</u>
Non-budget revenues		<u>823,367</u>	
		<u>\$ 37,335,909</u>	
Allocation of current tax collections:			
Revenue from collections		\$ 87,687,234	
Allocated to:			
School, County and Open Space taxes		67,682,088	
Reserve for tax appeals		<u>325,000</u>	
Balance for support of municipal budget		19,680,146	
Add appropriation reserve for uncollected taxes		<u>2,449,750</u>	
Amount for support of municipal budget		<u>\$ 22,129,896</u>	
Receipts from delinquent taxes:			
Delinquent tax collections		\$ 399,013	
Tax title liens		<u>3,419</u>	
		<u>\$ 402,432</u>	
Miscellaneous revenue not anticipated:			
Payment in lieu of taxes		\$ 12,812	
Reimbursements		428,074	
Van Driver (Federal - Title III)		29,610	
County Reimbursement - Van (State Department of Health and Sr. Services)		7,500	
US DOT (passthrough NJ DOT)			
Cops in Shops		4,000	
NJ Office of Emergency Management (FEMA)		6,500	
Highlands Water Protection		666	
Concession stand		1,000	
Premium Payment Plan		111,054	
Soil Fees		82,070	
Sale of assets		30,099	
Housing fees		19,150	
Recycling fees		52,934	
Copy duplication fees		4,160	
911 services		14,899	
Cat Licenses		2,117	
Senior Center		3,338	
Administrative fee Senior and Veterans deductions		4,354	
LOSAP Forfeitures		4,695	
Forfeited Bail		586	
Seized Confiscated Funds		523	
Miscellaneous		<u>3,226</u>	
		<u>\$ 823,367</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2010

	Appropriations		Expended		
	Budget	Budget after modification	Paid or charged	Reserved	Canceled
General appropriations:					
Operations within "CAPS":					
Legislation:					
Township Council:					
Salaries and wages	\$ 50,000	50,000	49,709	291	—
Other expenses	4,000	4,000	1,908	2,092	—
Office of the Township Clerk:					
Salaries and wages	166,600	166,600	163,275	3,325	—
Other expenses	28,952	28,952	23,321	5,631	—
Election:					
Salaries and wages	6,150	6,150	4,024	2,126	—
Other expenses	71,000	71,000	59,683	11,317	—
Animal Control:					
Other expenses	43,000	43,000	37,537	5,463	—
Administration:					
Office of the Mayor:					
Salaries and wages	15,000	15,000	15,000	—	—
Other expenses	4,750	4,750	3,541	1,209	—
Office of the Business Administrator:					
Salaries and wages	344,500	344,500	335,677	8,823	—
Other expenses	30,525	30,525	26,373	4,152	—
Insurance:					
Comprehensive business liability insurance:					
Other expenses	417,500	417,500	415,510	1,990	—
Employee medical insurance:					
Other expenses	3,890,000	4,050,000	3,983,865	66,135	—
Workers Compensation Insurance:					
Other expenses	434,000	434,000	431,960	2,040	—
Employee optical plan:					
Other expenses	24,000	24,000	24,000	—	—
Employee physicals:					
Other expenses	53,000	53,000	42,240	10,760	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2010

	Appropriations		Expended		
	Budget	Budget after modification	Paid or charged	Reserved	Canceled
Employee life insurance:					
Other expenses	\$ 40,000	40,000	29,621	10,379	—
Insurance miscellaneous:					
Other expenses	60,000	60,000	50,047	9,953	—
Unemployment Compensation Insurance					
Other expenses	15,000	15,000	15,000	—	—
Health and Safety Programs					
Other expenses	12,000	12,000	10,554	1,446	—
Division of Law:					
Other expenses	245,000	245,000	213,476	31,524	—
Division of Engineering:					
Other expenses	70,000	60,000	44,152	15,848	—
Municipal Land Use Law (N.J.S.A. 40:55):					
Division of Planning and Zoning:					
Salaries and wages	232,300	233,500	224,298	9,202	—
Other expenses	106,150	89,950	71,996	17,954	—
Division of Finance:					
Bureau of Treasury:					
Salaries and wages	237,600	237,600	237,270	330	—
Other expenses	4,530	4,530	4,218	312	—
Bureau of Collections:					
Salaries and wages	179,600	174,600	170,859	3,741	—
Other expenses	11,325	11,325	6,719	4,606	—
Bureau of Assessment:					
Salaries and wages	140,500	140,500	139,120	1,380	—
Other expenses	14,050	14,050	4,435	9,615	—
Auditor:					
Other expenses	33,650	33,650	30,850	2,800	—
Department of Public Works:					
DPW administration:					
Salaries and wages	77,600	77,600	75,538	2,062	—
Other expenses	1,300	1,300	595	705	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2010

	Appropriations		Expended		
	Budget	Budget after modification	Paid or charged	Reserved	Canceled
DPW streets and roads:					
Salaries and wages	\$ 388,900	388,900	387,143	1,757	—
Other expenses	101,150	101,150	93,378	7,772	—
DPW buildings and grounds:					
Salaries and wages	332,600	332,600	332,564	36	—
Other expenses	156,438	151,438	127,526	23,912	—
DPW emergency services:					
Other expenses	57,850	57,850	57,225	625	—
DPW parks and playgrounds:					
Salaries and wages	165,400	165,400	165,356	44	—
Other expenses	62,052	62,052	57,402	4,650	—
DPW recycling:					
Salaries and wages	474,200	469,200	463,185	6,015	—
Other expenses	22,908	22,908	11,924	10,984	—
DPW motor pool:					
Salaries and wages	68,800	68,800	68,523	277	—
Other expenses	243,650	281,150	253,823	27,327	—
DPW snow removal:					
Salaries and wages	150,000	150,000	131,255	18,745	—
Other expenses	254,400	254,400	245,429	8,971	—
DPW overtime:					
Salaries and wages	141,000	141,000	136,997	4,003	—
Sanitation:					
Collection service:					
Other expenses	1,005,000	1,005,000	1,004,591	409	—
Disposal:					
Other expenses	780,000	755,000	724,303	30,697	—
Disposal/Recyclables:					
Other expenses	18,000	18,000	13,127	4,873	—
Municipal Services Act:					
Other expenses	165,000	165,000	163,790	1,210	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2010

	Appropriations		Expended		
	Budget	Budget after modification	Paid or charged	Reserved	Canceled
Board of Health:					
Board of Health administration:					
Salaries and wages	\$ 256,500	257,500	256,718	782	—
Other expenses	28,821	27,821	19,444	8,377	—
Health Officer services (Paramus):					
Other expenses	34,663	34,663	34,663	—	—
Visiting Nurse service:					
Other expenses	32,500	32,500	32,464	36	—
West Bergen Mental Health Agreement:					
Other expenses	2,600	2,600	—	2,600	—
Department of Police:					
Police administration:					
Salaries and wages	572,300	572,400	572,356	44	—
Other expenses	170,325	160,225	144,808	15,417	—
Police records:					
Salaries and wages	71,800	71,800	71,180	620	—
Police patrol:					
Salaries and wages	5,760,100	5,735,100	5,708,417	26,683	—
Police dispatchers:					
Salaries and wages	311,800	296,800	284,155	12,645	—
Police detectives:					
Salaries and wages	449,000	449,000	444,297	4,703	—
Police juvenile:					
Salaries and wages	152,950	157,550	157,469	81	—
Police crossing guards:					
Salaries and wages	45,000	49,000	48,546	454	—
Police purchase of police cars:					
Other expenses	72,700	65,200	65,200	—	—
Police supplemental programs: Municipal Alliance/ DARE					
Other expenses	4,000	4,000	—	4,000	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2010

	Appropriations		Expended		
	Budget	Budget after modification	Paid or charged	Reserved	Canceled
Emergency Management:					
Bureau of Emergency Management:					
Salaries and wages	\$ 18,000	18,000	17,990	10	—
Other expenses	55,950	55,950	44,897	11,053	—
Fire Department:					
Salaries and wages	84,100	84,100	79,927	4,173	—
Other expenses	142,300	142,300	118,827	23,473	—
Bureau of Fire Prevention:					
Salaries and wages	81,000	81,000	77,537	3,463	—
Other expenses	3,950	3,950	2,914	1,036	—
Ambulance Company #1:					
Salaries and wages	9,000	9,000	6,050	2,950	—
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	110,650	110,650	109,822	828	—
Other expenses	2,275	2,275	409	1,866	—
Senior Citizens activities:					
Salaries and wages	94,500	94,500	94,448	52	—
Other expenses	71,270	71,270	59,989	11,281	—
Access Transportation:					
Salaries and wages	112,500	113,900	113,719	181	—
Other expenses	900	900	250	650	—
Boards, Commissions and Committees:					
Environmental Commission:					
Salaries and wages	3,500	3,500	3,500	—	—
Other expenses	4,500	4,500	642	3,858	—
Housing Commission:					
Salaries and wages	3,500	3,500	3,500	—	—
Other expenses	1,700	1,700	50	1,650	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2010

	Appropriations		Expended		
	Budget	Budget after modification	Paid or charged	Reserved	Canceled
Historic Preservation Commission:					
Salaries and wages	\$ 3,500	3,500	3,500	—	—
Other expenses	4,900	4,900	362	4,538	—
Recreation:					
Salaries and wages	75,000	75,000	69,640	5,360	—
Other expenses	101,099	101,099	84,018	17,081	—
Municipal Pool:					
Salaries and wages	119,600	119,600	115,714	3,886	—
Other expenses	95,350	85,350	62,951	22,399	—
Municipal Prosecutor					
Other expenses	45,000	45,000	34,400	10,600	—
Municipal Court:					
Salaries and wages	261,000	261,000	250,603	10,397	—
Other expenses	22,950	22,950	14,736	8,214	—
Public Defender:					
Other expenses	28,500	28,500	23,798	4,702	—
Computer Equipment/Consultant	28,000	28,000	25,053	2,947	—
Community Cable Television:					
Other expenses	2,750	2,750	436	2,314	—
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):					
Uniform Construction Code official:					
Salaries and wages	256,100	256,100	255,305	795	—
Other expenses	31,750	16,750	12,576	4,174	—
Building Sub-code official:					
Salaries and wages	90,400	90,400	89,953	447	—
Plumbing Sub-code official:					
Salaries and wages	83,500	83,500	82,023	1,477	—
Electrical Sub-code official:					
Salaries and wages	110,300	100,300	92,838	7,462	—
Fire Sub-code official:					
Salaries and wages	79,100	79,100	77,387	1,713	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2010

	Appropriations		Expended		
	Budget	Budget after modification	Paid or charged	Reserved	Canceled
Unclassified:					
Central accounts:					
Gasoline	\$ 169,000	154,000	129,403	24,597	—
Fuel oil - Diesel	151,000	126,000	105,484	20,516	—
Electricity	325,000	330,000	304,968	25,032	—
Street lighting	195,000	215,000	189,600	25,400	—
Telephone	113,300	113,300	95,047	18,253	—
Natural gas	132,500	107,500	72,611	34,889	—
Heating oil	25,000	25,000	19,127	5,873	—
Photocopying	39,050	39,050	34,796	4,254	—
Printing and binding	38,830	38,830	24,889	13,941	—
Postage	59,800	59,800	43,082	16,718	—
Office supplies	25,850	25,850	18,445	7,405	—
Salary Adjustment Account	10,000	—	—	—	—
Tuition Reimbursement Account	2,000	2,000	—	2,000	—
Total operations within "CAPS"	23,241,713	23,241,713	22,384,845	856,868	—
Contingent	5,000	5,000	990	4,010	—
Total operations including contingent-within "CAPS"	23,246,713	23,246,713	22,385,835	860,878	—
Detail:					
Salaries and wages	12,402,450	12,344,750	12,186,387	158,363	—
Other expenses (including contingent)	10,844,263	10,901,963	10,199,448	702,515	—
	23,246,713	23,246,713	22,385,835	860,878	—
Deferred charges and statutory expenditures - municipal within "CAPS":					
Deferred Charges:					
Prior year bills	160	160	—	—	160
Statutory expenditures - contributions to:					
Public Employees retirement System	428,713	428,713	428,713	—	—
Social Security System (O.A.S.I.)	505,000	505,000	490,023	14,977	—
Police and Firemen's Retirement System of N.J.	1,378,992	1,378,992	1,378,992	—	—
Defined Contribution Retirement Program (DCRP)	3,000	3,000	516	2,484	—
Total deferred charges and statutory expenditures - municipal within "CAPS"	2,315,865	2,315,865	2,298,244	17,461	160

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2010

	Appropriations		Expended		
	Budget	Budget after modification	Paid or charged	Reserved	Canceled
Total general appropriations for municipal purposes within "CAPS"	\$ 25,562,578	25,562,578	24,684,079	878,339	160
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	2,268,238	2,268,238	2,268,238	—	—
Reserve for Pending Tax Appeals	50,000	50,000	50,000	—	—
Length of Service Award Program (L.O.S.A.P.)	210,000	210,000	—	210,000	—
Public Employees Retirement System	63,702	63,702	63,702	—	—
Recycling Tax	36,000	36,000	35,075	925	—
Public and private programs offset by revenues:					
Bergen County Prosecutor's Office					
Escrow Account - Police Department	183,290	183,290	183,290	—	—
Alcohol Education Rehabilitation Fund	5,731	5,731	5,731	—	—
Drunk Driving Enforcement Act	15,697	15,697	15,697	—	—
NJ Clean Communities Grant	40,980	40,980	40,980	—	—
NJ Dept. L&PS:					
Body Armor Fund	6,679	6,679	6,679	—	—
United States Department of Transportation (NJ Division of Highway Safety) Pass Through - Over the Limit	9,400	9,400	9,400	—	—
Municipal Alliance on Alcoholism and Drug Abuse	12,157	12,157	12,157	—	—
Municipal Alliance on Alcoholism and Drug Abuse - Match	3,039	3,039	3,039	—	—
Recycling Tonnage Grant	35,528	35,528	35,528	—	—
Bergen County Open Space Trust Fund	94,494	94,494	94,494	—	—
Total operations-excluded from "CAPS"	3,034,935	3,034,935	2,824,010	210,925	—
Detail:					
Other expenses	3,034,935	3,034,935	2,824,010	210,925	—
	3,034,935	3,034,935	2,824,010	210,925	—

(Continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures

Current Fund

Year ended December 31, 2010

	Appropriations		Expended		
	Budget	Budget after modification	Paid or charged	Reserved	Canceled
Capital improvements excluded from "CAPS":					
Capital Improvement Fund	\$ 50,000	50,000	50,000	—	—
NJ Department of Transportation:					
Miller Road	200,000	200,000	200,000	—	—
Total capital improvements excluded from "CAPS"	250,000	250,000	250,000	—	—
Municipal debt service excluded from "CAPS":					
Payment of bond principal	1,730,000	1,730,000	1,730,000	—	—
Payment of bond anticipation notes	450,000	450,000	450,000	—	—
Interest on bonds	1,133,760	1,133,760	1,133,755	—	5
Interest on notes	65,255	65,255	65,250	—	5
Total municipal debt service excluded from "CAPS"	3,379,015	3,379,015	3,379,005	—	10
Deferred charges - municipal - excluded from "CAPS":					
Special Emergency Authorization	120,000	120,000	120,000	—	—
Total deferred charges - municipal - excluded from "CAPS"	120,000	120,000	120,000	—	—
Total general appropriations excluded from "CAPS"	6,783,950	6,783,950	6,573,015	210,925	10
Subtotal general appropriations	32,346,528	32,346,528	31,257,094	1,089,264	170
Reserve for uncollected taxes	2,449,750	2,449,750	2,449,750	—	—
Total general appropriations	\$ 34,796,278	34,796,278	33,706,844	1,089,264	170
Original budget	\$ 34,593,296				
Added by NJSA 40A:4-87 (CH 159)	202,982				
	\$ 34,796,278				

Analysis of paid or charged

Cash disbursed	\$ 29,459,330
Transferred to Appropriated Reserves - Grant	606,995
Deferred Charges	120,000
Reserve for tax appeals	50,000
Reserve for uncollected taxes	2,449,750
Reserve for encumbrances	1,020,769
	\$ 33,706,844

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

Trust Funds

December 31, 2010 and 2009

Assets	Ref.	2010	2009
Dog License Fund:			
Cash	B-1	\$ 28,646	27,685
		<u>28,646</u>	<u>27,685</u>
Other Trust Funds:			
Cash	B-1	6,025,259	7,178,990
		<u>6,025,259</u>	<u>7,178,990</u>
Unemployment Compensation Fund - cash	B-1	234,512	224,473
Uniform Construction Code Fund - cash	B-1	9,161	26,604
Deferred Award Revolving Fund - investment (UNAUDITED)		<u>1,740,350</u>	<u>1,353,705</u>
		<u>\$ 8,037,928</u>	<u>8,811,457</u>
Liabilities and Reserves			
Dog License Fund:			
Due to Current Fund	B-7	\$ 8,703	7,110
Due to State of New Jersey	B-3	17	7
Reserve for Dog License Fund expenditures	B-2	<u>19,926</u>	<u>20,568</u>
		<u>28,646</u>	<u>27,685</u>
Other Trust Funds:			
Reserve for special deposits	B-4	2,920,401	3,756,229
Due to Current Fund	B-7	252	405
Reserve for recreation expenses	B-8	8,560	6,015
Reserve for Other Trust Fund expenses	B-9	<u>3,096,046</u>	<u>3,416,341</u>
		<u>6,025,259</u>	<u>7,178,990</u>
Unemployment Compensation Fund - Reserve for State Unemployment Insurance	B-5	<u>234,512</u>	<u>224,473</u>
Uniform Construction Code Fund- Training Fees: Reserve for Uniform Construction Code training fees	B-6	<u>9,161</u>	<u>26,604</u>
Deferred Award Revolving Fund (UNAUDITED) Plan net assets		<u>1,740,350</u>	<u>1,353,705</u>
		<u>\$ 8,037,928</u>	<u>8,811,457</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

General Capital Fund

December 31, 2010 and 2009

Assets	Ref.	2010	2009
Cash	C-2,C-3	\$ 3,030,647	2,883,037
Deferred charges to future taxation unfunded	C-6	5,530,803	5,206,553
Deferred charges to future taxation funded	C-5	28,040,000	29,770,000
		<u>33,570,803</u>	<u>34,976,553</u>
		<u>\$ 36,601,450</u>	<u>37,859,590</u>
Liabilities, Reserves and Fund Balance			
Encumbrances payable	C-9	\$ 350,408	148,848
Bond anticipation notes	C-11	5,000,000	4,350,000
Improvement authorizations:			
Funded	C-8	319,640	356,108
Unfunded	C-8	484,730	586,798
Due to Current Fund	C-4	37	702
Reserve for payment of debt	C-10	2,242,232	2,570,211
Serial bonds payable	C-12	28,040,000	29,770,000
Capital Improvement Fund	C-7	9,647	397
Fund balance	C-1	154,756	76,526
		<u>\$ 36,601,450</u>	<u>37,859,590</u>

There were bonds and notes authorized but not issued at December 31, 2009 and 2010 of \$856,553 and \$530,803 respectively (Exhibit C-13).

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Fund Balance

General Capital Fund

Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Balance, Beginning of year	\$ 76,526	44,975
Increased by:		
Premium on sale of notes	<u>78,230</u>	<u>31,551</u>
Balance, End of year	\$ <u><u>154,756</u></u>	<u><u>76,526</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

Water Utility Fund

December 31, 2010 and 2009

Assets	Ref.	2010	2009
Operating Fund:			
Cash	D-5	\$ 4,571,552	3,728,695
Change Fund - Water Utility Collector		50	50
Due to Current Fund	D-16	34	100
Due from Sewer Operating Fund	D-8	642	—
Due from Water Utility Capital Fund	D-13	26	53
		<u>4,572,304</u>	<u>3,728,898</u>
Receivables with full reserve:			
Water accounts receivable	D-8	<u>267,595</u>	<u>208,412</u>
Total Operating Fund		<u>4,839,899</u>	<u>3,937,310</u>
Capital Fund:			
Cash	D-5,D-6	5,324,243	2,214,707
Fixed capital	D-10	8,472,805	8,336,080
Fixed capital authorized and uncompleted	D-11	20,799,928	18,171,925
Total Capital Fund		<u>34,596,976</u>	<u>28,722,712</u>
		<u>\$ 39,436,875</u>	<u>32,660,022</u>

TOWNSHIP OF MAHWAH

Balance Sheet

Water Utility Fund

December 31, 2010 and 2009

Liabilities, Reserves and Fund Balance	Ref.	2010	2009
Operating Fund:			
Liabilities:			
Appropriation reserves	D-3,D-20	\$ 719,988	1,048,532
Encumbrances	D-3,D-20	274,249	335,343
Accounts payable	D-23	41,576	2,889
Accrued interest on notes payable	D-12	34,667	15,159
Premium on water liens	D-24	3,800	1,100
Overpayments	D-9	1,422	2,463
		<u>1,075,702</u>	<u>1,405,486</u>
Reserve for receivables		267,595	208,412
Fund balance	D-1	<u>3,496,602</u>	<u>2,323,412</u>
Total Operating Fund		<u>4,839,899</u>	<u>3,937,310</u>
Capital Fund:			
Encumbrances	D-18	4,050,543	1,023,408
Bond anticipation notes	D-7	8,000,000	4,725,000
Reserve for amortization	D-14	16,092,805	15,486,080
Improvement authorizations:			
Unfunded	D-17	3,460,242	4,637,542
Deferred reserve for amortization	D-15	2,387,750	2,394,675
Due to Water Utility Operating Fund	D-13	26	53
Capital Improvement Fund	D-19	61,369	41,369
Reserve for payment of debt	D-22	56,816	56,816
Fund balance	D-4	<u>487,425</u>	<u>357,769</u>
Total Capital Fund		<u>34,596,976</u>	<u>28,722,712</u>
		<u>\$ 39,436,875</u>	<u>32,660,022</u>

There were bonds and notes authorized but not issued at December 31, 2009 and 2010 of \$3,902,250 and \$2,792,178 respectively (Exhibit D-21).

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance

Water Utility Operating Fund

Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,790,733	2,238,883
Rents	4,404,570	3,187,055
Tapping and capacity fees	354,930	370,644
Miscellaneous revenue not anticipated	42,867	37,445
Other credits to income:		
Unexpended balances of appropriation reserves	990,308	679,183
Accounts payable cancelled	1,677	6,341
Cancellation of accrued interest on notes	59,617	63,849
Total income	<u>7,644,702</u>	<u>6,583,400</u>
Expenditures:		
Budget Appropriations:		
Salaries and wages	1,019,700	1,053,800
Other expenses	2,178,808	2,279,683
Insurance	541,750	541,750
Capital Improvement Fund	20,000	20,000
Debt service	750,000	850,000
Deferred charges and statutory expenditures	170,475	158,650
Refund of prior year revenue	46	—
Total expenditures	<u>4,680,779</u>	<u>4,903,883</u>
Excess in revenue	2,963,923	1,679,517
Fund balance, January 1	<u>2,323,412</u>	<u>2,882,778</u>
	5,287,335	4,562,295
Decreased by utilized as anticipated revenue	<u>1,790,733</u>	<u>2,238,883</u>
Fund balance, December 31	<u>\$ 3,496,602</u>	<u>2,323,412</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Revenues

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund balance anticipated	\$ 1,790,733	1,790,733	—
Rents	2,850,000	4,404,570	1,554,570
Tapping and capacity fees	<u>40,000</u>	<u>354,930</u>	<u>314,930</u>
	<u>\$ 4,680,733</u>	6,550,233	<u>1,869,500</u>
Miscellaneous revenue not anticipated		<u>42,867</u>	
		<u>\$ 6,593,100</u>	

Analysis of Miscellaneous Revenue Not Anticipated

Interest	\$ 18,329
Interest on water rents	13,929
Miscellaneous revenues	<u>10,609</u>
	<u>\$ 42,867</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Expenditures

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Budget</u>	<u>Budget after modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and wages	\$ 1,019,700	1,019,700	957,027	62,673
Other expenses	2,178,808	2,178,808	1,626,244	552,564
Insurance	541,750	541,750	450,833	90,917
Capital Improvement:				
Capital Improvement Fund	20,000	20,000	20,000	—
Debt service:				
Payment of Bond Anticipation Notes and Capital Notes	600,000	600,000	600,000	—
Interest on notes	150,000	150,000	150,000	—
Statutory expenditures - contribution to:				
Public Employees' Retirement System	80,475	80,475	80,475	—
Social Security System (O.A.S.I.)	85,000	85,000	71,166	13,834
Unemployment compensation insurance	5,000	5,000	5,000	—
	<u>\$ 4,680,733</u>	<u>4,680,733</u>	<u>3,960,745</u>	<u>719,988</u>
Encumbrances			\$ 274,249	
Accrued interest on notes			150,000	
Due to Current Fund			291,290	
Cash disbursed			<u>3,245,206</u>	
			<u>\$ 3,960,745</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Fund Balance

Water Utility Capital Fund

Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Balance, Beginning of year	\$ <u>357,769</u>	<u>322,143</u>
Increased by:		
Premium on sale of notes	129,456	35,626
Funded improvement authorization cancelled	<u>200</u>	<u>—</u>
	<u>129,656</u>	<u>35,626</u>
Balance, End of year	\$ <u><u>487,425</u></u>	<u><u>357,769</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet

Sewer Utility Fund

December 31, 2010 and 2009

Assets	Ref.	2010	2009
Operating Fund:			
Cash	E-6	\$ <u>3,074,429</u>	<u>2,895,907</u>
Due from:			
Sewer Utility Capital Fund	E-23	4	7
Sewer Utility Assessment Trust Fund	E-27	<u>569</u>	<u>803</u>
		<u>573</u>	<u>810</u>
Receivables with full reserves:			
Sewer rents	E-8	<u>199,397</u>	<u>249,136</u>
Total Operating Fund		<u>3,274,399</u>	<u>3,145,853</u>
Capital Fund:			
Cash	E-6,E-7	907,668	894,737
Fixed Capital	E-28	18,501,375	18,501,375
Fixed capital authorized and uncompleted	E-10	<u>7,016,000</u>	<u>7,016,000</u>
Total Capital Fund		<u>26,425,043</u>	<u>26,412,112</u>
Assessment Trust Fund:			
Cash	E-6	736,052	667,712
Assessments receivable	E-20	<u>425,371</u>	<u>560,445</u>
Total Assessment Trust Fund		<u>1,161,423</u>	<u>1,228,157</u>
		<u>\$ 30,860,865</u>	<u>30,786,122</u>

(Continued)

TOWNSHIP OF MAHWAH

Balance Sheet

Sewer Utility Fund

December 31, 2010 and 2009

Liabilities, Reserves and Fund Balance	Ref.	2010	2009
Operating Fund:			
Appropriation reserves	E-3,E-12	\$ 216,622	176,332
Reserve for encumbrances	E-3,E-12	48,847	66,251
Accounts payable	E-9	3,999	5,824
Sewer overpayments	E-18	4,301	12,608
Reserve for arbitrage refund	E-25	45,000	45,000
Due to Water Operating Fund	E-29	642	—
Accrued interest on notes	E-24	42,572	46,310
		<u>361,983</u>	<u>352,325</u>
Reserve for receivables		199,397	249,136
Fund balance	E-1	2,713,019	2,544,392
Total Operating Fund		<u>3,274,399</u>	<u>3,145,853</u>
Capital Fund:			
Reserve for encumbrances	E-15	142,336	164,821
Bond anticipation notes payable	E-21	5,008,500	5,408,500
Reserve for:			
Amortization	E-17	18,037,875	17,637,875
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	4	7
Improvement authorizations:			
Unfunded	E-14	2,297,110	2,307,319
Fund balance	E-4	471,729	426,101
Total Capital Fund		<u>26,425,043</u>	<u>26,412,112</u>
Assessment Trust Fund:			
Due to Sewer Utility Operating Fund	E-27	569	803
Reserve for assessments and liens	E-11	425,371	493,945
Bond anticipation notes payable	E-13	—	66,500
Fund balance	E-5	735,483	666,909
Total Assessment Trust Fund		<u>1,161,423</u>	<u>1,228,157</u>
		<u>\$ 30,860,865</u>	<u>30,786,122</u>

There were bonds and notes authorized but not issued at December 31, 2009 and 2010 of \$2,244,700 and \$2,244,700 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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,620,455	1,401,450
Rents	5,487,694	4,749,157
Miscellaneous revenues not anticipated	137,890	209,255
Other credits to income:		
Unexpended balances of appropriation reserves	189,292	144,077
Accrued interest on notes canceled	121,613	120,411
Prior year accounts payable cancelled	2,715	1,655
Total income	<u>7,559,659</u>	<u>6,626,005</u>
Expenditures:		
Budget appropriations:		
Operating	5,074,210	5,036,700
Debt service	600,000	425,000
Deferred charges and statutory expenditures	96,245	89,750
Refund prior year revenue	122	—
Total expenditures	<u>5,770,577</u>	<u>5,551,450</u>
Excess in revenue	1,789,082	1,074,555
Fund balance, January 1	<u>2,544,392</u>	<u>2,871,287</u>
	4,333,474	3,945,842
Decreased by utilized as anticipated revenue	<u>1,620,455</u>	<u>1,401,450</u>
Fund balance, December 31	<u>\$ 2,713,019</u>	<u>2,544,392</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Revenues

Sewer Utility Operating Fund

Year ended December 31, 2010

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund balance appropriated	\$ 1,620,455	1,620,455	—
Sewer rents	<u>4,150,000</u>	<u>5,487,694</u>	<u>1,337,694</u>
	<u>\$ 5,770,455</u>	7,108,149	<u>1,337,694</u>
Miscellaneous revenues not anticipated		<u>137,890</u>	
		<u>\$ 7,246,039</u>	

Analysis of Revenues Not Anticipated

Interest on investments	\$ 35,274
Interest on Sewer rents	21,833
Miscellaneous	<u>80,783</u>
	137,890
Less interest earned in Capital Fund	<u>53</u>
Cash	<u>\$ 137,837</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Expenditures

Sewer Utility Operating Fund

Year ended December 31, 2010

	<u>Budget</u>	<u>Budget after modifi- cation</u>	<u>Paid or charged</u>	<u>Reserved</u>
Operating:				
Salaries and wages	\$ 582,100	582,100	557,574	24,526
Other expenses	208,110	223,110	145,089	78,021
Insurance	309,000	309,000	247,736	61,264
NW Bergen County Utilities Authority	3,975,000	3,960,000	3,917,914	42,086
Debt service:				
Payment of bond anticipation notes and capital notes	400,000	400,000	400,000	—
Interest on notes	200,000	200,000	200,000	—
Statutory expenditures - contribution to:				
Public Employees' Retirement System	43,745	43,745	43,745	—
Social Security System	50,000	50,000	39,275	10,725
Unemployment compensation insurance	2,500	2,500	2,500	—
	<u>\$ 5,770,455</u>	<u>5,770,455</u>	<u>5,553,833</u>	<u>216,622</u>
			\$ 5,304,986	
			200,000	
			<u>48,847</u>	
			<u>\$ 5,553,833</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Fund Balance

Sewer Utility Capital Fund

Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Balance, Beginning of year	\$ 426,101	370,076
Increased by:		
Premium on sale of notes	<u>45,628</u>	<u>56,025</u>
Balance, End of year	<u>\$ 471,729</u>	<u>426,101</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance

Sewer Utility Assessment Trust Fund

Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Fund balance, December 31, 2009	\$ 666,909	940,016
Increased by:		
Sewer assessments collected	<u>135,074</u>	<u>176,893</u>
	801,983	1,116,909
Decreased by:		
Payment of notes	<u>66,500</u>	<u>450,000</u>
Fund balance, December 31, 2010	<u>\$ 735,483</u>	<u>666,909</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of General Fixed Assets

General Fixed Asset Account Group

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Land	\$ 19,832,750	19,417,833
Buildings	20,580,763	20,457,328
Vehicular equipment	13,832,018	13,850,726
General equipment and machinery	<u>5,439,225</u>	<u>5,475,454</u>
Total fixed assets	<u>\$ 59,684,756</u>	<u>59,201,341</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

(1) *Summary of Significant Accounting Policies*

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

Reporting Entity

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

Fund Accounting

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

Fund Types

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

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

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

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

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

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

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

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

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, 2010

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

Foreclosed Property

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

Interfund Receivables

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

Deferred Charges to Future Taxation Funded and Unfunded

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

Fixed Assets

Current Fund and General Capital Fund

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

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

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

Use of Estimates

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

(2) *Retirement Systems*

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

Police and Firemen's Retirement System

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

Public Employees' Retirement System

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

Other Pension Funds

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

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

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

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

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 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%.

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

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60 plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62 plus 3% for every year under age 55.

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

This new legislation changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

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

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.

Township Contributions:

The Township's required contributions were as follows:

		For the Year Ended December 31,				
		2010	2009	2008	2007	2006
PERS	\$	616,635	522,615	390,397	213,818	116,746
PFRS	\$	1,378,992	1,346,627	1,234,122	843,882	522,641

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

(3) Long-term Debt

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Issued:			
General - bonds and notes	\$ 33,040,000	34,120,000	35,045,000
Water Utility - notes	8,000,000	4,725,000	4,900,000
Sewer Utility - notes	5,008,500	5,408,500	5,808,500
Sewer Utility - Assessment notes	0	66,500	516,500
Total issued	<u>46,048,500</u>	<u>44,320,000</u>	<u>46,270,000</u>
Authorized but not issued:			
General - bonds and notes	530,803	856,553	16,806,926
Water Utility - bonds and notes	2,792,177	3,902,250	4,377,250
Sewer Utility - bonds and notes	<u>2,244,700</u>	<u>2,244,700</u>	<u>2,019,700</u>
Total authorized but not issued	<u>5,567,680</u>	<u>7,003,503</u>	<u>23,203,876</u>
Total bonds and notes issued and authorized but not issued	\$ <u>51,616,180</u>	<u>51,323,503</u>	<u>69,473,876</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 .46%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local school district debt	\$ 21,069,000	21,069,000	—
Water Utility debt	10,792,177	10,792,177	—
Sewer Utility debt	7,253,200	7,253,200	—
General debt	<u>33,570,803</u>	<u>2,242,232</u>	<u>31,328,571</u>
	\$ <u>72,685,180</u>	<u>41,356,609</u>	<u>31,328,571</u>

Net debt of \$31,328,571 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$6,866,644,848 equals .46%.

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

3-1/2% of equalized valuation basis (municipal)	\$240,332,570
Net debt	<u>31,328,571</u>
Remaining borrowing power	\$ <u>209,003,999</u>

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

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

October 15, 2005 through 2024. There are \$13,440,000 and \$14,140,000 of bonds outstanding at December 31, 2010 and 2009, respectively.

On February 25, 2009 the Township sold \$14,855,000 of General Improvement Refunding Bonds at interest rates from .95% to 5.00% payable each June 1, and December 1 until maturity. The bonds mature on December 1, 2009 through 2020. There are \$14,600,000 and \$14,680,000 of bonds outstanding at December 31, 2010 and 2009, respectively.

Bond debt service requirements at December 31, 2010 were as follows;

Year Ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,835,000	1,067,605
2012	1,885,000	1,021,905
2013	1,960,000	973,549
2014	2,055,000	899,274
2015	2,160,000	832,155
2016-2020	11,440,000	2,863,500
2021-2024	<u>6,655,000</u>	<u>602,157</u>
	<u>\$ 28,040,000</u>	<u>8,260,145</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, 2009 and 2010, the Township had outstanding bond anticipation notes as follows:

	<u>2009</u>	<u>2010</u>
Sewer Utility Capital Fund	\$ 5,408,500	5,008,500
Sewer Utility Assessment Fund	66,500	0
Water Utility Capital Fund	4,725,000	8,000,000
General Capital Fund	4,350,000	5,000,000

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

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

(5) Fund Balances Appropriated

Fund balances appropriated and included as anticipated revenue in the 2011 budgets are as follows:

Current Fund	\$ 3,825,000
Water Utility Operating Fund	1,993,883
Sewer Utility Operating Fund	1,597,570

(6) Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the Township Current Fund had the following deferred charges to be raised in the 2011 or subsequent budgets.

	Balance, Dec. 31, <u>2010</u>	2011 Budget <u>Appropriation</u>
Current Fund:		
Special emergencies	\$240,000	120,000

(7) Deferred Compensation Plans

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

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

(8) Accrued Sick and Vacation Benefits

The Township permits employees to accrue unused vacation pay, which may be taken as time off or paid at a later date upon absence. It is estimated that the current cost of such unpaid compensation approximates \$2,033,562 and \$2,214,975 for the years ended December 31, 2009 and 2010 respectively.. This amount, in accordance with state accounting requirements, is not reported either as an expenditure or liability.

(9) Contingencies

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2010. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. Funding of any ultimate liability would be provided for in succeeding years' budgets or through a

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

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, 2010 may be impaired. In the opinion of the Township, there are no significant contingent liabilities relating to compliance with rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

(10) Risk Retention Program

On January 1, 2010 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 \$4,278,343. This was funded with budget appropriations from the Current, Water and Sewer Utility Funds which amount was not totally expended in 2010 Employees contributed approximately \$111,545 towards the cost of coverage.

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

(11) Fixed Assets

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

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

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

The Township's fixed assets are summarized as follows:

	Balance			Balance
	Dec 31, 2008	Additions	Dispositions	Dec. 31, 2009
General Fixed Assets:				
Land and buildings	\$ 19,125,512	292,321	—	19,417,833
Buildings	20,314,537	142,791	—	20,457,328
Vehicular equipment	12,611,929	1,461,173	222,376	13,850,726
General equipment	5,278,093	225,589	28,228	5,475,454
	<u>57,330,071</u>	<u>2,121,874</u>	<u>250,604</u>	<u>59,201,341</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 distrib. 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	17,858,408	—	—	17,858,408
Sewer cleaning machine	90,000	—	—	90,000
Sewer jet truck	196,692	—	—	196,692
Darlington Project	241,275	—	—	241,275
Generators	65,000	—	—	65,000
Sewer mains	50,000	—	—	50,000
	<u>\$ 18,501,375</u>	<u>—</u>	<u>—</u>	<u>18,501,375</u>

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

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

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

(12) Interfund Balances

The Township has interfund balances at December 31, 2009 and 2010 as follows:

	2009		2010	
	Due From	Due To	Due From	Due To
Current Fund:				
Other Trust Fund	\$ 405		252	\$
Dog License Fund	7,110		8,703	
Federal and State Grant Fund	308,898		76,115	
General Capital Fund	702		37	
Water Operating Fund		\$ 100		34
Federal and State Grant Fund:				
Current Fund		308,898		76,115
Other Trust Fund				
Current Fund		405		252
Dog License Fund:				
Current Fund		7,110		8,703
General Capital Fund:				
Current Fund		702		37
Water Utility Operating Fund:				
Water Utility Capital Fund	53		26	
Current Fund	100		34	
Sewer Utility Operating Fund			642	
Water Utility Capital Fund:				
Water Utility Operating Fund		53		26
Sewer Utility Operating Fund:				
Sewer Utility Capital Fund	7		4	
Sewer Utility Assessment Fund	803		569	
Water Utility Operating Fund				642
Sewer Utility Capital Fund:				
Sewer Utility Operating Fund		7		4
Sewer Utility Assessment Fund:				
Sewer Utility Operating Fund		803		569

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

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

Notes to Financial Statements

December 31, 2010

Township activity for the years ended December 31, 2009 and 2010 are as follows; contributions for the year amounted to \$202,998 and \$192,654, distributions were \$16,593 and \$45,424, account fees were \$6,052 and \$6,366 and the (loss)/gain on investments was \$249,181 and \$245,782. The total value of plan assets at December 31, 2009 and 2010 were \$1,353,705 and \$1,740,350 as determined by the trustees.

(14) Cash

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

Deposits

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

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

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

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

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

GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of December 31, 2010 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.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2010

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

(16) Post Employment Healthcare Plan

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

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

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

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

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

ADDITIONAL FINANCIAL INFORMATION

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>10,767,495</u>
Increased by receipts:	
Collector of taxes	88,054,472
Revenue accounts receivable	8,729,934
Miscellaneous revenue not anticipated	823,367
Due from State of New Jersey	217,702
Due to Grant Fund - appropriated grants received	618,717
Prepaid health licenses	1,400
Various reserves	48,751
Due from Dog License Fund	7,110
Due from General Capital Fund	702
Due from Other Trust Fund	405
Prior year checks cancelled	<u>8,908</u>
	<u>98,511,468</u>
	<u>109,278,963</u>
Decreased by disbursements:	
Budget appropriations	29,459,330
Appropriation reserves	1,522,014
Local district school taxes	53,821,375
County taxes	13,358,453
Municipal open space tax	417,441
Due County for added taxes	34,306
Various reserves	304,040
Due to Water Operating Fund	66
Grant expenditures	397,179
Tax overpayment refunds	188,661
Refund of tax appeals	239,826
Refund of prior year revenue	<u>3,488</u>
	<u>99,746,180</u>
Balance, December 31, 2010	\$ <u><u>9,532,783</u></u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Tax Collector

Current Fund

Year ended December 31, 2010

Receipts:

Taxes receivable	\$	87,398,206
Tax overpayments		196,371
Prepaid taxes		456,476
Tax title liens receivable		<u>3,419</u>
Decreased by deposit in Treasurer's account	\$	<u><u>88,054,472</u></u>

TOWNSHIP OF MAHWAH

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

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>4,795</u>
Increased by:	
Senior Citizens' deductions per duplicate	40,250
Veterans' deductions per duplicate	180,000
Senior Citizens' deductions allowed by tax collector	2,750
Veterans' deductions allowed by tax collector	<u>3,250</u>
	<u>226,250</u>
	<u>231,045</u>
Decreased by:	
Cash received	217,702
Senior Citizens' and Veterans' deductions disallowed	6,034
Senior Citizens' and Veterans' deductions disallowed - 2009	<u>2,140</u>
	<u>225,876</u>
Balance, December 31, 2010	\$ <u><u>5,169</u></u>

TOWNSHIP OF MAHWAH

Schedule of Taxes Receivable

Current Fund

Year ended December 31, 2010

Year	Balance, Dec. 31, 2009	2010 levy	Added Taxes	Cash collections		Transferred to tax title liens	Cancelled	Balance, Dec. 31, 2010
				2009	2010			
2008	1	—	—	—	—	—	1	—
2009	408,644	—	2,619	—	399,013	12,019	181	50
	408,645	—	2,619	—	399,013	12,019	1	50
2010	—	88,106,642	557,756	467,825	87,219,409	35,488	482,481	459,195
	<u>\$ 408,645</u>	<u>88,106,642</u>	<u>560,375</u>	<u>467,825</u>	<u>87,618,422</u>	<u>47,507</u>	<u>482,482</u>	<u>459,245</u>
					\$ 220,216			
					87,398,206			
					<u>\$ 87,618,422</u>			

Senior Citizens' and Veterans' deductions
Cash

Analysis of Property Tax Levy

Tax yield:

General purpose tax	\$ 88,106,642
Added and omitted taxes	<u>557,756</u>
	<u>\$ 88,664,398</u>

Tax levy:

County taxes	\$ 13,187,413
County Open Space	171,040
Local district school taxes	53,821,375
Due County for added taxes	84,819
Local tax for municipal purposes	20,479,801
Municipal open space	417,441
Additional taxes levied	<u>502,509</u>
	<u>\$ 88,664,398</u>

TOWNSHIP OF MAHWAH

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>190,824</u>
Increased by:	
Transferred from prior year taxes	12,019
Transferred from current taxes receivable	<u>35,488</u>
	<u>47,507</u>
	238,331
Decreased by:	
Cash received	<u>3,419</u>
Balance, December 31, 2010	\$ <u><u>234,912</u></u>

TOWNSHIP OF MAHWAH

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2010

	Balance, Dec. 31, 2009	Accrued in 2010	Collected by Treasurer	Balance, Dec. 31, 2010
Clerk:				
Alcoholic beverage license	\$ —	30,804	30,804	—
Licenses - other	—	39,936	39,936	—
Fees and permits	—	49,523	49,523	—
Fines and costs - municipal court	31,363	355,025	360,672	25,716
Interest and costs on taxes	—	116,957	116,957	—
Interest on investments and deposits	—	39,035	39,035	—
Rental of Township owned property	—	246,942	246,942	—
Fire Safety Act fees	—	154,486	154,486	—
Energy Receipts Tax (P.L. 1999, Ch 162 & 167)	—	4,909,572	4,909,572	—
Garden State Trust Fund	—	3,844	3,844	—
Uniform construction code official	—	960,138	960,138	—
Swim and Tennis Club fees	—	149,843	149,843	—
Reserve for Open Space	—	415,000	415,000	—
Reserve for Debt Service	—	328,000	328,000	—
Municipal Hotel/Motel Occupancy Tax	—	612,184	612,184	—
Library Contribution	200,000	—	200,000	—
Reserve for Township Calendar	—	8,645	8,645	—
Cable television franchise fee	—	125,677	125,677	—
	<u>\$ 231,363</u>	<u>8,419,934</u>	<u>8,751,258</u>	<u>25,716</u>
Cash			\$ 8,729,934	
Unappropriated reserves			8,645	
Due from General Capital - interest			37	
Due from Other Trust - interest			252	
Prepaid health licenses			<u>12,390</u>	
			<u>\$ 8,751,258</u>	

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2010

	Balance Dec. 31, 2009	Transfer of encum- brances	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	1,920	—	1,920	661	1,259
Election	235	—	235	—	235
Office of the Mayor	3,125	—	3,125	3,125	—
Office of Business Administrator	11,268	—	11,268	325	10,943
Municipal Land Use Law (N.J.S.A. 40:55-D1):					
Division of Planning and Zoning	15,486	—	15,486	150	15,336
Division of Finance:					
Bureau of Treasury	1,191	—	1,191	388	803
Bureau of Collections	6,203	—	6,203	—	6,203
Bureau of Assessment	35	—	35	—	35
Department of Public Works:					
DPW administration	559	—	559	—	559
DPW streets and roads	14,882	—	14,882	—	14,882
DPW buildings and grounds	18,587	—	18,587	—	18,587
DPW parks and playgrounds	70	—	70	—	70
DPW recycling	10,767	—	10,767	—	10,767
DPW motor pool	526	—	526	250	276
DPW snow removal	12,081	—	12,081	—	12,081
DPW overtime	12,635	—	12,635	—	12,635
Board of Health administration	3,209	—	7,209	5,649	1,560
Department of Police:					
Police administration	512	—	512	418	94
Police records	6,975	—	6,975	320	6,655
Police patrol	6,738	—	6,738	1,532	5,206
Police dispatchers	4,026	—	4,026	843	3,183
Police detectives	12,757	—	12,757	—	12,757
Police juvenile	1,243	—	1,243	—	1,243
Police crossing guards	4,327	—	4,327	374	3,953
Bureau of Emergency Management Services	10	—	10	—	10
Fire Department	3,872	—	3,872	3,580	292
Bureau of Fire Prevention	1,109	—	1,109	—	1,109
Ambulance Company #1	1,647	—	1,647	—	1,647
Ambulance Company #4	7,000	—	7,000	6,071	929
Division of Human Services	1,513	—	1,513	—	1,513
Senior citizens' activities	70	—	70	—	70
Access Transportation	1,303	—	1,303	884	419
Boards, Commissions & Committees:					
Housing Commission	1,000	—	1,000	—	1,000
Recreation Commission	12,070	—	12,070	—	12,070
Municipal Court	4,168	—	4,168	1,280	2,888
Municipal Pool	5,887	—	5,887	—	5,887
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):					
Uniform Construction Code official	1,008	—	1,008	—	1,008
Building Sub-code official	786	—	786	167	619
Plumbing Sub-Code official	2,388	—	2,388	390	1,998
Electrical Sub-code official	2,009	—	2,009	1,998	11
Fire Sub-code official	2,544	—	2,544	1,567	977
Other expenses:					
Township Council	6,785	—	6,785	—	6,785
Office of the Township Clerk	16,790	1,717	18,507	1,002	17,505
Election	225	600	825	600	225
Animal control	6,426	—	6,426	—	6,426

(Continued)

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2010

	Balance Dec. 31, 2009	Transfer of encum- brances	Balance after transfers	Paid or charged	Unexpended balances lapsed
Office of the Mayor	\$ 1,096	40	1,136	67	1,069
Office of Business Administrator	3,636	6,042	9,678	5,741	3,937
Division of Law	100,379	23,499	123,878	30,922	92,956
Division of Engineering	5,882	19,934	25,816	4,188	21,628
Municipal Land Use Law (N.J.S.A. 40:55-D1):					
Division of Planning and Zoning	16,628	15,596	32,224	11,949	20,275
Division of Finance:					
Bureau of Treasury	425	120	545	74	471
Bureau of Collections	4,475	1,067	5,542	2,086	3,456
Bureau of Assessment	2,386	9,177	11,563	9,103	2,460
Auditor	6,150	—	6,150	—	6,150
Department of Public Works:					
DPW administration	1,550	—	1,550	—	1,550
DPW streets and roads	12,528	14,725	27,253	9,673	17,580
DPW buildings and grounds	4,683	30,496	35,179	27,057	8,122
DPW emergency services	3,911	29,929	33,840	23,479	10,361
DPW parks and playgrounds	10,528	17,462	27,990	17,930	10,060
DPW recycling	9,037	128	9,165	128	9,037
DPW motor pool	14,238	63,850	78,088	54,390	23,698
DPW snow removal	33,193	82,044	115,237	88,846	26,391
Sanitation collection costs	409	83,716	84,125	83,716	409
Disposal - BCUA	37,629	153,913	191,542	147,954	43,588
Disposal/Recyclables	3,710	1,025	4,735	—	4,735
Board of Health administration	11,628	2,510	10,138	4,412	5,726
Health Officer Services	1,178	—	1,178	—	1,178
Recycling Tax	3,420	5,700	9,120	5,618	3,502
Department of Police:					
Police administration	37,975	64,033	102,008	66,876	35,132
Police purchase of police cars	1,477	96,230	97,707	96,230	1,477
Bureau of Emergency Management Services	15,683	19,739	35,422	19,704	15,718
Fire Department	9,259	63,433	72,692	59,990	12,702
Bureau of Fire Prevention	1,148	636	1,784	325	1,459
Ambulance Company #1	42,500	—	42,500	42,500	—
Ambulance Company #4	—	—	—	—	—
Division of Human Services	1,711	—	1,711	—	1,711
Senior citizens' activities	11,191	6,036	17,227	2,984	14,243
Access Transportation	1,505	—	1,505	—	1,505
Boards, Commissions & Committees:					
Environmental Commission	4,351	—	4,351	—	4,351
Housing Commission	1,981	—	1,981	—	1,981
Historic Preservation Commission	654	—	654	—	654
Recreation Commission	24,450	15,587	40,037	14,316	25,721
Municipal Pool	19,912	2,018	21,930	1,945	19,985
Municipal Court	20,002	298	20,300	404	19,896
Public Defender	7,756	680	8,436	1,232	7,204
Computer Equipment/Consultant	2,516	899	3,415	3,324	91
Municipal Services Act	48,829	12,950	61,779	32,950	28,829
Community Cable Television	664	234	898	360	538
Municipal Prosecutor	12,200	3,267	15,467	3,267	12,200
Uniform Construction Code-Appropriations Offset					
by Dedicated Revenues (N.J.A.C. 5:23-4.17):					
Uniform Construction Code official	1,732	7,201	8,933	7,183	1,750
Unclassified:					
Gasoline	41,663	—	41,663	7,970	33,693
Fuel oil	43,171	—	43,171	9,383	33,788
Electricity	37,319	—	37,319	24,829	12,490
Street lighting	28,875	—	28,875	19,107	9,768
Telephone	29,964	10,848	40,812	24,006	16,806

(Continued)

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2010

	Balance Dec. 31, 2009	Transfer of encum- brances	Balance after transfers	Paid or charged	Unexpended balances lapsed
Natural gas	\$ 47,980	—	47,980	14,062	33,918
Heating oil	4,994	4,000	8,994	2,852	6,142
Photocopying	5,768	3,469	9,237	2,966	6,271
Printing and binding	13,280	12,556	25,836	12,122	13,714
Postage	3,986	—	3,986	—	3,986
Office supplies	5,734	4,685	10,419	4,541	5,878
Tuition Reimbursement Account	2,000	—	2,000	—	2,000
Contingent	2,368	2,632	5,000	2,632	2,368
Defined Contribution Retirement Program (DCRP)	1,685	—	1,685	—	1,685
Social Security System (O.A.S.I.)	36,788	—	36,788	120	36,668
Operations excluded from "CAPS" mandated expenditures (N.J.S.A 40A:4-45.3g):					
Length of Service Award Program (L.O.S.A.P.)	245,000	—	245,000	209,463	35,537
Insurance:					
Comprehensive business liability insurance	3,676	98,456	102,132	96,860	5,272
Workers Compensation Insurance:	1,623	103,483	105,106	103,484	1,622
Employee medical insurance	111,542	8,530	120,072	120,072	—
Health and Safety programs	2,854	8,519	11,373	7,919	3,454
Employee physicals	14,940	10,450	25,390	5,124	20,266
Employee life insurance	4,860	—	4,860	—	4,860
Insurance miscellaneous	8,303	823	9,126	823	8,303
	<u>\$ 1,489,535</u>	<u>1,124,982</u>	<u>2,614,517</u>	<u>1,580,832</u>	<u>1,033,685</u>
Cash disbursed			\$ 1,522,014		
Appropriated Reserves - Accounts Payable			<u>58,818</u>		
			<u>\$ 1,580,832</u>		

TOWNSHIP OF MAHWAH

Schedule of Unappropriated Reserves

Current Fund

Year ended December 31, 2010

	Balance Dec. 31, 2009	Increased by cash received	Decreased	Balance Dec. 31, 2010
Town calendar	\$ 8,645	—	8,645	—
Security deposit - sublease	426	—	—	426
Security deposit	<u>34,498</u>	<u>—</u>	<u>3,333</u>	<u>31,165</u>
	<u>\$ 43,569</u>	<u>—</u>	<u>11,978</u>	<u>31,591</u>
			Anticipated revenue \$ 8,645	
			Cancelled <u>3,333</u>	
			<u>\$ 11,978</u>	

TOWNSHIP OF MAHWAH

Schedule of Local District School
Taxes Payable

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	—
Increased by tax levy		<u>53,821,375</u>
		53,821,375
Decreased by payments		<u>53,821,375</u>
Balance, December 31, 2010	\$	<u><u>—</u></u>

TOWNSHIP OF MAHWAH

Schedule of County Taxes Payable

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u> —</u>
Increased by:	
Increased by County tax levy	13,187,413
County Open Space Preservation	<u> 171,040</u>
	<u>13,358,453</u>
	13,358,453
Decreased by:	
Payments	<u>13,358,453</u>
Balance, December 31, 2010	\$ <u><u> —</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due County for Added
and Omitted Taxes

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	34,306
Increased by 2010 added taxes		<u>84,819</u>
		119,125
Decreased by payments		<u>34,306</u>
Balance, December 31, 2010	\$	<u><u>84,819</u></u>

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	1,144,281
Increased by budget encumbrances		<u>1,020,769</u>
		<u>2,165,050</u>
Decreased by:		
Transfer to Appropriation Reserves		1,124,982
Transfer to Federal and State Grant Fund		<u>19,299</u>
		<u>1,144,281</u>
Balance, December 31, 2010	\$	<u><u>1,020,769</u></u>

TOWNSHIP OF MAHWAH

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	9,966
Increased by cash receipts		<u>196,371</u>
		<u>206,337</u>
Decreased by:		
Cash disbursed		<u>188,661</u>
		<u>188,661</u>
Balance, December 31, 2010	\$	<u><u>17,676</u></u>

TOWNSHIP OF MAHWAH

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	467,825
Increased by cash receipts		<u>456,476</u>
		924,301
Decreased by transfer to taxes receivable		<u>467,825</u>
Balance, December 31, 2010	\$	<u><u>456,476</u></u>

TOWNSHIP OF MAHWAH

Schedule of Prepaid Health Licenses

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	12,390
Increased by cash receipts		<u>1,400</u>
		13,790
Decreased by revenue realized		<u>12,390</u>
Balance, December 31, 2010	\$	<u><u>1,400</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Tax Appeals

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>201,954</u>
Increased by:	
Contested amount of taxes collected pending appeal	325,000
Budget appropriations	<u>50,000</u>
	<u>375,000</u>
	576,954
Decreased by cash disbursements for tax refunds	<u>239,826</u>
Balance, December 31, 2010	\$ <u><u>337,128</u></u>

TOWNSHIP OF MAHWAH

Schedule of Various Reserves

Current Fund

Year ended December 31, 2010

	<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, 2009	\$ 318,153	78,300	—	425	396,878
Increased by:					
Cash receipts	—	46,200	20	2,531	48,751
Reserve for revaluation	225,100	—	—	—	225,100
Appropriation reserves	58,818	—	—	—	58,818
	<u>283,918</u>	<u>46,200</u>	<u>20</u>	<u>2,531</u>	<u>332,669</u>
	<u>602,071</u>	<u>124,500</u>	<u>20</u>	<u>2,956</u>	<u>729,547</u>
Decreased by:					
Cancellation	66,307	—	—	—	66,307
Cash disbursed	243,149	58,400	10	2,481	304,040
	<u>309,456</u>	<u>58,400</u>	<u>10</u>	<u>2,481</u>	<u>370,347</u>
Balance, December 31, 2010	\$ <u><u>292,615</u></u>	<u><u>66,100</u></u>	<u><u>10</u></u>	<u><u>475</u></u>	<u><u>359,200</u></u>

TOWNSHIP OF MAHWAH

Schedule of Interfunds

Current Fund

Year ended December 31, 2010

	<u>Dog License Fund</u>	<u>Other Trust Fund</u>	<u>General Capital Fund</u>	<u>Water Utility Operating Fund</u>	<u>Federal and State Grant Fund</u>	<u>Outside Detail</u>
Balance, December 31, 2009, due from (to)	\$ 7,110	405	702	(100)	308,898	—
Increased by:						
Cash disbursed	—	—	—	66	—	—
Grant encumbrances paid by Current Fund	—	—	—	—	22,861	—
Interest earned	—	252	37	—	—	—
Cancellation of Appropriated Reserves	—	—	—	—	90,220	—
Grant expenditures paid by Current Fund	—	—	—	—	374,318	—
	<u>—</u>	<u>252</u>	<u>37</u>	<u>66</u>	<u>487,399</u>	<u>—</u>
	<u>7,110</u>	<u>657</u>	<u>739</u>	<u>(34)</u>	<u>796,297</u>	<u>—</u>
Decreased by:						
Cash receipts	7,110	405	702	—	—	—
Grant receipts deposited in Current Fund	—	—	—	—	618,717	—
Transfer from Encumbrances Payable	—	—	—	—	19,299	—
2010 Budget Appropriation	—	—	—	—	3,039	—
Cancellation of Grants receivable	—	—	—	—	79,127	—
	<u>7,110</u>	<u>405</u>	<u>702</u>	<u>—</u>	<u>720,182</u>	<u>—</u>
Balance, December 31, 2010, due from (to)	\$ <u>—</u>	<u>252</u>	<u>37</u>	<u>(34)</u>	<u>76,115</u>	<u>—</u>
Soil	\$	5				
Escrow		<u>247</u>				
	\$	<u><u>252</u></u>				

TOWNSHIP OF MAHWAH

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended December 31, 2010

	Balance, Dec. 31, 2009	Awarded in 2010	Received	Canceled	Balance, Dec. 31, 2010
Municipal Alliance on Alcohol and Drug Abuse	\$ 12,933	—	12,698	235	—
Highlands Water Protection: Initial Plan Conformance	50,000	—	50,000	—	—
NJ DEP - Acquisition of Property	50,000	—	1,838	48,162	—
NJ DEP Flood Management	37,877	—	—	—	37,877
NJ DOT - Corporate Drive	262,960	—	232,630	30,330	—
County of Bergen:					
Replacement of Pulis Avenue Bridge	82,080	—	—	—	82,080
Open Space	137,949	—	37,949	—	100,000
Recycling Tonnage Grant	—	35,528	35,528	—	—
Drunk Driving Enforcement Fund	—	15,697	15,697	—	—
Clean Communities Programs	—	40,980	40,980	—	—
Alcohol Education and Rehabilitation Act	—	5,731	5,731	—	—
Municipal Alliance on Alcoholism and Drug Abuse	—	12,157	8,232	—	3,925
NJ Dept. of LPS - Div. of Criminal Justice Body Armor Fund	—	6,679	6,679	—	—
State of New Jersey - Department of Transportation:					
Miller Road	—	200,000	150,000	—	50,000
United States Department of Transportation (NJ Division of Highway Safety) Pass through - Over the Limit Under Arrest	—	9,400	4,000	400	5,000
County of Bergen:					
Open Space Trust Fund	—	94,494	—	—	94,494
Office of County Prosecutor - Mahwah Municipal Escrow - Police	—	183,290	67,979	—	115,311
	<u>\$ 633,799</u>	<u>603,956</u>	<u>669,941</u>	<u>79,127</u>	<u>488,687</u>
Due from Current Fund			\$ 618,717		
Transferred from unappropriated reserves			<u>51,224</u>		
			<u>\$ 669,941</u>		

TOWNSHIP OF MAHWAH

Schedule of Appropriated Reserves

Federal and State Grant Fund

Year ended December 31, 2010

	Balance, Dec. 31, 2009	Transferred from Encumbrances	Transferred from budget	Expended	Canceled	Balance, Dec. 31, 2010
Drunk Driving Enforcement Fund	\$ 37,955	—	—	32,002	—	5,953
Municipal Alcohol Education Rehabilitation Act	2,973	—	—	2,973	—	—
Municipal Alliance on Alcohol and Drug Abuse	16,166	—	—	15,872	294	—
Body Armor Fund	645	4,685	—	5,330	—	—
Recycling Tonnage Grant	3,560	—	—	3,560	—	—
NJ DEP - Acquisition of Property	48,162	—	—	—	48,162	—
NJ DOT - Corporate Drive	41,263	—	—	—	41,263	—
Fireman's Fund: Donation - Fire Department	92	—	—	—	92	—
County Open Space Park Improvements	100,000	—	—	—	—	100,000
Bergen County Prosecutor's Office						
Escrow Account - Police Department	—	—	183,290	116,335	9	66,946
Alcohol Education Rehabilitation Fund	—	—	5,731	5,731	—	—
Drunk Driving Enforcement Act	—	—	15,697	—	—	15,697
NJ Clean Communities Grant	—	—	40,980	40,980	—	—
NJ Dept. L&PS:						
Body Armor Fund	—	—	6,679	2,024	—	4,655
United States Department of Transportation (NJ Division of Highway						
Safety) Pass Through - Over the Limit	—	—	9,400	4,000	400	5,000
Municipal Alliance on Alcoholism and Drug Abuse	—	—	12,157	—	—	12,157
Municipal Alliance on Alcoholism and Drug Abuse - Match	—	—	3,039	—	—	3,039
Recycling Tonnage Grant	—	—	35,528	11,858	—	23,670
Bergen County Open Space Trust Fund	—	—	94,494	—	—	94,494
DOT Miller Road	—	—	200,000	200,000	—	—
NJ Highlands	—	13,232	—	13,232	—	—
Clean Communities	—	1,382	—	1,382	—	—
	<u>\$ 250,816</u>	<u>19,299</u>	<u>606,995</u>	<u>455,279</u>	<u>90,220</u>	<u>331,611</u>
Encumbrances				\$ 80,961		
Due to Current Fund				<u>374,318</u>		
				<u>\$ 455,279</u>		

TOWNSHIP OF MAHWAH

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year ended December 31, 2010

	Balance, Dec. 31, 2009	Transferred to budget	Balance, Dec. 31, 2010
	<u> </u>	<u> </u>	<u> </u>
State:			
Recycling Tonnage Grant	\$ 35,527	35,527	—
Drunk Driving Enforcement Fund	<u>15,697</u>	<u>15,697</u>	<u>—</u>
	<u>\$ 51,224</u>	<u>51,224</u>	<u>—</u>

TOWNSHIP OF MAHWAH

Schedule of Foreclosed Property

Current Fund

Year ended December 31, 2010

Balance, December 31, 2010 and 2009	\$ <u>1,353,400</u>
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TOWNSHIP OF MAHWAH

Schedule of Reserve for Arbitrage Rebate Payable

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>30,000</u>
Balance, December 31, 2010	\$ <u>30,000</u>

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	22,861
Increased by encumbrances authorized		<u>80,961</u>
		103,822
Decreased by:		
Paid by Current Fund		<u>22,861</u>
		<u>22,861</u>
Balance, December 31, 2010	\$	<u><u>80,961</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Revaluation

Current Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	318,625
Decreased by:		
Transfer to accounts payable		<u>225,100</u>
Balance, December 31, 2010	\$	<u><u>93,525</u></u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2010

	Dog License Fund	Other Trust Funds	Unemployment Compensation Fund	Uniform Construction Code Training Fees
Balance, December 31, 2009	\$ 27,685	7,178,990	224,473	26,604
Increased by receipts:				
Dog license fees	13,863	—	—	—
Due to State of New Jersey	2,576	—	—	—
Recreation contributions	—	61,108	—	—
Reserve for Other Expenses	—	5,265,238	—	—
Due from Current Fund	—	2,893	—	—
Special deposits	—	653,246	—	—
Deposits	—	—	38,178	—
Training fees collected	—	—	—	41,706
	<u>16,439</u>	<u>5,982,485</u>	<u>38,178</u>	<u>41,706</u>
	<u>44,124</u>	<u>13,161,475</u>	<u>262,651</u>	<u>68,310</u>
Decreased by disbursements:				
Payments to State of New Jersey	2,566	—	28,139	—
Dog license expenditures	5,802	—	—	—
Due to Current Fund	7,110	3,046	—	—
Recreation expenses	—	58,563	—	—
Special deposits - refunded	—	1,489,074	—	—
Reserve for Other Expenses	—	5,585,533	—	—
Uniform Construction Code	—	—	—	59,149
	<u>15,478</u>	<u>7,136,216</u>	<u>28,139</u>	<u>59,149</u>
Balance, December 31, 2010	\$ <u>28,646</u>	<u>6,025,259</u>	<u>234,512</u>	<u>9,161</u>

TOWNSHIP OF MAHWAH

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

Trust Funds

Year ended December 31, 2010

Balance, December 31, 2009	\$	20,568
Increased by:		
Licenses and fees		<u>13,863</u>
		<u>34,431</u>
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Excess balance due to Current Fund		8,703
Other disbursements		<u>5,802</u>
		<u>14,505</u>
Balance, December 31, 2010	\$	<u><u>19,926</u></u>
2009 license revenue	\$	9,060
2008 license revenue		<u>10,866</u>
	\$	<u><u>19,926</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due to State of New Jersey -
Dog License Fund

Trust Funds

Year ended December 31, 2010

Balance, December 31, 2009	\$	7
Increased by cash collected		<u>2,576</u>
		2,583
Decreased by cash disbursed		<u>2,566</u>
Balance, December 31, 2010	\$	<u><u>17</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Special Deposits -
Other Trust Funds

Trust Funds

Year ended December 31, 2010

Balance, December 31, 2009	\$	3,756,229
Increased by:		
Deposits		<u>653,246</u>
		4,409,475
Decreased by disbursements		<u>1,489,074</u>
Balance, December 31, 2010	\$	<u><u>2,920,401</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for State
Unemployment Insurance -
Unemployment Compensation Fund

Trust Funds

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>224,473</u>
Increased by:	
Budget appropriation	22,500
Employee contributions	15,339
Interest	<u>339</u>
	<u>38,178</u>
	262,651
Decreased by disbursed State of New Jersey	<u>28,139</u>
Balance, December 31, 2010	\$ <u><u>234,512</u></u>

TOWNSHIP OF MAHWAH

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

Trust Funds

Year ended December 31, 2010

Balance, December 31, 2009	\$	26,604
Increased by training fees collected		<u>41,706</u>
		68,310
Decreased by cash disbursements		<u>59,149</u>
Balance, December 31, 2010	\$	<u><u>9,161</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due to Current

Trust Funds

Year ended December 31, 2010

	Dog License Fund	Escrow	Soil	Total
Balance, December 31, 2009, Due to	\$ 7,110	397	8	7,515
Increased by:				
Excess balance in Dog License fund	8,703	—	—	8,703
Cash received	—	2,815	78	2,893
	<u>8,703</u>	<u>2,815</u>	<u>78</u>	<u>11,596</u>
	<u>15,813</u>	<u>3,212</u>	<u>86</u>	<u>19,111</u>
Decreased by:				
Cash disbursed	7,110	2,965	81	10,156
	<u>7,110</u>	<u>2,965</u>	<u>81</u>	<u>10,156</u>
Balance, December 31, 2010, Due to	<u>\$ 8,703</u>	<u>247</u>	<u>5</u>	<u>8,955</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Recreation
Expenses - Other Trust Funds

Trust Funds

Year ended December 31, 2010

Balance, December 31, 2009	\$	6,015
Increased by contributions		<u>61,108</u>
		67,123
Decreased by cash disbursements		<u>58,563</u>
Balance, December 31, 2010	\$	<u><u>8,560</u></u>

TOWNSHIP OF MAHWAH

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

Trust Funds

Year ended December 31, 2010

	Balance, Dec. 31, 2009	Increased	Decreased	Balance, Dec. 31, 2010
Reserve for:				
Historic Preservation	\$ 2,905	66	—	2,971
Self Insurance - Optical	12,723	31,000	40,807	2,916
Open Space	214,195	417,818	508,757	123,256
Lien Redemption	202	170,675	168,544	2,333
Community Donation	16,788	350	2,159	14,979
Access Transportation	39,303	3,954	7,514	35,743
Municipal Court	980	74	—	1,054
Celebration of Public Events	14,048	11,150	8,500	16,698
Beautification project	210	1	—	211
Winter Park	3,589	—	—	3,589
Affordable Housing	2,078,521	231,087	371,351	1,938,257
Development fees	347,574	998	—	348,572
Shade Tree	71,739	—	100	71,639
Sidewalk	145,062	36,575	—	181,637
Senior Center	4,893	1,902	—	6,795
Outside Detail	89,322	176,020	190,510	74,832
Self Insurance	171,874	4,075,151	4,109,897	137,128
Self Insurance - Section 125 Plan	6,469	53,074	47,291	12,252
Developers' escrow - Soil Movement	195,944	55,343	130,103	121,184
	<u>\$ 3,416,341</u>	<u>5,265,238</u>	<u>5,585,533</u>	<u>3,096,046</u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>2,883,037</u>
Increased by receipts:	
Interest earned	2,416
Bond anticipation note proceeds	1,100,000
Premium on sale of notes	<u>78,230</u>
	<u>1,180,646</u>
	<u>4,063,683</u>
Decreased by disbursements:	
Due from Current Fund	282,563
Improvement authorizations	<u>750,473</u>
	<u>1,033,036</u>
Balance, December 31, 2010	\$ <u><u>3,030,647</u></u>

TOWNSHIP OF MAHWAH

Schedule of Analysis of General Capital Cash

General Capital Fund

December 31, 2010

Encumbrances payable	\$ 350,408
Due to Current Fund	37
Reserve for payment of debt	2,242,232
Capital Improvement Fund	9,647
Fund balance	154,756

Improvement Authorizations:

<u>Ordinance number</u>	<u>Improvement description</u>	
1241	Various improvements	9,823
1362/1415/1427	Various improvements	18,947
1387	Various improvements	18,015
1420	Various capital improvements	186,765
1446	Various capital improvements	34,229
1488	Acquisition of land	51,861
1518	Various capital improvements	(441)
1546	Various improvements	38,916
1558	Renovation of Police Building	744
1576	Various capital improvements	362
1612	Various capital improvements	(14,398)
1643	Various capital improvements	(56,162)
1665	Various Road Improvements	50,030
1672	Various capital improvements	(65,124)
		<u>\$ 3,030,647</u>

TOWNSHIP OF MAHWAH

Schedule of Amount Due from /(to) Current Fund

General Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009 (Due To)	\$ <u> (702)</u>
Increased by:	
Interfund transfer	282,563
Budget appropriation	<u>50,000</u>
	<u>332,563</u>
	<u>331,861</u>
Decreased by:	
Interest earned	2,416
Debt service reserve anticipated	328,000
Expenses paid by Current Fund	<u>1,482</u>
	<u>331,898</u>
Balance, December 31, 2010 (Due To)	\$ <u><u> (37)</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Charges to
Future Taxation Funded

General Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ 29,770,000
Decreased by bonds paid	<u>1,730,000</u>
Balance, December 31, 2010	<u><u>\$ 28,040,000</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2010

Ordinance number	Description	Balance, Dec. 31, 2009	Authorizations	Notes paid	Balance, Dec. 31, 2010	Analysis of balance		
						Bond anticipation notes	Expended	Unexpended balance of improvement authorizations
1518	Various capital improvements	\$ 1,136,941	—	150,000	986,941	986,500	441	—
1546	Various improvements	1,379,280	—	175,000	1,204,280	1,130,000	—	74,280
1558	Renovation of Police Building	332,500	—	—	332,500	328,500	—	4,000
1576	Various capital improvements	103,935	—	—	103,935	79,000	—	24,935
1612	Various capital improvements	1,920,670	—	125,000	1,795,670	1,753,500	14,398	27,772
1643	Various capital improvements	333,227	—	—	333,227	247,500	56,162	29,565
1665	Various Road Improvements	—	475,000	—	475,000	475,000	—	—
1672	Various capital improvements	—	299,250	—	299,250	—	65,124	234,126
		<u>\$ 5,206,553</u>	<u>774,250</u>	<u>450,000</u>	<u>5,530,803</u>	<u>5,000,000</u>	<u>136,125</u>	<u>394,678</u>
					Improvement authorizations unfunded			\$ <u>484,730</u>
					Less - Unexpended note proceeds:			
					Ordinance 1546			38,916
					Ordinance 1558			744
					Ordinance 1576			362
					Ordinance 1665			50,030
								<u>90,052</u>
								\$ <u>394,678</u>

TOWNSHIP OF MAHWAH

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	397
Increased by:		.
Budget appropriation		<u>50,000</u>
		50,397
Decreased by appropriated to finance improvement authorizations		<u>40,750</u>
Balance, December 31, 2010	\$	<u><u>9,647</u></u>

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

General Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	148,848
Increased by improvement authorization encumbrances		<u>350,408</u>
		499,256
Decreased by encumbrances canceled		<u>148,848</u>
Balance, December 31, 2010	\$	<u><u>350,408</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	2,570,211
Increased by:		
Cancellations		<u>21</u>
		2,570,232
Decreased by:		
Anticipation as Current Fund revenue		<u>328,000</u>
Balance, December 31, 2010	\$	<u><u>2,242,232</u></u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2010

<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, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2010</u>
1518	Various capital improvements	8/17/06	8/12/10	8/12/2011	2.000%	1,100,000	950,000	1,100,000	950,000
1546	Various capital improvements	8/17/06	8/12/10	8/12/2011	2.000%	1,250,000	1,075,000	1,250,000	1,075,000
1558	Expansion of police department	8/13/09	8/12/10	8/12/2011	2.000%	200,000	200,000	200,000	200,000
1612	Various capital improvements	8/14/08	8/12/10	8/12/2011	2.000%	1,050,000	925,000	1,050,000	925,000
1612	Various capital improvements	8/13/09	8/12/10	8/12/2011	2.000%	750,000	750,000	750,000	750,000
1518	Various capital improvements	8/12/10	8/12/10	8/12/2011	2.000%	—	36,500	—	36,500
1546	Various capital improvements	8/12/10	8/12/10	8/12/2011	2.000%	—	55,000	—	55,000
1558	Expansion of police department	8/12/10	8/12/10	8/12/2011	2.000%	—	128,500	—	128,500
1576	Various capital improvements	8/12/10	8/12/10	8/12/2011	2.000%	—	79,000	—	79,000
1612	Various capital improvements	8/12/10	8/12/10	8/12/2011	2.000%	—	78,500	—	78,500
1643	Various capital improvements	8/12/10	8/12/10	8/12/2011	2.000%	—	247,500	—	247,500
1665	Various Road Improvements	8/12/10	8/12/10	8/12/2011	2.000%	—	475,000	—	475,000
						<u>\$ 4,350,000</u>	<u>5,000,000</u>	<u>4,350,000</u>	<u>5,000,000</u>
							\$ 3,900,000	3,900,000	
							1,100,000	—	
							—	450,000	
						<u>\$ 5,000,000</u>	<u>4,350,000</u>		

Renewal	\$ 3,900,000	3,900,000
Issued	1,100,000	—
Paid from budget appropriation	—	450,000
	<u>\$ 5,000,000</u>	<u>4,350,000</u>

TOWNSHIP OF MAHWAH

Schedule of Serial Bonds Payable

General Capital Fund

Year ended December 31, 2010

Date of Issue	Purpose	Original Issue	Maturity of Bonds		Interest Rate	Balance, Dec. 31, 2009	Bonds paid	Balance, Dec. 31, 2010
			Date	Amount				
Oct. 15, 2004	General Improvement Bond	\$ 17,165,000	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			
Dec. 1, 2001	General Improvement Bonds	21,780,000				950,000	950,000	—
Feb. 25, 2009	General Improvement Refunding Bonds 12/1/20 are subject to redemption	14,885,000	12/01/11	1,085,000	2.000			
			12/01/12	1,110,000	2.000			
			12/01/13	1,135,000	4.000			
			12/01/14	1,180,000	3.000			
			12/01/15	1,260,000	4.000			
			12/01/16	400,000	2.375			
			12/01/16	905,000	3.500			
			12/01/17	1,285,000	4.000			
			12/01/18	1,275,000	3.250			
			12/01/19	1,250,000	5.000			
			12/01/20	1,250,000	5.000			
			12/01/21	1,250,000	4.000			
12/01/22	1,215,000	5.000	14,680,000	80,000	14,600,000			
						\$ 29,770,000	1,730,000	28,040,000

TOWNSHIP OF MAHWAH

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2010

Ordinance number	Description	Balance, Dec. 31, 2009	2010 authori- zations	Debt Issued	Balance, Dec. 31, 2010
1518	Various improvements	\$ 36,941	—	36,500	441
1546	Various improvements	129,280	—	55,000	74,280
1558	Renovation of Police Building	132,500	—	128,500	4,000
1576	Various capital improvements	103,935	—	79,000	24,935
1612	Varios capital improvements	120,670	—	78,500	42,170
1643	Various capital improvements	333,227	—	247,500	85,727
1665	Various Road Improvements	—	475,000	475,000	—
1672	Various capital improvements	—	299,250	—	299,250
		<u>\$ 856,553</u>	<u>774,250</u>	<u>1,100,000</u>	<u>530,803</u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

Water Utility Fund

Year Ended December 31, 2010

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2009	\$ 3,728,695	2,214,707
Increased by receipts:		
Water rents	4,403,928	—
Tapping and capacity fees	354,930	—
Miscellaneous revenue not anticipated	42,867	—
Note proceeds	—	3,875,000
Premium on notes	—	129,456
Premium on water liens	5,800	—
Interest earned	—	412
Due from Water Utility Capital Fund	439	—
Overpayments	6,538	—
Capital Improvement Fund	—	20,000
	<u>4,814,502</u>	<u>4,024,868</u>
	<u>8,543,197</u>	<u>6,239,575</u>
Decreased by disbursements:		
Budget appropriations	3,245,206	—
Appropriation reserves	353,203	—
Refund of prior year revenue	46	—
Due from Water Capital Fund	412	—
Due from Current Fund	291,224	—
Accrued Interest on Notes	70,875	—
Premium on water liens refunded	3,100	—
Water overpayments refunded	7,579	—
Due to Water Utility Operating Fund	—	439
Improvement authorizations	—	914,893
	<u>3,971,645</u>	<u>915,332</u>
Balance, December 31, 2010	<u>\$ 4,571,552</u>	<u>5,324,243</u>

TOWNSHIP OF MAHWAH

Schedule of Analysis of Capital Fund Cash

Water Utility Capital Fund

December 31, 2010

Encumbrances	\$ 4,050,543
Due to Water Utility Operating Fund	26
Capital Improvement Fund	61,369
Reserve for payment of debt	56,816
Fund balance	487,425

Improvement authorizations:

Ordinance	Improvement description	
number		
1165/1183	Various water improvements	83,935
1244/1371	Acquisition-water meters	(75,000)
1388	Various improvements	15,335
1361/1394	Various improvements	(1,794)
1519/1567	Various improvements	25,242
1544	Various improvements	99,809
1575	Various improvements	1,253
1613	Various improvements	94,142
1647	Various improvements	351,650
1677	Improvements to Ford Well Field	73,492
		<u>5,324,243</u>
		<u>\$ 5,324,243</u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year ended December 31, 2010

Ordinance number	Purpose	Original date of issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2009	Increase	Decrease	Balance, Dec. 31, 2010
1165/1183	Various improvements	Oct. 25, 2001	Oct. 14, 2010	Oct. 14, 2011	2.00%	\$ 225,000	100,000	225,000	100,000
1361/ 1394	Various improvements	Oct. 25, 2001	Oct. 14, 2010	Oct. 14, 2011	2.00%	400,000	200,000	400,000	200,000
1244/1371	Acquisition - water meters	Oct. 25, 2001	Oct. 14, 2010	Oct. 14, 2011	2.00%	225,000	100,000	225,000	100,000
1519/1567	Various improvements	Oct. 19, 2006	Oct. 14, 2010	Oct. 14, 2011	2.00%	800,000	700,000	800,000	700,000
1544	Various improvements	Oct. 19, 2006	Oct. 14, 2010	Oct. 14, 2011	2.00%	325,000	275,000	325,000	275,000
1165/1183	Various improvements	Oct. 16, 2008	Oct. 14, 2010	Oct. 14, 2011	2.00%	125,000	125,000	125,000	125,000
1361/ 1394	Various improvements	Oct. 16, 2008	Oct. 14, 2010	Oct. 14, 2011	2.00%	25,000	25,000	25,000	25,000
1519/1567	Various improvements	Oct. 16, 2008	Oct. 14, 2010	Oct. 14, 2011	2.00%	925,000	925,000	925,000	925,000
1544	Various improvements	Oct. 16, 2008	Oct. 14, 2010	Oct. 14, 2011	2.00%	75,000	75,000	75,000	75,000
1575	Various improvements	Oct. 16, 2008	Oct. 14, 2010	Oct. 14, 2011	2.00%	450,000	450,000	450,000	450,000
1613	Various improvements	Oct. 16, 2008	Oct. 14, 2010	Oct. 14, 2011	2.00%	600,000	600,000	600,000	600,000
1165/1183	Various improvements	Oct. 15, 2009	Oct. 14, 2010	Oct. 14, 2011	2.00%	50,000	50,000	50,000	50,000
1244/1371	Acquisition - water meters	Oct. 15, 2009	Oct. 14, 2010	Oct. 14, 2011	2.00%	50,000	50,000	50,000	50,000
1519/1567	Various improvements	Oct. 15, 2009	Oct. 14, 2010	Oct. 14, 2011	2.00%	355,000	355,000	355,000	355,000
1575	Various improvements	Oct. 15, 2009	Oct. 14, 2010	Oct. 14, 2011	2.00%	10,000	10,000	10,000	10,000
1613	Various improvements	Oct. 15, 2009	Oct. 14, 2010	Oct. 14, 2011	2.00%	85,000	85,000	85,000	85,000
1575	Various improvements	Oct. 14, 2010	Oct. 14, 2010	Oct. 14, 2011	2.00%	—	2,230,000	—	2,230,000
1677	Ford Well Field	Oct. 14, 2010	Oct. 14, 2010	Oct. 14, 2011	2.00%	—	1,645,000	—	1,645,000
						<u>\$ 4,725,000</u>	<u>8,000,000</u>	<u>4,725,000</u>	<u>8,000,000</u>
							\$ 4,125,000	4,125,000	
							3,875,000	—	
							—	600,000	
						<u>\$ 8,000,000</u>	<u>8,000,000</u>	<u>4,725,000</u>	

Renewed
 Issued
 Paid - Budget

TOWNSHIP OF MAHWAH

Schedule of Water Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2010

Balance, December 31, 2009	\$ 208,412
Increased by water rents levied	<u>4,463,753</u>
	<u>4,672,165</u>
Decreased by:	
Water rents collected	4,403,928
Due from Sewer Operating Fund	<u>642</u>
Decreased by water rents collected	<u>4,404,570</u>
Balance, December 31, 2010	<u><u>\$ 267,595</u></u>

TOWNSHIP OF MAHWAH

Schedule of Water Overpayments

Water Utility Operating Fund

Year Ended December 31, 2010

Balance, December 31, 2009	\$	2,463
Increased by water overpayments		<u>6,538</u>
		9,001
Decreased by disbursements		<u>7,579</u>
Balance, December 31, 2010	\$	<u><u>1,422</u></u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended December 31, 2010

	Balance, Dec. 31, 2009	Additions	Balance, Dec. 31, 2010
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	2,400	148,361
Pump house and pumps	91,372	—	91,372
Improvement of water supply and distribution system	5,956,119	134,325	6,090,444
Vehicle equipment	72,810	—	72,810
Wells	978,957	—	978,957
Acquisition of land	856,834	—	856,834
	<u>\$ 8,336,080</u>	<u>136,725</u>	<u>8,472,805</u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2010

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Original Amount</u>	<u>Balance, Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2010</u>
1165/1183	Various water improvements	\$ 6,200,000	6,200,000	—	—	6,200,000
1244	Acquisition-water meters	600,000	600,000	—	—	600,000
1326	Various improvements	136,925	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	—	72	2,874,928
1613	Various improvements	1,030,000	1,030,000	—	—	1,030,000
1677	Improvements to Ford Well Field	2,765,000	—	2,765,000	—	2,765,000
			<u>\$ 18,171,925</u>	<u>2,765,000</u>	<u>136,997</u>	<u>20,799,928</u>
			Cancellation		\$ 272	
			Project completed		<u>136,725</u>	
					<u>\$ 136,997</u>	

TOWNSHIP OF MAHWAH

Schedule of Accrued Interest
on Notes

Water Utility Operating Fund
Year Ended December 31, 2010

Balance, December 31, 2009	\$	15,159
Increased by:		
Budget appropriation		<u>150,000</u>
		<u>165,159</u>
Decreased by:		
Payments		70,875
Cancellations		<u>59,617</u>
		<u>130,492</u>
Balance, December 31, 2010	\$	<u><u>34,667</u></u>

TOWNSHIP OF MAHWAH

Schedule of Amount Due from Water Utility Capital Fund

Water Utility Operating Fund
Year Ended December 31, 2010

Balance, December 31, 2009	\$	53
Increased by interest earned in Capital Fund		<u>412</u>
		465
Decreased by cash received		<u>439</u>
Balance, December 31, 2010	\$	<u><u>26</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2010

Balance, December 31, 2009	\$ <u>15,486,080</u>
Increased by:	
Transfer from Deferred Reserve	6,725
Bond anticipation notes paid	<u>600,000</u>
	<u>606,725</u>
Balance, December 31, 2010	\$ <u><u>16,092,805</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Reserve for
Amortization

Water Utility Capital Fund
Year Ended December 31, 2010

Balance, December 31, 2009	\$ <u>2,394,675</u>
Decreased by:	
Transfer to reserve for amortization	6,725
Cancellations	<u>200</u>
	<u>6,925</u>
Balance, December 31, 2010	\$ <u><u>2,387,750</u></u>

Analysis of Balance

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

TOWNSHIP OF MAHWAH

Schedule of Amount Due to (from) Current Fund

Water Utility Operating Fund
Year Ended December 31, 2010

Balance, December 31, 2009	\$	(100)
Increased by expenditures paid by Current Fund		<u>291,290</u>
		291,190
Decreased by cash disbursed		<u>291,224</u>
Balance, December 31, 2010	\$	<u><u>(34)</u></u>

TOWNSHIP OF MAHWAH

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2010

Ordinance number	Improvement description	Balance, December 31, 2009		Authorizations	Expended	Authorizations Canceled	Balance, December 31, 2010	
		Amount	Unfunded				Funded	Unfunded
1165/1183	Various water improvements	—	813,164	—	229	—	—	812,935
1244/1371	Acquisition - water meters	—	89,514	—	89,514	—	—	—
1326	Various improvements	—	—	—	(200)	200	—	—
1388	Various improvements	—	15,335	—	—	—	—	15,335
1361/1394	Various improvements	—	185,599	—	243	—	—	185,356
1519/1567	Various improvements	—	191,682	—	1,190	—	—	190,492
1544	Various improvements	—	256,138	—	229	—	—	255,909
1575	Various improvements	—	2,274,408	—	2,231,905	72	—	42,431
1613	Various improvements	—	431,902	—	44,260	—	—	387,642
1647	Renovation of Campgaw Water Tank	—	379,800	—	3,150	—	—	376,650
1677	Improvements to Ford Well Field	—	—	2,765,000	1,571,508	—	—	1,193,492
		<u>\$ —</u>	<u>4,637,542</u>	<u>2,765,000</u>	<u>3,942,028</u>	<u>272</u>	<u>—</u>	<u>3,460,242</u>
	Fund balance					\$ 200		
	Notes authorized not issued					<u>72</u>		
						<u>\$ 272</u>		
	Cash			\$ 914,893				
	Encumbrances canceled			(1,023,408)				
	Encumbrances			<u>4,050,543</u>				
				<u>\$ 3,942,028</u>				

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

Water Utility Capital Fund

Year Ended December 31, 2010

Balance, December 31, 2009	\$	1,023,408
Increased by charges to improvement authorizations		<u>4,050,543</u>
		5,073,951
Decreased by:		
Cancellations		<u>1,023,408</u>
Balance, December 31, 2010	\$	<u><u>4,050,543</u></u>

TOWNSHIP OF MAHWAH

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year Ended December 31, 2010

Balance, December 31, 2009	\$	41,369
Increased by:		
Budget appropriation		<u>20,000</u>
Balance, December 31, 2010	\$	<u><u>61,369</u></u>

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2010

	Balance Dec. 31, 2009	Transfer of encum- brances	Balance after transfers	Paid or charged	Balance lapsed
Salaries and wages	\$ 76,190	—	76,190	1,034	75,156
Other expenses	865,739	318,211	1,183,950	375,110	808,840
Insurance	95,359	17,132	112,491	17,363	95,128
Statutory expenditures - contribution to: Social Security System (O.A.S.I.)	<u>11,244</u>	<u>—</u>	<u>11,244</u>	<u>60</u>	<u>11,184</u>
	<u>\$ 1,048,532</u>	<u>335,343</u>	<u>1,383,875</u>	<u>393,567</u>	<u>990,308</u>
		Accounts payable		40,364	
		Cash		<u>353,203</u>	
				<u>393,567</u>	

TOWNSHIP OF MAHWAH

Schedule of Bonds and Notes Authorized but not Issued

Water Utility Capital Fund

Year Ended December 31, 2010

Ordinance number	Description	Balance, Dec. 31, 2009	Increased by Authorizations	Decreased by Issued	Cancelled	Balance, Dec. 31, 2010
1165/1183	Various water improvements	\$ 729,000	—	—	—	729,000
1361/1394	Various improvements	187,150	—	—	—	187,150
1244/ 1371	Acquisition - water meters	75,000	—	—	—	75,000
1519/1567	Various improvements	165,250	—	—	—	165,250
1544	Various improvements	156,100	—	—	—	156,100
1575	Various improvements	2,271,250	—	2,230,000	(72)	41,178
1613	Various improvements	293,500	—	—	—	293,500
1647	Renovation of Campgaw Tank	25,000	—	—	—	25,000
1677	Improvements to Ford Well Field	—	2,765,000	1,645,000	—	1,120,000
		<u>\$ 3,902,250</u>	<u>2,765,000</u>	<u>3,875,000</u>	<u>(72)</u>	<u>2,792,178</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Payment of Debt

Water Utility Capital Fund

Year Ended December 31, 2010

Balance, December 31, 2009	\$ <u>56,816</u>
Balance, December 31, 2010	\$ <u>56,816</u>

TOWNSHIP OF MAHWAH

Schedule of Accounts Payable

Water Utility Operating Fund

Year Ended December 31, 2010

Balance, December 31, 2009	\$	2,889
Increased by:		
Transfer from appropriation reserves		<u>40,364</u>
		43,253
Decreased by:		
Cancellations		<u>1,677</u>
Balance, December 31, 2010	\$	<u><u>41,576</u></u>

TOWNSHIP OF MAHWAH

Schedule of Premium on Water Liens

Water Utility Operating Fund

Year Ended December 31, 2010

Balance, December 31, 2009	\$	1,100
Increased by premiums collected		<u>5,800</u>
		6,900
Decreased by premiums disbursed		<u>3,100</u>
Balance December 31, 2010	\$	<u><u>3,800</u></u>

TOWNSHIP OF MAHWAH

Schedule of Cash

Sewer Utility Fund

Year ended December 31, 2010

	<u>Operating</u>	<u>Capital</u>	<u>Assessment</u>
Balance, December 31, 2009	\$ 2,895,907	894,737	667,712
Increased by receipts:			
Sewer rents	5,487,694	—	—
Miscellaneous revenues not anticipated	137,837	—	—
Due from Sewer Utility Capital Fund	56	—	—
Due to Water Operating Fund	642	—	—
Due from Sewer Assessment Fund	22,880	—	—
Due to Sewer Utility Operating Fund	—	53	22,646
Premium on sale of notes	—	45,628	—
Sewer overpayments	6,912	—	—
Assessments receivable	—	—	135,074
	<u>5,656,021</u>	<u>45,681</u>	<u>157,720</u>
	<u>8,551,928</u>	<u>940,418</u>	<u>825,432</u>
Decreased by disbursements:			
Budget appropriations	5,304,986	—	—
Appropriation reserves	48,448	—	—
Accrued interest on notes	82,125	—	—
Due from Sewer Utility Assessment Trust Fund	22,646	—	—
Due to Sewer Utility Operating Fund	—	56	22,880
Improvement authorizations	—	32,694	—
Accounts payable	3,953	—	—
Payment of notes	—	—	66,500
Refund of overpayments	15,219	—	—
Refund of prior year revenue	122	—	—
	<u>5,477,499</u>	<u>32,750</u>	<u>89,380</u>
Balance, December 31, 2010	\$ <u><u>3,074,429</u></u>	<u><u>907,668</u></u>	<u><u>736,052</u></u>

TOWNSHIP OF MAHWAH

Schedule of Analysis of Cash

Sewer Utility Capital Fund

December 31, 2010

Reserve for encumbrances		\$	142,336
Reserve for payment of debt			44,242
Due to Sewer Utility Operating Fund			4
Capital Improvement Fund			196,947
Fund balance			471,729
Improvement authorizations:			
Ordinance			
number	Improvement description		
<hr/>			
507/ 1553/1566	Sanitary Sewer Phase V		(76,780)
1447	Improvements to sanitary sewer system		93,250
1545	Improvements to sanitary sewer system		159,914
1648	Acquisition and installation of telemetry		<u>(123,974)</u>
		\$	<u><u>907,668</u></u>

TOWNSHIP OF MAHWAH

Schedule of Sewer Rents Receivable

Sewer Utility Operating Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	249,136
Increased by sewer rents levied		<u>5,437,955</u>
		5,687,091
Decreased by sewer rents collected		<u>5,487,694</u>
Balance, December 31, 2010	\$	<u><u>199,397</u></u>

TOWNSHIP OF MAHWAH

Schedule of Accounts Payable

Sewer Utility Operating Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	5,824
Increased by:		
Transfer from appropriation reserve		<u>4,843</u>
		<u>10,667</u>
Decreased by:		
Cancellation		2,715
Disbursement		<u>3,953</u>
		<u>6,668</u>
Balance, December 31, 2010	\$	<u><u>3,999</u></u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year ended December 31, 2010

Ordinance number	Improvement description	Balance, Dec. 31, 2009	Balance, Dec. 31, 2010
1507/1553/1566	Improvements to sanitary sewer system Phase V	\$ 6,455,000	6,455,000
1545	Various improvements	<u>561,000</u>	<u>561,000</u>
		<u>\$ 7,016,000</u>	<u>7,016,000</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Assessments and Liens
Utility Assessment Trust Fund

Sewer Utility Operating Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	493,945
Increased by notes paid		<u>66,500</u>
		560,445
Decreased by collections		<u>135,074</u>
Balance, December 31, 2010	\$	<u><u>425,371</u></u>

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Sewer Utility Operating Fund

Year ended December 31, 2010

	<u>Balance Dec. 31, 2009</u>	<u>Encum- brances</u>	<u>Balance after transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
Operating:					
Salaries and wages	\$ 11,748	—	11,748	1,034	10,714
Other expenses	43,491	60,406	103,897	47,291	56,606
Insurance	53,708	5,845	59,553	4,906	54,647
NW Bergen County Utility Authority	61,483	—	61,483	—	61,483
Deferred charges:					
Statutory expenditures - contribution to: Social Security System	5,902	—	5,902	60	5,842
	<u>\$ 176,332</u>	<u>66,251</u>	<u>242,583</u>	<u>53,291</u>	<u>189,292</u>
			Cash	48,448	
			Accounts payable	4,843	
				<u>53,291</u>	

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes Payable

Sewer Utility Assessment Fund

Year ended December 31, 2010

Ordinance number	Purpose	Original date of issue	Date of issue	Date of maturity	Balance, Dec. 31, 2009	Decreased	Balance, Dec. 31, 2010
1343	Improvements to sewer system Phase IV	Jun. 19, 2002	Jun. 11, 2009	Jun. 11, 2010	\$ 66,500	66,500	—
					\$ 66,500	66,500	—

TOWNSHIP OF MAHWAH

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year ended December 31, 2010

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, December 31, 2009</u>			<u>Balance, December 31, 2010</u>	
		<u>Amount</u>	<u>Unfunded</u>	<u>Expended</u>	<u>Funded</u>	<u>Unfunded</u>
1507/ 1553/1566	Sanitary sewer Phase V	\$ —	2,038,284	110,064	—	1,928,220
1447	Improvements to sanitary sewer system	—	—	(100,000)	—	100,000
1545	Various improvements	—	267,864	—	—	267,864
1648	Acquisition and installation of telemetry	—	1,171	145	—	1,026
		<u>\$ —</u>	<u>2,307,319</u>	<u>10,209</u>	<u>—</u>	<u>2,297,110</u>
				Encumbrances	\$ 142,336	
				Encumbrances canceled	(164,821)	
				Cash	<u>32,694</u>	
					<u>\$ 10,209</u>	

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

Sewer Utility Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	164,821
Increased by encumbrances		<u>142,336</u>
		307,157
Decreased by:		
Cancellations		<u>164,821</u>
Balance, December 31, 2010	\$	<u><u>142,336</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Reserve
for Amortization

Sewer Utility Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>226,300</u>
Balance, December 31, 2010	\$ <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, 2010

Balance, December 31, 2009	\$ 17,637,875
Increased by:	
Budget appropriation for payment of bond anticipation notes	<u>400,000</u>
Balance, December 31, 2010	<u><u>\$ 18,037,875</u></u>

TOWNSHIP OF MAHWAH

Schedule of Sewer Overpayments

Sewer Operating Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	12,608
Increased by cash received		<u>6,912</u>
		19,520
Decreased by refunded		<u>15,219</u>
Balance, December 31, 2010	\$	<u><u>4,301</u></u>

TOWNSHIP OF MAHWAH

Schedule of Capital Improvement Fund

Sewer Utility Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>196,947</u>
Balance, December 31, 2010	\$ <u>196,947</u>

TOWNSHIP OF MAHWAH

Schedule of Assessments Receivable

Sewer Utility Assessment Fund

Year ended December 31, 2010

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of confirmation</u>	<u>Balance, Dec. 31, 2009</u>	<u>Assess-ments collected</u>	<u>Balance, Dec. 31, 2010</u>
1343	Construction of sanitary sewer system - Phase IV	May 12, 2005	\$ <u>560,445</u>	<u>135,074</u>	<u>425,371</u>
			\$ <u><u>560,445</u></u>	<u><u>135,074</u></u>	<u><u>425,371</u></u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes Payable

Sewer Utility Capital Fund

Year ended December 31, 2010

Ordinance number	Purpose	Original date of issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2009	Increased	Paid	Balance, Dec. 31, 2010
1343/1390	Improvements to sanitary sewer system	Jun. 19, 2002	Jun. 10, 2010	Jun. 10, 2011	1.50%	\$ 508,500	333,500	508,500	333,500
1447	Various sewer improvements	Jun. 14, 2007	Jun. 10, 2010	Jun. 10, 2011	1.50%	150,000	125,000	150,000	125,000
1507/1553/1566	Sanitary sewer - Phase V	Jun. 14, 2007	Jun. 10, 2010	Jun. 10, 2011	1.50%	4,450,000	4,300,000	4,450,000	4,300,000
1545	Various sewer improvements	Jun. 14, 2007	Jun. 10, 2010	Jun. 10, 2011	1.50%	300,000	250,000	300,000	250,000
						<u>\$ 5,408,500</u>	<u>5,008,500</u>	<u>5,408,500</u>	<u>5,008,500</u>
							Renewed	\$ 5,008,500	5,008,500
							Paid by budget appropriation	—	400,000
							<u>\$ 5,008,500</u>	<u>5,408,500</u>	

TOWNSHIP OF MAHWAH

Schedule of Reserve for Payment of Debt

Sewer Utility Capital Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>44,242</u>
Balance, December 31, 2010	\$ <u>44,242</u>

TOWNSHIP OF MAHWAH

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

Sewer Utility Operating Fund

Year ended December 31, 2009

Balance, December 31, 2009	\$	7
Increased by		
Interest earned		<u>53</u>
		60
Decreased by:		
Interest due to Operating Fund		<u>56</u>
Balance, December 31, 2010	\$	<u><u>4</u></u>

TOWNSHIP OF MAHWAH

Schedule of Accrued Interest on Notes

Sewer Utility Operating Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ 46,310
Increased by:	
Budget appropriation	<u>200,000</u>
	246,310
Decreased by:	
Cancellation	121,613
Cash disbursed	<u>82,125</u>
	<u>203,738</u>
Balance, December 31, 2010	<u><u>\$ 42,572</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Arbitrage Payable

Sewer Utility Operating Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ <u>45,000</u>
Balance, December 31, 2010	\$ <u>45,000</u>

TOWNSHIP OF MAHWAH

Schedule of Bonds and Notes Authorized
but not Issued

Sewer Utility Capital Fund

Year ended December 31, 2010

<u>Ordinance number</u>	<u>Improvement</u>	<u>Balance, Dec. 31, 2009</u>	<u>Balance, Dec. 31, 2010</u>
1447	Various improvements	\$ 6,750	6,750
1545	Various improvements	107,950	107,950
1507/1553/1566	Sanitary sewer Stage V	2,005,000	2,005,000
1648	Acquisition and installation of telemetry	<u>125,000</u>	<u>125,000</u>
		<u>\$ 2,244,700</u>	<u>2,244,700</u>

TOWNSHIP OF MAHWAH

Schedule of Due from Sewer
Utility Assessment Trust Fund

Sewer Utility Operating Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	803
Increased by interest collected in assessment fund		<u>22,646</u>
		23,449
Decreased by interest received		<u>22,880</u>
Balance, December 31, 2010	\$	<u><u>569</u></u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital

Sewer Utility Capital Fund

Year ended December 31, 2010

<u>Account</u>	<u>Balance, Dec. 31, 2009</u>	<u>Balance, Dec. 31, 2010</u>
Sanitary sewer system	\$ 17,858,408	17,858,408
Sewer cleaning machine	90,000	90,000
Sewer jet truck	196,692	196,692
Sanitary sewer - Darlington Project	241,275	241,275
Generators	65,000	65,000
Sewer mains	50,000	50,000
	<u>\$ 18,501,375</u>	<u>18,501,375</u>

TOWNSHIP OF MAHWAH

Schedule of Due to Water Operating Fund

Sewer Utility Operating Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$	—
Increased by transfer of collections		<u>642</u>
Balance, December 31, 2010	\$	<u><u>642</u></u>

TOWNSHIP OF MAHWAH

Schedule of Changes in General Fixed Assets

General Fixed Assets Account Group

Year Ended December 31, 2010

Category	Balance Dec. 31, 2009	Additions	Deletions	Balance Dec. 31, 2010
Land	\$ 19,417,833	414,917	—	19,832,750
Buildings	20,457,328	123,435	—	20,580,763
Vehicular equipment	13,850,726	93,610	112,318	13,832,018
General equipment and machinery	5,475,454	7,142	43,371	5,439,225
	<u>\$ 59,201,341</u>	<u>639,104</u>	<u>155,689</u>	<u>59,684,756</u>

SUPPLEMENTARY DATA

TOWNSHIP OF MAHWAH

Supplementary Data

December 31, 2010

Comparative Schedule of Tax Rate Information

		<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax rate	\$	2.124	2.063	1.976
Apportionment of tax rate:				
Municipal		0.493	0.471	0.451
Municipal Open Space		0.010	0.010	0.010
County		0.323	0.330	0.304
Local school		1.298	1.252	1.211
Assessed valuation:				
2010	\$		4,148,146,994	
2009			4,146,537,102	
2008			4,128,095,435	

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>
2010	\$ 88,664,398	87,687,234	98.90 %
2009	85,757,635	84,997,722	99.11
2008	81,868,720	81,215,922	99.20
2007	78,380,298	77,860,917	99.33
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 five years.

<u>Dec.31</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2010	\$ 234,912	459,245	694,157	0.78 %
2009	190,824	408,645	599,469	0.70
2008	165,014	458,047	623,061	0.76
2007	150,053	382,461	532,514	0.68
2006	136,339	295,516	431,855	0.58

(Continued)

TOWNSHIP OF MAHWAH

Supplementary Data

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2010	\$ 1,353,400
2009	1,353,400
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>	<u>Percent collected</u>
2010	\$ 4,463,753	4,404,570	99%
2009	3,266,870	3,187,055	98%
2008	2,729,068	2,864,644	105%
2007	2,845,400	2,705,465	95%
2006	2,821,202	2,886,659	102%

Comparison of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash collections</u>	<u>Percent collected</u>
2010	\$ 5,437,955	5,487,694	101%
2009	4,840,314	4,749,157	98%
2008	4,631,048	4,695,419	101%
2007	4,698,102	4,667,283	99%
2006	4,896,272	4,941,350	101%

(Continued)

TOWNSHIP OF MAHWAH

Supplementary Data

Comparative Schedule of Fund Balances

Fund	Year	Balance, Dec.31	Utilized in budget of succeeding year	Percent utilized
Current	2010	\$ 6,256,820	3,825,000	61%
	2009	6,983,611	4,625,000	66%
	2008	7,287,814	4,750,000	65%
	2007	7,578,924	4,750,000	63%
	2006	8,510,397	5,600,000	66%
	2005	7,394,063	4,000,000	54%
Water Utility Operating	2010	\$ 3,496,602	1,993,883	57%
	2009	2,323,412	1,790,733	77%
	2008	2,882,778	2,238,883	78%
	2007	3,666,176	1,949,296	53%
	2006	4,356,337	1,785,109	41%
	2005	4,607,615	1,559,650	34%
Sewer Utility Operating	2010	\$ 2,713,019	1,597,570	59%
	2009	2,544,392	1,620,455	64%
	2008	2,871,287	1,401,450	49%
	2007	2,927,860	1,294,450	44%
	2006	2,779,592	1,066,750	38%
	2005	2,084,053	812,950	39%

(Continued)

TOWNSHIP OF MAHWAH

Supplementary Data

Officials in Office and Surety Bonds

The following officials were in office on December 31, 2010

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Richard J. Martel	Mayor	
John DaPuzzo	Council President	
John Roth	Council Vice President	
Samuel Alderisio	Councilmember	
H. Lisa DiGiulio	Councilmember	
Harry Williams	Councilmember	
Roy B. Larson	Councilmember	
John Spiech	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 Ann Malone	Water and Sewer Collector	100,000
Anthony J. Gianni	Municipal Court Judge	65,000
Lorraine Cuomo	Court Administrator	65,000
Michelle O'Donohue	Deputy Court Administrator	65,000
Stuart A. Stolarz	Tax Assessor	
Gary L. Montroy	Construction Official	
Thomas Dillon	Fire Official	
Kevin Boswell	Township Engineer	
Terry Paul Bottinelli	Township Attorney	

TOWNSHIP OF MAHWAH

General Comments and Recommendations

Year ended December 31, 2010

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 awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold (40a:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding 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 contracting unit 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 contracting unit's 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 provision or performance of any goods or services," other than those for which bids had been previously sought by public advertisement or for which a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

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

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

(Continued)

TOWNSHIP OF MAHWAH

General Comments

Delinquent Taxes and Tax Title Liens

The last tax sale was held on April 21, 2010 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>
2010	10
2009	8
2008	7
2007	7

Status of Prior Year Comments

None noted

Other Comments

The police records bureau deposits are not in compliance with the 48 hour deposit regulation established by statute.

Recommendations

That the receipts of the police records bureau be deposited within 48 hours of receipt.