

BOROUGH OF WANAQUE
COUNTY OF PASSAIC
FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010

(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

BOROUGH OF WANAQUE

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BOROUGH OF WANAQUE

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2010

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INDEPENDENT AUDITOR'S REPORT

June 7, 2011

The Honorable Mayor and
Members of the Borough Council
Borough of Wanaque
Wanaque, New Jersey 07465

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Borough of Wanaque in the County of Passaic, as of and for the years ended December 31, 2010 and 2009, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2010. These financial statements are the responsibility of the Borough of Wanaque's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

The Length of Service Awards Program of the Borough of Wanaque has not been audited, and we were not engaged to audit The Length of Service Awards Program financial statements as part of our audit of the Borough's financial statements.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



Honorable Mayor and
Members of the Borough Council
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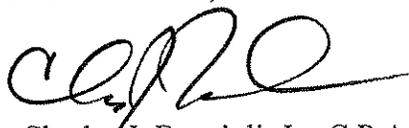
In our opinion, because of the Borough of Wanaque's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Wanaque, New Jersey as of December 31, 2010 and 2009 or the results of its operations for the years then ended.

We were unable to obtain sufficient information supporting the Borough's investment in general fixed assets, which are stated at \$5,446,872.00 at December 31, 2010 and \$5,446,872.00 at December 31, 2009; nor were we able to satisfy ourselves as to the carrying value of the general fixed assets by other auditing procedures.

However, in our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to obtain evidence regarding the general fixed assets, the financial statements referred to above, with the exception of the Length of Services Awards Program present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the Borough of Wanaque, New Jersey at December 31, 2010 and 2009, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis 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 Borough of Wanaque's, New Jersey internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information and schedules listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the Division of Local Government Services. This information has been subjected to the tests and other auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is 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.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

June 7, 2011

Borough of Wanaque , N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Current Fund:			
Cash	A-4	844,589.19	1,828,524.92
Change Fund	A-6	575.00	575.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	<u>18,533.68</u>	<u>22,311.53</u>
		<u>863,697.87</u>	<u>1,851,411.45</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	642,879.50	622,240.45
Tax Title Liens Receivable	A-9	209,251.88	90,817.84
Property Acquired for Taxes - Assessed Valuation	A-10	388,475.00	388,475.00
Revenue Accounts Receivable	A-11	19,094.41	17,699.65
Due from Passaic County	A-12	10,028.52	10,194.96
Interfund Receivables:			
Animal Control Trust Fund	A-13	10.01	60.44
Water Operating Fund	A-13	19,175.00	
Payroll Fund	A-13	423.88	99,954.23
Public Assistance Fund	A-13	44.09	239.55
Assessment Trust Fund	A-13	77,621.59	76,169.00
Federal and State Grant Fund	A-13		1,510.33
General Capital Fund	A-13	<u>289,545.85</u>	
		<u>1,656,549.73</u>	<u>1,307,361.45</u>
Deferred Charges:			
Special Emergency Authorization	A-14	375,000.00	
Expenditure without Appropriation	A-15	<u>8,148.23</u>	<u>41,157.50</u>
		<u>383,148.23</u>	<u>41,157.50</u>
		<u>2,903,395.83</u>	<u>3,199,930.40</u>
Federal and State Grant Fund:			
State Grants Receivable	A-23	290,212.81	248,551.00
Interfund - Current Fund	A-26	<u>99,675.55</u>	
		<u>389,888.36</u>	<u>248,551.00</u>
Total Assets		<u><u>3,293,284.19</u></u>	<u><u>3,448,481.40</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque , N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-16	212,963.13	238,360.03
Encumbrances Payable	A-17	142,604.63	85,401.35
Prepaid Taxes	A-18	112,203.93	89,861.84
Interfunds Payable			
Other Trust Fund	A-13	116,165.63	64,832.18
Federal and State Grant Fund	A-13	99,675.55	
General Capital Fund	A-13		945,973.03
Water Capital Fund	A-13	64,354.03	
Local School Tax Payable	A-19	184.00	185.00
County Taxes Payable	A-21	2,514.03	18,474.56
Tax Overpayments	A-22	9,855.66	1,336.96
Due to State of NJ:			
Marriage Surcharge	A-22	25.00	375.00
Building Surcharge	A-22		932.00
Burial Permits	A-22		150.00
Reserve for:			
Revaluation / Tax Map	A-22	371,029.75	
Police Law Enforcement	A-22	56.64	56.64
Project D.A.R.E.	A-22	10,212.86	11,404.62
Garden State Trust - P.I.L.O.T.	A-22	4,385.00	6,578.16
Fire Prevention Bureau	A-22	14,950.85	9,713.48
		<u>1,161,180.69</u>	<u>1,473,634.85</u>
Reserve for Receivables	Contra	1,656,549.73	1,307,361.45
Fund Balance	A-1	<u>85,665.41</u>	<u>418,934.10</u>
		<u>2,903,395.83</u>	<u>3,199,930.40</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	294,014.39	230,075.48
Unappropriated Reserve for Grants	A-25	95,873.97	16,965.19
Interfund - Current Fund	A-26		1,510.33
		<u>389,888.36</u>	<u>248,551.00</u>
Total Liabilities, Reserves and Fund Balance		<u><u>3,293,284.19</u></u>	<u><u>3,448,481.40</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	340,000.00	780,000.00
Miscellaneous Revenue Anticipated	A-2	2,327,832.70	2,028,887.39
Receipts from Delinquent Taxes	A-2	494,026.82	531,158.93
Receipts from Current Taxes	A-2	34,722,538.42	33,059,889.66
Non-Budget Revenue	A-2	78,283.63	149,143.20
Due From Passaic County	A-12	10,194.96	18,763.52
Other Credits to Income:			
Interfunds Returned	A-13	177,933.55	111,542.58
Unexpended Balance of Appropriation Reserves	A-16	84,593.63	191,610.32
Canceled Various Reserves			9,671.00
Canceled Tax Overpayments	A-22	250.00	
		<hr/>	<hr/>
Total Revenues and Other Income		38,235,653.71	36,880,666.60
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	4,177,125.00	4,199,240.00
Other Expenses	A-3	5,108,166.44	4,495,028.82
Capital Improvement Fund	A-3	185,000.00	185,000.00
Municipal Debt Service	A-3	1,156,167.02	1,134,572.54
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	576,131.23	537,574.00
Refund of Prior Years Taxes	A-4	11,680.64	29,004.43
Due From Passaic County	A-12	10,028.52	10,194.96
Interfund Advances	A-13	535,214.42	177,933.55
Municipal Open Space	A-13	58,050.61	57,851.04
Expenditure Without Appropriation	A-15	8,148.23	41,157.50
Local District School Tax	A-19	12,022,521.00	11,614,100.00
Regional High School Tax	A-20	7,305,806.15	6,979,753.31
County Taxes including Added Taxes	A-21	7,458,031.37	7,063,036.94
		<hr/>	<hr/>
Total Expenditures		38,612,070.63	36,524,447.09

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Excess (Deficit) Revenue Over Expenditures		(376,416.92)	356,219.51
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-14,15	<u>383,148.23</u>	<u>41,157.50</u>
Statutory Excess to Fund Balance		6,731.31	397,377.01
Fund Balance, January 1,	A	<u>418,934.10</u>	<u>801,557.09</u>
		425,665.41	1,198,934.10
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-2	<u>340,000.00</u>	<u>780,000.00</u>
Fund Balance, December 31,	A	<u><u>85,665.41</u></u>	<u><u>418,934.10</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque , N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>340,000.00</u>	<u>340,000.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	11,200.00	11,320.00	120.00
Licenses - Other	A-2	7,800.00	7,852.00	52.00
Fees & Permits	A-2	25,400.00	19,586.18	(5,813.82)
Fines and Costs:				
Municipal Court	A-11	202,300.00	243,701.32	41,401.32
Interest and Costs on Taxes	A-5	106,000.00	110,377.50	4,377.50
Interest on Investments	A-11	34,600.00	8,489.39	(26,110.61)
Consolidated Municipal Property Tax Relief Aid	A-4	159,906.00	159,468.74	(437.26)
Energy Receipts Tax	A-4	742,452.00	742,452.00	
Garden State Trust PILOT	A-22	6,578.00	6,578.16	0.16
Uniform Construction Code Fees	A-11	55,400.00	65,163.00	9,763.00
Street Lighting Contract	A-12	8,500.00	10,028.52	1,528.52
Clean Communities Program	A-23	14,857.02	14,857.02	
Buffer Zone Protection Grant	A-23	100,500.00	100,500.00	
Drunk Driving Enforcement Fund	A-23	4,310.64	4,310.64	
Municipal Alliance	A-23	54,400.00	54,400.00	
Alcohol Rehab Grant	A-23	653.55	653.55	
Over the Limit Under Arrest	A-23	4,400.00	4,400.00	
Body Armor Replacement Fund	A-23	2,089.96	2,089.96	
Cable TV	A-11	40,804.00	40,804.00	
Uniform Fire Safety Act	A-11	11,470.00	11,470.00	
Library Services	A-11	20,000.00	20,000.00	
Reserve for Debt Service	A-11	200,000.00	200,000.00	
Sale of Property	A-11	21,075.00	21,074.97	(0.03)
Hotel Occupancy Fee	A-11	42,000.00	55,859.64	13,859.64
Social Services Rent	A-11	55,000.00	77,460.00	22,460.00
Cellular Tower Lease	A-11	170,000.00	173,518.85	3,518.85
Health Benefit Contribution	A-11	30,000.00	13,023.26	(16,976.74)
Interfund Assessment Trust Fund	A-13	76,169.00	76,169.00	
Interfund Payroll Fund	A-13	72,225.00	72,225.00	
Total Miscellaneous Revenues	A-1	2,280,090.17	2,327,832.70	47,742.53
Receipts from Delinquent Taxes	A-1/A-2	<u>581,472.30</u>	<u>494,026.82</u>	<u>(87,445.48)</u>
Subtotal General Revenues		<u>3,201,562.47</u>	<u>3,161,859.52</u>	<u>(39,702.95)</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>8,387,645.00</u>	<u>8,318,603.87</u>	<u>(69,041.13)</u>
Budget Totals		11,589,207.47	11,480,463.39	(108,744.08)
Non-Budget Revenue	A-1/A-2		<u>78,283.63</u>	<u>78,283.63</u>
		<u>11,589,207.47</u>	<u>11,558,747.02</u>	<u>(30,460.45)</u>
Adopted Budget	A-3	11,424,943.28		
Appropriated by N.J.S. 40A:4-87	A-3	<u>164,264.19</u>		
		<u>11,589,207.47</u>		

Borough of Wanaque , N.J.
Statement of Revenues - Regulatory Basis
Current Fund
Year Ended December 31, 2010

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	34,722,538.42
Allocated to School and County Taxes	A-8	<u>27,080,307.85</u>
Balance for Support of Municipal Budget Appropriations		7,642,230.57
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>676,373.30</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>8,318,603.87</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-8	<u><u>494,026.82</u></u>
Licenses - Other:		
Clerk	A-11	4,290.00
Board of Health	A-11	<u>3,562.00</u>
	A-2	<u><u>7,852.00</u></u>
Fees & Permits		
Clerk	A-11	1,706.80
Police	A-11	6,689.38
Board of Health	A-11	<u>11,190.00</u>
	A-2	<u><u>19,586.18</u></u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Senior Citizen and Veterans Administrative Fee		2,706.96
Interest and Costs on Assessments		1,933.58
Use of Borough Property		3,000.00
DMV Inspections		11,607.92
Various Refunds		44,958.29
PILOT Fees		<u>14,076.88</u>
	A-2,A-4	<u><u>78,283.63</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
General Government Functions						
Administrative and Executive						
Salaries and Wages		111,000.00	105,700.00	102,858.69	2,841.31	
Other Expenses		38,700.00	39,700.00	39,497.90	202.10	
Mayor and Council						
Salaries and Wages		39,000.00	39,000.00	38,999.48	0.52	
Other Expenses		3,750.00	2,225.00	2,105.88	119.12	
Municipal Clerk						
Salaries and Wages		116,200.00	123,000.00	123,000.00		
Other Expenses		31,500.00	30,250.00	29,904.72	345.28	
Elections						
Salaries & Wages		2,000.00	2,700.00	2,666.56	33.44	
Other Expenses		4,000.00	4,250.00	4,138.21	111.79	
Financial Administration:						
Salaries & Wages		105,100.00	107,900.00	107,352.92	547.08	
Other Expenses		3,950.00	2,500.00	2,500.00		
Data Processing		17,500.00	14,500.00	14,218.74	281.26	
Miscellaneous Other Expenses		47,500.00	47,500.00	40,064.65	7,435.35	
Collection of Taxes						
Salaries and Wages		20,000.00	21,000.00	20,649.15	350.85	
Other Expenses		8,150.00	5,350.00	5,090.54	259.46	
Assessment of Taxes						
Salaries and Wages		43,800.00	44,000.00	43,865.76	134.24	
Other Expenses		7,475.00	9,975.00	9,907.52	67.48	
Revaluation / Tax Map			375,000.00	375,000.00		
Legal Services and Costs						
Retainer		30,000.00	30,000.00	30,000.00		
Other Expenses		60,000.00	86,000.00	84,873.58	1,126.42	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Engineering Services and Costs						
Other Expenses		20,000.00	18,500.00	16,472.97	2,027.03	
Planning Board						
Salaries and Wages		7,850.00	7,850.00	7,850.00		
Other Expenses		21,275.00	21,575.00	21,099.00	476.00	
Board of Adjustment						
Salaries and Wages		5,250.00	5,250.00	5,146.99	103.01	
Other Expenses		6,675.00	2,925.00	1,117.33	1,807.67	
Insurance:						
Other Insurance Premiums		361,734.00	361,734.00	361,670.37	63.63	
Group Insurance for Employees		1,024,500.00	1,002,700.00	960,257.40	12,442.60	30,000.00
Unemployment Compensation Insurance		15,000.00	15,000.00	15,000.00		
Police						
Salaries and Wages		2,737,375.00	2,742,375.00	2,688,780.26	53,594.74	
Other Expenses		166,000.00	151,000.00	146,139.84	4,860.16	
Police Vehicles		33,000.00	33,000.00	33,000.00		
911 Dispatch Services		8,070.00	8,070.00	7,758.00	312.00	
Emergency Management Services:						
Salaries and Wages		17,000.00	17,800.00	17,527.38	272.62	
Other Expenses		6,100.00	4,500.00	4,382.76	117.24	
First Aid Organization Contribution		38,038.00	38,038.00	38,038.00		
Fire						
Salaries and Wages		4,000.00	4,000.00	4,000.00		
Clothing Allowance		26,475.00	26,475.00	26,475.00		
Miscellaneous Other Expenses		75,600.00	75,600.00	75,165.22	434.78	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Salaries and Wages		33,000.00	33,150.00	33,149.30	0.70	
Other Expenses		7,532.00	7,532.00	7,411.91	120.09	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Municipal Prosecutor						
Retainer		16,500.00	16,500.00	16,210.06	289.94	
Road Repair and Maintenance						
Salaries and Wages		475,000.00	485,000.00	478,709.97	6,290.03	
Other Expenses		174,950.00	182,950.00	182,314.40	635.60	
Public Buildings and Grounds						
Salaries and Wages		68,000.00	66,579.00	65,843.88	735.12	
Other Expenses		158,700.00	172,200.00	171,853.02	346.98	
Garbage and Trash Removal						
Other Expenses		735,984.00	720,484.00	694,927.05	556.95	25,000.00
Municipal Services Act (P.L. 1993, CH. 6)						
Garbage and Trash Removal						
Other Expenses		22,500.00	22,500.00	11,340.00	11,160.00	
Recycling						
Other Expenses		223,000.00	218,000.00	202,185.97	814.03	15,000.00
Board of Health						
Salaries and Wages		80,750.00	79,850.00	78,277.94	1,572.06	
Other Expenses		100,004.00	102,504.00	102,395.80	108.20	
Administration of Public Assistance						
Salaries and Wages		6,000.00	5,421.00	5,421.00		
Other Expenses		500.00	500.00	291.50	208.50	
Parks and Playgrounds:						
Salaries and Wages		7,875.00	7,875.00	7,107.16	767.84	
Other Expenses						
Golden Agers		6,500.00	6,825.00	6,825.00		
Miscellaneous Other Expenses		30,400.00	40,400.00	35,906.50	4,493.50	

Borough of Wanauque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Municipal Court:						
Salaries and Wages		135,000.00	135,000.00	130,965.10	4,034.90	
Other Expenses		8,500.00	8,500.00	7,574.75	925.25	
Uniform Construction Code Officials						
Salaries and Wages		122,100.00	105,450.00	104,797.39	652.61	
Other Expenses		5,500.00	5,500.00	3,947.62	1,552.38	
Electrical Inspector						
Salaries and Wages		12,575.00	13,375.00	13,375.00		
Plumbing Inspector						
Salaries and Wages		12,575.00	17,975.00	16,863.54	1,111.46	
Fire Sub-Code Official						
Salaries and Wages		6,875.00	6,875.00	6,875.00		
Gasoline		77,000.00	86,000.00	85,961.68	38.32	
Telephone		28,000.00	28,000.00	23,736.81	4,263.19	
Street Lighting		64,000.00	56,000.00	55,436.99	563.01	
Celebration of Public Events						
Other Expenses		10,000.00	10,000.00	9,301.00	699.00	
Total Operations within "CAPS"		7,892,887.00	8,267,887.00	8,065,580.16	132,306.84	70,000.00
Detail:						
Salaries and Wages	A-1	4,168,325.00	4,177,125.00	4,104,082.47	73,042.53	
Other Expenses	A-1	3,724,562.00	4,090,762.00	3,961,497.69	59,264.31	70,000.00

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges:						
Expenditure without Appropriation		41,157.50	41,157.50	41,157.50		
Statutory Expenditures:						
Contribution to:						
Public Employee Retirement System		103,830.16	103,830.16	103,830.16		
Social Security System (O.A.S.I.)		183,000.00	183,000.00	164,426.46	3,573.54	15,000.00
Police and Firemen's Retirement System of NJ		263,143.57	263,143.57	263,143.57		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	591,131.23	591,131.23	572,557.69	3,573.54	15,000.00
Total General Appropriations for Municipal Purposes within "CAPS"		8,484,018.23	8,859,018.23	8,638,137.85	135,880.38	85,000.00
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		457,617.00	457,617.00	457,617.00		
Increased Costs:						
Public Employee Retirement System		90,916.84	90,916.84	90,916.44	0.40	
Police and Firemen's Retirement System of NJ		244,659.43	244,659.43	244,659.43		
Reserve for Tax Appeals		15,000.00	15,000.00	15,000.00		
Emergency Services Volunteer Length of Service Award Program		75,000.00	75,000.00		75,000.00	
Watershed Management/Stormwater N.J.S.A. 40A:4-45.3(cc)		5,000.00	5,000.00	3,000.00	2,000.00	
Other Expenses						
Interlocal Municipal Service Agreements:						
Street Lighting		8,000.00	8,000.00	7,917.65		82.35
Other Expenses						

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Wanaque Borough Sewerage Authority		10,000.00	10,000.00	10,000.00		
Collection Services						
Public and Private Programs Offset by Revenues		14,857.02	14,857.02	14,857.02		
Clean Communities Program		4,400.00	4,400.00	4,400.00		
Over the Limit Under Arrest		4,310.64	4,310.64	4,310.64		
Drunk Driving Enforcement Fund		653.55	653.55	653.55		
Alcohol Rehab Grant		100,500.00	100,500.00	100,500.00		
Buffer Zone Protection Grant		54,400.00	54,400.00	54,400.00		
Municipal Alliance		2,089.96	2,089.96	2,089.96		
Body Armor Replacement Program		1,087,404.44	1,087,404.44	1,010,321.69	77,082.75	
Total Operations - Excluded from "CAPS"						
Detail:						
Other Expenses	A-1	1,087,404.44	1,087,404.44	1,010,321.69	77,082.75	
Capital Improvements:						
Capital Improvement Fund		185,000.00	185,000.00	185,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	185,000.00	185,000.00	185,000.00		
Municipal Debt Service:						
Payment of Bond Principal		641,000.00	641,000.00	641,000.00		
Interest on Bonds		367,748.00	367,748.00	367,748.00		243.51
Interest on Notes		45,947.00	45,947.00	45,703.49		
Green Trust Loan Program:						
Loan Repayments for Principal and Interest		26,404.00	26,404.00	26,403.03		0.97
Bergen County Improvement Authority - Capital Lease		75,312.50	75,312.50	75,312.50		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,156,411.50	1,156,411.50	1,156,167.02		244.48

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>2,428,815.94</u>	<u>2,428,815.94</u>	<u>2,351,488.71</u>	<u>77,082.75</u>	<u>244.48</u>
Subtotal General Appropriations		<u>10,912,834.17</u>	<u>11,287,834.17</u>	<u>10,989,626.56</u>	<u>212,963.13</u>	<u>85,244.48</u>
Reserve for Uncollected Taxes		<u>676,373.30</u>	<u>676,373.30</u>	<u>676,373.30</u>		
Total General Appropriations		<u>11,589,207.47</u>	<u>11,964,207.47</u>	<u>11,665,999.86</u>	<u>212,963.13</u>	<u>85,244.48</u>
			<u>A-2</u>		<u>A</u>	
Adopted Budget	A-2		11,424,943.28			
Appropriated by (N.J.S. 40A:4-87)	A-2		164,264.19			
Emergency Appropriation	A-14		375,000.00			
			<u>11,964,207.47</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			676,373.30		
Cash Disbursed	A-4			10,234,653.26		
Deferred Charges						
Expenditure without Appropriation	A-15			41,157.50		
Encumbrances Payable	A-16			142,604.63		
Reserve for Tax Appeals	A-21			15,000.00		
Reserve for Revaluation / Tax Map	A-21			375,000.00		
Reserve for Federal and State Grants	A-23			181,211.17		
				<u>11,665,999.86</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Assessment Trust Fund			
Cash	B-4, B-5	183,436.32	239,842.85
Assessments Receivable	B-6	33,141.25	36,282.13
Prospective Assessments Funded	B-8	<u>337,000.00</u>	<u>337,000.00</u>
		<u>553,577.57</u>	<u>613,124.98</u>
Animal Control Trust Fund:			
Cash	B-4	<u>351.61</u>	<u>552.99</u>
		<u>351.61</u>	<u>552.99</u>
Other Trust Funds:			
Cash	B-4	2,525,056.98	2,604,428.56
Interfund - Current Fund	B-7	116,165.63	64,832.18
Interfund - Payroll Fund	B-15	<u>32,393.38</u>	<u>27,656.50</u>
		<u>2,673,615.99</u>	<u>2,696,917.24</u>
Recreation Trust Fund			
Cash	B-4	<u>29,810.14</u>	<u>45,834.44</u>
		<u>29,810.14</u>	<u>45,834.44</u>
Payroll Agency Trust Fund			
Cash	B-4	<u>66,759.11</u>	<u>162,547.73</u>
		<u>66,759.11</u>	<u>162,547.73</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-4	734,396.12	612,340.59
Contributions Receivable	B-19	<u>69,000.00</u>	<u>72,450.00</u>
		<u>803,396.12</u>	<u>684,790.59</u>
Total Assets		<u><u>4,127,510.54</u></u>	<u><u>4,203,767.97</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Trust Fund			
Interfund - Current Fund	B-7	77,621.59	76,169.00
Assessment Serial Bonds	B-9	428,000.00	489,000.00
Reserve for Assessments and Liens	B-10	41,817.76	43,306.68
Fund Balance	B-1	<u>6,138.22</u>	<u>4,649.30</u>
		<u>553,577.57</u>	<u>613,124.98</u>
Animal Control Trust Fund:			
Interfund - Current Fund	B-7	10.01	60.44
Reserve for Animal Control Expenditures	B-11	<u>341.60</u>	<u>492.55</u>
		<u>351.61</u>	<u>552.99</u>
Other Trust Fund:			
Developers Escrow	B-13	65,759.16	77,087.76
Various Reserves	B-13	2,231,186.47	2,217,910.65
Reserve for Municipal Open Space	B-14	283,238.36	286,918.83
Interfund - General Capital Fund	B-15	<u>93,432.00</u>	<u>115,000.00</u>
		<u>2,673,615.99</u>	<u>2,696,917.24</u>
Recreation Trust Fund:			
Reserve for Recreation Expenditures	B-16	<u>29,810.14</u>	<u>45,834.44</u>
Payroll Agency Trust Fund			
Interfund - Current Fund	B-7	423.88	99,954.23
Payroll Deductions Payable	B-17	33,941.85	34,937.00
Interfund - Other Trust Fund	B-18	<u>32,393.38</u>	<u>27,656.50</u>
		<u>66,759.11</u>	<u>162,547.73</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-20	<u>803,396.12</u>	<u>684,790.59</u>
		<u>803,396.12</u>	<u>684,790.59</u>
Total Liabilities, Reserves and Fund Balances		<u><u>4,127,510.54</u></u>	<u><u>4,203,767.97</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Schedule of Fund Balance - Regulatory Basis

Assessment Trust Fund

Year Ended December 31, 2010

Balance - December 31, 2009	<u>Ref.</u> B	4,649.30
Increased by:		
Collection of Unpledged Assessments	B-10	<u>1,488.92</u>
Balance - December 31, 2010	B	<u><u>6,138.22</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.
Schedule of Revenues - Regulatory Basis
Assessment Trust Fund
Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash	B-3	<u>61,000.00</u>	<u>61,000.00</u>
		<u>61,000.00</u>	<u>61,000.00</u>

Schedule of Expenditures - Regulatory Basis
Assessment Trust Fund
Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	B-2	<u>61,000.00</u>	<u>61,000.00</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque , N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash	C-2/C-3	1,856,567.24	954,023.85
Various Grants Receivable	C-4	696,819.86	1,013,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	8,475,084.45	9,204,868.44
Deferred Charges to Future Taxation:			
Unfunded	C-6	4,776,950.00	3,037,650.00
Prospective Assessments Raised by Taxation	C-7	39,300.00	
Interfund - Current Fund	C-15		945,973.03
Interfund - Other Trust Fund	C-15	<u>93,432.00</u>	<u>115,000.00</u>
Total Assets		<u><u>15,938,153.55</u></u>	<u><u>15,270,515.32</u></u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	8,207,000.00	8,848,000.00
Bond Anticipation Notes	C-9	2,221,250.00	2,312,500.00
Loan Payable - DEP. - Back Beach Phase II	C-10	113,084.45	136,868.44
Capital Leases Payable	C-11	155,000.00	220,000.00
Improvement Authorizations:			
Funded	C-12	1,334,855.28	1,486,255.95
Unfunded	C-12	2,315,165.00	593,828.15
Capital Improvement Fund	C-13	199,423.00	259,423.00
Reserve for:			
Debt Service	C-14	998,426.95	1,198,426.95
Purchase of Public Works Equipment	C-14		109.81
Prospective Assessments Raised by Taxation	contra	39,300.00	
Interfund - Current Fund	C-15	289,545.85	
Interfund - Water Capital Fund	C-15		150,000.00
Fund Balance	C-1	<u>65,103.02</u>	<u>65,103.02</u>
Total Liabilities, Reserves and Fund Balance		<u><u>15,938,153.55</u></u>	<u><u>15,270,515.32</u></u>

Footnote: There were \$2,555,700.00 of Bonds and Notes Authorized But Not Issued on December 31, 2010 per Exhibit C-16

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque , N.J.
Schedule of Fund Balance - Regulatory Basis
General Capital Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	C	<u>65,103.02</u>
Balance - December 31, 2010	C,C-3	<u>65,103.02</u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

	<u>Ref</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	445,199.39	515,355.95
Change Fund	D-6	100.00	100.00
Interfund - Water Utility Capital Fund	D-9	1,795.87	
		<u>447,095.26</u>	<u>515,455.95</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-10	206,238.96	112,693.89
Water Liens Receivable	D-11	606.02	
		<u>206,844.98</u>	<u>112,693.89</u>
Deferred Charges:			
Operating Deficit	D-12		73,829.49
Total Operating Fund		<u>653,940.24</u>	<u>701,979.33</u>
Capital Fund:			
Cash	D-5/D-8	2,503,147.43	2,155.36
Fixed Capital	D-13	6,561,880.87	5,651,584.87
Fixed Capital Authorized and Uncompleted	D-14	3,542,009.94	4,392,009.94
Interfund - Water Utility Operating Fund	D-27		162,513.99
Interfund - Current Fund	D-27	64,354.03	
Interfund - General Capital Fund	D-27		150,000.00
Total Capital Fund		<u>12,671,392.27</u>	<u>10,358,264.16</u>
Total Assets		<u>13,325,332.51</u>	<u>11,060,243.49</u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

	<u>Ref</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Interfund - Water Utility Capital Fund	D-9		162,513.99
Interfund - Current Fund	D-9	19,175.00	
Appropriation Reserve	D-4/D-15	29,032.65	49,357.38
Encumbrances Payable	D-16	33,202.00	25,798.50
Accrued Interest on Bonds	D-17	38,893.66	47,173.41
Accrued Interest on Notes	D-18	1,200.00	
Security Deposits Payable	D-19	375.00	375.00
Reserve for Water Improvement Escrow	D-20	228,413.85	224,959.26
Water Rent Overpayments	D-21	1,339.07	709.20
		<u>351,631.23</u>	<u>510,886.74</u>
Reserve for Receivables	Contra	206,844.98	112,693.89
Fund Balance	D-1	<u>95,464.03</u>	<u>78,398.70</u>
Total Operating Fund		<u>653,940.24</u>	<u>701,979.33</u>
Capital Fund:			
Serial Bonds Payable	D-22	4,647,000.00	2,528,000.00
Bond Anticipation Notes	D-23	770,000.00	650,000.00
Improvement Authorizations:			
Funded	D-24	2,355,960.41	237,132.67
Unfunded	D-24	113,600.00	2,405,391.50
Capital Improvement Fund	D-25	87,445.56	87,445.56
Reserve for Amortization	D-26	4,364,880.87	4,023,584.87
Interfund - Water Utility Operating Fund	D-27	1,795.87	
Reserve for Deferred Amortization	D-28	322,009.94	418,009.94
Fund Balance	D-2	<u>8,699.62</u>	<u>8,699.62</u>
Total Capital Fund		<u>12,671,392.27</u>	<u>10,358,264.16</u>
Total Liabilities, Reserves and Fund Balances		<u>13,325,332.51</u>	<u>11,060,243.49</u>

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

There were no bonds and notes authorized but not issued on December 31, 2010 per Exhibit D-29.

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	50,000.00	184,993.00
Rents	D-3	1,251,923.00	1,251,923.86
Miscellaneous Anticipated	D-3	2,593.31	2,580.19
Interlocal Service Agreement - WBSA	D-3	156,000.00	156,062.16
Additional Water Rents	D-3	222,354.08	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-15	<u>53,921.43</u>	<u>4.30</u>
Total Income		<u>1,736,791.82</u>	<u>1,595,563.51</u>
Expenditures:			
Operating	D-4	1,185,000.00	1,316,800.00
Capital Improvements	D-4	65,000.00	21,000.00
Debt Service	D-4	297,897.00	279,593.00
Deferred Charges and Statutory Expenditures	D-4	<u>121,829.49</u>	<u>52,000.00</u>
Total Expenditures		<u>1,669,726.49</u>	<u>1,669,393.00</u>
Deficit in Revenue over Expenditures		67,065.33	(73,829.49)
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years	D-12	<u> </u>	<u>73,829.49</u>
Statutory Excess to Surplus		67,065.33	0.00
Fund Balance - January 1,	D	<u>78,398.70</u>	<u>263,391.70</u>
		145,464.03	263,391.70
Decreased by:			
Utilized as Anticipated Revenue		<u>50,000.00</u>	<u>184,993.00</u>
Fund Balance - December 31,	D	<u><u>95,464.03</u></u>	<u><u>78,398.70</u></u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Statement of Capital Surplus - Regulatory Basis

Water Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	<u>8,699.62</u>
Balance - December 31, 2010	D	<u>8,699.62</u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	50,000.00	50,000.00	
Rents	D-1,D-7	1,251,923.00	1,251,923.00	
Interlocal Service Agreement - WBSA	D-1, D-5	150,000.00	156,000.00	6,000.00
Additional Water Rents	D-1,D-7	267,804.00	222,354.08	(45,449.92)
Miscellaneous	D-1	<u> </u>	<u>2,593.31</u>	<u>2,593.31</u>
 Budget Totals		 <u>1,719,727.00</u>	 <u>1,682,870.39</u>	 <u>(36,856.61)</u>
		D-4		
 <u>Analysis Realized Revenues</u>				
Miscellaneous:				
Interest on Deposits:	D-5		<u>2,593.31</u>	

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2010

	Ref.	Appropriated		Expended	Unexpended	
		Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operating:						
Salaries and Wages		560,000.00	583,000.00	577,959.56	5,040.44	
Other Expenses		600,000.00	577,000.00	543,058.35	13,941.65	20,000.00
Purchase of Water		75,000.00	75,000.00	39,653.44	5,346.56	30,000.00
Total Operating	D-1	<u>1,235,000.00</u>	<u>1,235,000.00</u>	<u>1,160,671.35</u>	<u>24,328.65</u>	<u>50,000.00</u>
Capital Improvements:						
Capital Outlay		<u>65,000.00</u>	<u>65,000.00</u>	<u>60,296.00</u>	<u>4,704.00</u>	
Total Capital Improvements	D-1	<u>65,000.00</u>	<u>65,000.00</u>	<u>60,296.00</u>	<u>4,704.00</u>	
Debt Service:						
Payment of Bond Principal		185,000.00	185,000.00	185,000.00		
Interest on Bonds		92,522.00	92,522.00	92,522.00		
Interest on Notes		20,375.00	20,375.00	20,375.00		
Total Debt Service	D-1	<u>297,897.00</u>	<u>297,897.00</u>	<u>297,897.00</u>		
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Deficit in Operations in Prior Years		73,830.00	73,830.00	73,829.49		0.51
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)		43,000.00	43,000.00	43,000.00		
Unemployment Compensation Insurance		5,000.00	5,000.00	5,000.00		
Total Deferred Charges and Statutory Expenditures	D-1	<u>121,830.00</u>	<u>121,830.00</u>	<u>121,829.49</u>		<u>0.51</u>
		<u>1,719,727.00</u>	<u>1,719,727.00</u>	<u>1,640,693.84</u>	<u>29,032.65</u>	<u>50,000.51</u>
			D-3		D	
Cash Disbursed	D-5			1,420,765.35		
Deferred Charges						
Deficit in Operations in Prior Years	D-12			73,829.49		
Encumbrances Payable	D-16			33,202.00		
Interest on Bonds	D-17			92,522.00		
Interest on Notes	D-18			20,375.00		
				<u>1,640,693.84</u>		

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-4	971,270.13	_____
Receivables with Full Reserves:			
Consumers Account Receivable	E-8	249,560.25	
Sewer Liens Receivable	E-9	1,895.16	
Connection Fees Receivable	E-10	270,914.01	_____
		<u>522,369.42</u>	_____
Total Operating Fund		<u>1,493,639.55</u>	_____
Capital Fund:			
Cash	E-4/E-6	2,553,986.76	
Fixed Capital	E-11	13,724,733.73	
Fixed Capital Authorized and Uncompleted	E-12	2,055,763.50	
Interfund - Sewer Utility Operating Fund	E-19	221,567.16	_____
Total Capital Fund		<u>18,556,051.15</u>	_____
Total Assets		<u>20,049,690.70</u>	=====

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statement.

Borough of Wanaque, N.J.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Interfund - Sewer Utility Capital Fund	E-7	221,567.18	
Appropriation Reserve	E-3	174,755.68	
Encumbrances Payable	E-13	1,699.80	
Deferred Revenue - Connection Fees	E-14	61,932.82	
Due to WVRSA	E-14	171,933.12	
Reserve for Sewer Improvement Escrow	E-14	45,000.00	
Reserve for O&M Requirement	E-14	57,000.00	
Accrued Interest on Bonds	E-15	23,139.58	
		<u>757,028.18</u>	
Reserve for Receivables	Contra	522,369.42	
Fund Balance	E-1	214,241.95	
		<u>214,241.95</u>	
Total Operating Fund		<u>1,493,639.55</u>	
Capital Fund:			
Serial Bonds Payable	E-16	8,479,913.40	
Improvement Authorizations:			
Funded	E-17	1,877,853.59	
Reserve for Amortization	E-18	7,300,583.83	
Bond & Debt Service Reserve Fund	E-20	897,700.33	
		<u>897,700.33</u>	
Total Capital Fund		<u>18,556,051.15</u>	
Total Liabilities, Reserves and Fund Balances		<u>20,049,690.70</u>	

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

There were no bonds and notes authorized but not issued on December 31, 2010.

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statement.

Borough of Wanaque, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:			
Transfer from WBSA		5,015.68	
Rents	E-2	4,090,456.79	
Miscellaneous Anticipated	E-2	39,457.43	
Interlocal Service Agreement - WBSA	E-2	11,677.30	
Refund of Prior Year Expenditures	E-4	60,374.80	
Canceled Accounts Payable	E-14	<u>19,259.95</u>	<u> </u>
 Total Income		 <u>4,226,241.95</u>	 <u> </u>
 Expenditures:			
Operating	E-3	2,894,000.00	
Capital Improvements	E-3	173,325.00	
Debt Service	E-3	887,675.00	
O&M Requirement	E-14	<u>57,000.00</u>	<u> </u>
 Total Expenditures		 <u>4,012,000.00</u>	 <u> </u>
 Excess in Revenue over Expenditures		 214,241.95	
 Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years		 <u> </u>	 <u> </u>
 Statutory Excess to Surplus		 214,241.95	
 Fund Balance - January 1,	 E	 <u> </u>	 <u> </u>
		214,241.95	
 Decreased by:			
Utilized as Anticipated Revenue		<u> </u>	<u> </u>
 Fund Balance - December 31,	 E	 <u>214,241.95</u>	 <u> </u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statement

Borough of Wanaque, N.J.

Statement of Revenues - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Rents	E-1,E-5	3,900,000.00	4,090,456.79	190,456.79
Connection Fees	E-1,E-5	30,000.00	11,677.30	(18,322.70)
Miscellaneous	E-1	<u>25,000.00</u>	<u>39,457.43</u>	<u>14,457.43</u>
Budget Totals		<u>3,955,000.00</u> E-3	<u>4,141,591.52</u>	<u>186,591.52</u>
 <u>Analysis Realized Revenues</u>				
Miscellaneous:				
Interest on Deposits			15,454.39	
Miscellaneous Reimbursements			<u>24,003.04</u>	
		E-4	<u>39,457.43</u>	

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31, 2010

	Ref.	Appropriated		Expended	Unexpended Balance Canceled
		Budget	Budget After Modification	Paid or Charged	
Operating:					
Other Expenses		35,000.00	72,000.00	71,336.81	663.19
Interlocal Water Utility		150,000.00	156,000.00	156,000.00	
Interlocal WVRSA		<u>2,700,000.00</u>	<u>2,666,000.00</u>	<u>2,665,232.51</u>	<u>767.49</u>
Total Operating	E-1	<u>2,885,000.00</u>	<u>2,894,000.00</u>	<u>2,892,569.32</u>	<u>1,430.68</u>
Capital Improvements:					
Capital Outlay		<u>182,325.00</u>	<u>173,325.00</u>		<u>173,325.00</u>
Total Capital Improvements	E-1	<u>182,325.00</u>	<u>173,325.00</u>		<u>173,325.00</u>
Debt Service:					
Payment of Bond Principal		195,694.00	195,694.40	195,694.40	
Interest on Bonds		<u>691,981.00</u>	<u>691,980.60</u>	<u>691,980.60</u>	
Total Debt Service	E-1	<u>887,675.00</u>	<u>887,675.00</u>	<u>887,675.00</u>	
		<u>3,955,000.00</u>	<u>3,955,000.00</u>	<u>3,780,244.32</u>	<u>174,755.68</u>
			E-2		E
Cash Disbursed	E-4			3,328,936.40	
Encumbrances Payable	E-13			1,699.80	
Due to WVRSA	E-14			171,933.12	
Interest on Bonds	E-15			<u>277,675.00</u>	
				<u>3,780,244.32</u>	

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2010

	<u>2010</u>	<u>2009</u>
<u>General Fixed Assets:</u>		
Land	2,372,300.00	2,372,300.00
Buildings	1,247,700.00	1,247,700.00
Machinery and Equipment	<u>1,826,872.00</u>	<u>1,826,872.00</u>
	<u>5,446,872.00</u>	<u>5,446,872.00</u>
 Investment in Fixed Assets	 <u>5,446,872.00</u>	 <u>5,446,872.00</u>

See accompanying notes to financial statements.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Borough of Wanaque have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

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

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

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Assessment Trust Fund - This fund is used to account for receivables arising from assessments for benefits accruing from local improvements. It also deals with indebtedness or other obligations arising from the transfer from capital fund of the liability of such indebtedness.

Payroll Fund - Receipts and disbursements of payroll withholdings that the Borough collects on behalf of various agencies as their agents.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Operating and Water Capital Funds - Account for the operations and acquisition of capital facilities of the municipality-owned water utility.

Sewer Operating and Sewer Capital Funds - Account for the operations and acquisition of capital facilities of the municipality-owned sewer utility.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective July 1, 2010, the Borough transferred administration of the general assistance program to Passaic County Board of Social Services. The funds remaining in the Public Assistance Fund are to be used to assist certain residents who do not qualify for the general assistance program.

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

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Water Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund and water operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

General Capital Fund	Public Assistance Fund
Trust Fund	Water Capital Fund
Sewer Capital Fund	

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2010, the Borough Council increased the original budget by \$539,264.19. This increase was funded by additional aid allotted the Borough in the amount of \$164,264.19 and a \$375,000.00 Special Emergency for Revaluation/Tax Map. In addition, several budget transfers were approved by the governing body.

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 an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

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

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

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

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

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

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Wanaque has developed during the year 1999 a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

No depreciation has been provided for in the financial statements.

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

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2010, \$-0- of the Borough's bank balance of \$12,134,718.25 was exposed to custodial credit risk.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

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

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 16, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by VALIC, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2010 and 2009 amounted to \$734,396.12 and \$612,340.59, respectively.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

The following investments represent 5% or more of the total invested with VALIC on December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Fixed Income	\$104,047.93	\$167,998.86
Index Funds	190,664.18	106,774.52
Growth Funds	137,369.44	81,413.96
Value Funds	111,513.34	86,012.34
All Others	<u>190,801.23</u>	<u>170,140.91</u>
 Total	 <u>\$734,396.12</u>	 <u>\$612,340.59</u>

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2010 consisted of the following:

	<u>Balance Dec. 31, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Obligation Debt	\$8,848,000.00	\$	\$641,000.00	\$8,207,000.00	\$669,000.00
Trust Assessment	489,000.00		61,000.00	428,000.00	63,000.00
Water Utility	2,528,000.00	2,304,000.00	185,000.00	4,647,000.00	160,000.00
Sewer Utility	*	8,675,607.80	195,694.40	8,479,913.40	185,127.00
Other Liabilities:					
Compensated Absences Payable	669,521.20	116,266.10	48,042.08	737,745.22	
Deferred Pension Liability	315,277.00			315,277.00	
New Jersey:					
- Back Beach Park Phase II Loan	136,868.44		23,783.99	113,084.45	24,262.05
Capital Lease - Improvement Authority	<u>220,000.00</u>	<u> </u>	<u>65,000.00</u>	<u>155,000.00</u>	<u>75,000.00</u>
	<u>\$13,206,666.64</u>	<u>\$11,095,873.90</u>	<u>\$1,219,520.47</u>	<u>\$23,083,020.07</u>	<u>\$1,176,389.05</u>

*Transferred from Wanaque Borough Sewerage Authority (WBSA).

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Issued:</u>			
Assessment Bonds	\$428,000.00	\$489,000.00	\$533,000.00
General Bonds, Notes and Loans	10,541,334.45	11,297,368.44	9,647,373.80
Water Utility - Bonds, Notes and Loans	5,417,000.00	3,178,000.00	2,698,000.00
Sewer Utility - Bonds, Notes and Loans	<u>8,479,913.40</u>		
Total Issued	<u>24,866,247.85</u>	<u>14,964,368.44</u>	<u>12,878,373.80</u>
<u>Less:</u>			
Funds Temporarily Held to Pay			
Bonds and Notes:			
General	<u>1,098,103.46</u>	<u>1,357,451.50</u>	<u>1,300,531.73</u>
Net Debt Issued	<u>23,768,144.39</u>	<u>13,606,916.94</u>	<u>11,577,842.07</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	2,555,700.00	725,150.00	4,843,900.00
Water Utility - Bonds and Notes		<u>2,424,000.00</u>	<u>2,554,000.00</u>
Total Authorized But Not Issued	<u>2,555,700.00</u>	<u>3,149,150.00</u>	<u>7,397,900.00</u>
<u>Less Deductions:</u>			
Self Liquidating	<u>13,896,913.40</u>	<u>4,545,324.20</u>	<u>5,252,000.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$12,426,930.99</u>	<u>\$12,210,742.74</u>	<u>\$13,723,742.07</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

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 .91%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$16,469,974.43	\$16,469,974.43	\$0.00
Regional High School District Debt	1,180,314.50	1,180,314.50	0.00
Water Utility Debt	5,417,000.00	5,417,000.00	0.00
Sewer Utility Debt	8,479,913.40	8,479,913.40	0.00
General Debt	<u>13,525,034.45</u>	<u>1,098,103.46</u>	<u>12,426,930.99</u>
	<u>\$45,072,236.78</u>	<u>\$32,645,305.79</u>	<u>\$12,426,930.99</u>

Net Debt \$12,426,930.99 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,372,872,337.67 equals .91%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$48,050,531.82
Net Debt	<u>12,426,930.99</u>
Remaining Borrowing Power	<u>\$35,623,600.83</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

Cash receipts from fees, rents or other charges for year		\$1,632,870.39
Deductions:		
Operating and Maintenance Cost	\$1,233,000.00	
Debt Service per Water Account	<u>297,897.00</u>	
Total Deductions		<u>1,530,897.00</u>
Excess in Revenue		<u>\$101,973.39</u>

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

Cash receipts from fees, rents or other charges for year		\$4,145,914.98
Deductions:		
Operating and Maintenance Cost	\$2,894,000.00	
Debt Service per Sewer Account	<u>887,675.00</u>	
Total Deductions		<u>3,781,675.00</u>
Excess in Revenue		<u>\$364,239.98</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

The foregoing debt information is not in agreement with the annual debt statement filed by the Chief Financial Officer.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2010:

<u>Paid by Current Fund</u>	<u>Debt Outstanding</u>
General Serial Bonds - General Improvement Bonds of 2000 with an interest rate of 5.25% issued February 1, 2000, due in installments through February 1, 2011	100,000.00
General Serial Bonds - General Improvement Bonds of 2004 with an interest rate of 3.80% issued February 15, 2004, due in installments through February 15, 2015	2,394,000.00
General Serial Bonds - General Improvement Bonds of 2007 with an interest rate of 4.125%-4.25% issued August 9, 2007, due in installments through February 1, 2027	5,713,000.00
Loan Payable - Back Beach Improvements Phase II - State of New Jersey dated December 10, 1998 with an interest rate of 2.00% payable in semiannual installments through March 14, 2015	<u>113,084.45</u>
Total Current Fund	<u>8,320,084.45</u>
 <u>Paid by Water Utility Fund</u>	
Water Serial Bonds - Water Utility Bonds of 2000 with an interest rate of 5.25% issued February 1, 2000, due in installments through February 1, 2011	100,000.00
Water Serial Bonds - Water Utility Bonds of 2004 with an interest rate of 3.80% issued February 15, 2004, due in installments through February 15, 2015	766,000.00
Water Serial Bonds - Water Utility Bonds of 2007 with an interest rate of 4.125%-4.25% issued August 9, 2007, due in installments through February 1, 2027	1,477,000.00
Water Loan Program Bonds of 2010 with an interest rate of 1.66%-6.54% issued July 28, 2010, due in installments through August 1, 2031	<u>2,304,000.00</u>
Total Water Utility Fund	<u>4,647,000.00</u>
 <u>Paid By Sewer Utility Fund</u>	
Sewer Revenue Refunding Bonds - Series 1991 issued November 27, 1991, due in installments through December 1, 2012	297,652.05
Sewer Revenue Refunding Bonds - Series 2001 with an interest rate of 5.00% issued October 16, 2001, due in installments through December 1, 2017.	3,255,000.00
Sewer Revenue Bonds - Series 2008A with an interest rate of 4.77%-5.16% issued September 16, 2008, due in installments through December 1, 2028	2,137,261.35
Sewer Revenue Refunding Bonds - Series 2008B with an interest rate of 3.50%-4.25% issued September 16, 2008, due in installments through December 1, 2021	<u>2,790,000.00</u>
	<u>8,479,913.40</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

	<u>Debt Outstanding</u>
<u>Paid by Trust Assessment Fund</u>	
Assessment Serial Bonds - Assessment Serial Bonds of 2004 with an interest rate of 3.80% issued February 15, 2004 due in installments through February 15, 2015	173,000.00
Assessment Serial Bonds - Assessment Serial Bonds of 2007 with an interest rate of 4.125%-4.25% issued August 9, 2007 due in installments through February 1, 2027	<u>255,000.00</u>
Total Trust Assessment Fund	<u>428,000.00</u>
	<u>\$21,874,997.85</u>

General Capital and Water Capital Serial Bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or Water Utility Revenues.

In addition to the above, the Borough had authorized but not issued debt as follows:

General Capital	<u>\$2,555,700.00</u>
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**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING**

Calendar <u>Year</u>	<u>Assessment Trust</u>		<u>General</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$63,000.00	\$15,891.00	\$693,262.05	\$323,554.48
2012	66,000.00	13,336.00	665,749.72	297,348.69
2013	69,000.00	10,667.00	738,247.19	270,515.85
2014	69,000.00	7,941.00	763,754.66	241,748.75
2015	66,000.00	5,272.00	746,070.83	212,510.21
2016-2020	95,000.00	5,931.00	1,725,000.00	823,684.38
2021-2025			2,375,000.00	390,137.50
2026-2030			613,000.00	17,828.75
2031				
	<u>\$428,000.00</u>	<u>\$59,038.00</u>	<u>\$8,320,084.45</u>	<u>\$2,577,328.61</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING, (continued)

Calendar Year	<u>Water Utility</u>		<u>Sewer Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$160,000.00	\$228,883.08	\$185,126.80	\$701,498.20
2012	105,000.00	221,922.48	172,525.25	708,049.75
2013	230,000.00	215,943.10	620,000.00	274,450.00
2014	285,000.00	206,427.48	650,000.00	243,750.00
2015	311,000.00	195,094.10	685,000.00	211,600.00
2016-2020	1,080,000.00	853,959.50	3,355,000.00	560,450.00
2021-2025	1,250,000.00	554,110.50	2,036,194.50	1,557,493.00
2026-2030	1,027,000.00	260,745.50	776,066.85	1,248,933.15
2031	<u>199,000.00</u>	<u>13,014.60</u>		
	<u>\$4,647,000.00</u>	<u>\$2,750,100.34</u>	<u>\$8,479,913.40</u>	<u>\$5,506,224.10</u>

NOTE 4. BOND ANTICIPATION NOTES

The Borough 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 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. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2010, the Borough had \$2,221,250.00 in outstanding general capital bond anticipation notes, maturing on March 4, 2011 at an interest rate of .81%.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 7. LOCAL AND REGIONAL HIGH SCHOOL TAXES, (continued)

The calculation of the Regional High School Tax balances and deferrals are as follows:

	<u>Regional High School Taxes</u>	
	Balance	Balance
	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Balance of Tax	\$3,733,013.14	\$3,497,114.42
Deferred	<u>3,733,013.14</u>	<u>3,497,114.42</u>
Taxes Payable	<u>\$ -0-</u>	<u>\$ - 0 -</u>

Local school taxes have been raised on a calendar year basis and there is no deferred liability at December 31, 2010.

NOTE 8. PENSION PLANS

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final average compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years or 1/60 of final average compensation multiplied by the number of years of creditable service, whichever is greater. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Wanaque opted for this deferral in the amount of \$315,277.00.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 8. PENSION PLANS, (continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5% effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2010	\$194,746.60	\$507,803.00
2009	100,319.00	254,245.00
2008	136,159.20	434,511.00

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 8. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

NOTE 9. OTHER POST-RETIREMENT BENEFITS

In addition to the pension benefits described in Note 8 , the Borough provides post employment health care benefits as follows:

Eligibility for Retired Group Coverage

Service Retirement Eligibility

An employee is eligible to receive postretirement health benefits through the Borough of Wanaque by meeting the following criteria:

- Retire from active employment with the Borough of Wanaque with at least 25 years of service with the Borough.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 9. OTHER POST-RETIREMENT BENEFITS, (continued)

Disability Retirement Eligibility

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Other Eligibility

A surviving spouse is eligible for subsidized coverage. Spouses may enroll as dependents for those retirees.

As of January 1, 2010, there are 62 current employees actively participating in the Municipal Reinsurance Health Insurance Fund, and 9 retirees and spouses of retirees also participating.

Funding Policy

The Borough is not required to nor does it contribute the annual required contribution (ARC) per N.J.S.A. 40A:4-1 et. seq. There is currently no provision under State statute for the Borough to accrue funds, create a trust or issue debt to finance their other post employment benefit (“OPEB”) liability.

Currently, there are no contribution requirements of plan members.

Annual OPEB Cost

For 2010, the Borough’s annual OPEB cost (expense) of \$856,700.00 (based on actuarial valuations as of January 1, 2008) was equal to the ARC. The Borough’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010, 2009 and 2008 are as follows:

<u>Year</u>	<u>Actual OPEB Payments</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$139,899.00	\$856,700.00	16.3%	\$2,159,265.00
2009	130,636.00	856,700.00	15.2	1,442,464.00
2008	140,300.00	856,700.00	16.4	716,400.00

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 9. OTHER POST-RETIREMENT BENEFITS, (continued)

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2010 (based on actuarial valuations of January 1, 2008) was as follows:

Actuarial Accrued Liability (AAL)	\$6,945,500.00
Actuarial Value of Plan Assets	<u>-0-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$6,945,500.00</u>
Funded Ratio (Actuarial Value of Plan Assets (AAL))	0.00%
Cover Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A

N/A - Not Available

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount rate and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage, and the face amount of employer-paid life insurance. Finally, demographic assumptions include probabilities concerning retirement, mortality, termination without receiving benefits; disability; recovery from disability; participation rates and coverage levels. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 9. OTHER POST-RETIREMENT BENEFITS, (continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 10. FUND BALANCES

Fund balances as of December 31, 2010 that have been anticipated as revenue in the 2011 budget is as follows:

Current Fund	\$60,000.00
Water Operating Fund	56,258.08
Sewer Operating Fund	100,000.00

NOTE 11. FIXED ASSETS

The Borough of Wanaque implemented a fixed asset accounting system during 1999. The Borough did not update their fixed assets for additions and deletions for the year. The balance as of December 31, 2010 and December 31, 2009 are as follows:

	Balance <u>Dec. 31, 2010</u>	Balance <u>Dec. 31, 2009</u>
Land	\$2,372,300.00	\$2,372,300.00
Buildings	1,247,700.00	1,247,700.00
Machinery and Equipment	<u>1,826,872.00</u>	<u>1,826,872.00</u>
	<u>\$5,446,872.00</u>	<u>\$5,446,872.00</u>

NOTE 12. ACCRUED SICK AND VACATION BENEFITS

The Borough permits all employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation approximates \$737,745.22 as of December 31, 2010. The Division of Local Government Services, Department of Community Affairs, State of New Jersey does not allow this amount to be reported either as an expenditure or liability.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 13. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2010 consist of the following:

\$10.01	Due to Current Fund from Animal Control Trust Fund for interest earned on deposits.
423.88	Due to Current Fund from Payroll Fund for interest earned on deposits.
44.09	Due to Current Fund from Public Assistance Fund for interest earned on deposits.
77,621.59	Due to Current Fund from Assessment Trust Fund for Current Fund receipts deposited in Assessment Trust Fund.
19,175.00	Due to Current Fund from Water Operating Fund for Water Operating Fund expenditures paid by Current Fund.
289,545.85	Due to Current Fund from General Capital Fund for General Capital Fund expenditures paid by Current Fund and anticipated revenue.
99,675.55	Due to Federal and State Grant Fund from Current Fund for grant receipts deposited in Current Fund.
93,432.00	Due to General Capital Fund from Other Trust Fund for Other Trust Fund expenditures paid by General Capital Fund.
1,795.87	Due to Water Operating Fund from Water Capital Fund for interest earned on deposits.
64,354.03	Due to Water Capital Fund from Current Fund for Water Capital Fund receipts deposited in Current Fund.
116,165.63	Due to Other Trust Fund from Current Fund for Other Trust receipts deposited in Current Fund.
32,393.38	Due to Other Trust Fund from Payroll Fund for Other Trust Fund receipts deposited in the Payroll Fund.
<u>221,567.16</u>	Due to Sewer Capital Fund from Sewer Operating Fund for Sewer Capital Fund receipts deposited in Sewer Operating Fund.
<u>\$1,016,204.04</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 14. CAPITAL LEASES PAYABLE

On April 21, 2003 the Borough entered into a \$470,000.00 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Annual debt service requirements for this capital lease are as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2011	81,462.50	75,000.00	6,462.50
2012	<u>82,200.00</u>	<u>80,000.00</u>	<u>2,200.00</u>
	<u>\$163,662.50</u>	<u>\$155,000.00</u>	<u>\$8,662.50</u>

NOTE 15. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2010 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Wanaque is a member of the North Jersey Intergovernmental Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability, property and workers' compensation insurance coverage for member municipalities. The Borough of Wanaque pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be issued to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Financial statements for the Funds are available at the office of the Funds' Administrator, Inservco, Inc.

The Borough of Wanaque continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 16. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2010</u>	<u>Balance</u> <u>Dec 31, 2009</u>
Prepaid Taxes	<u>\$112,203.93</u>	<u>\$89,861.84</u>
Cash Liability for Taxes Collected in Advance	<u>\$112,203.93</u>	<u>\$89,861.84</u>

NOTE 17. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On March 21, 2002, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$100 per year of active emergency service and the maximum contribution for each active volunteer member shall be \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

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

We have reviewed the plan for the year ended December 31, 2010 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 18. DISSOLUTION OF WANAQUE BOROUGH SEWERAGE AUTHORITY

On September 14, 2009, the Borough of Wanaque passed Ordinance number 15-0-09 which dissolved the Wanaque Borough Sewerage Authority effective December 31, 2009. As of January 1, 2010, all assets, liabilities and equity of the Authority were transferred to the Borough of Wanaque.

NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by Borough Counsel that the Borough is involved in several suits that are either covered by insurance or not material to the financial statements.

The Borough is involved in several tax appeals which are not material to the financial statements.

SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Tax Rate:</u>	<u>6.112</u>	<u>5.835</u>	<u>5.687</u>
Apportionment of Tax Rate:			
Municipal	1.4454	1.3649	1.3367
Municipal Open Space	.010	.010	.010
County	1.2849	1.2207	1.2472
Local School	2.0717	2.0123	1.9164
Regional High School	1.30	1.2271	1.1767
 <u>Assessed Valuation:</u>			
2010	<u>\$580,331,284.00</u>		
2009		<u>\$577,156,626.00</u>	
2008			<u>\$577,020,732.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

		<u>Currently</u>	
		<u>Cash</u>	<u>Percentage of</u>
<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Collection</u>
2010	\$35,481,805.63	\$34,722,538.42	97.86 %
2009	33,765,295.28	33,059,889.66	97.91
2008	32,845,939.91	32,261,467.85	98.22

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Dec. 31</u>	<u>Amount of</u>	<u>Amount of</u>	<u>Total</u>	<u>Percentage</u>
	<u>Tax Title Liens</u>	<u>Delinquent</u>	<u>Delinquent</u>	<u>of Tax Levy</u>
		<u>Taxes</u>		
2010	\$209,251.88	\$642,879.50	\$852,131.38	2.40%
2009	90,817.84	622,240.45	713,058.29	2.11
2008	82,660.46	531,040.56	613,701.02	1.87

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	\$388,475.00
2009	388,475.00
2008	388,475.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Current Fund</u>		
<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2010	\$85,665.41	\$60,000.00
2009	418,934.10	340,000.00
2008	801,557.09	780,000.00
2007	1,128,432.69	950,000.00
2006	1,457,928.21	1,400,000.00
<u>Water Utility Operating Fund</u>		
<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2010	\$95,464.03	\$56,258.08
2009	78,398.70	50,000.00
2008	263,391.70	184,993.00
2007	130,902.68	130,900.00
2006	101,973.76	101,900.00
<u>Sewer Utility Operating Fund</u>		
<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2010	\$214,241.95	\$100,000.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2010	\$1,568,408.43	\$1,474,277.08
2009	1,247,787.71	1,251,923.86
2008	1,326,502.34	1,334,609.12
2007	1,262,111.63	1,239,698.60
2006	1,159,815.37	1,161,771.44

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2010	\$4,131,814.09	\$4,090,456.79

*Includes collections of prior years levy.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond*</u>
Daniel Mahler	Mayor	
Thomas Balunis	Councilman	
Karen Cisco	Councilwoman	
Dominick Cortellessa	Councilman	
Donald D. Pasquariello	Councilman	
Robert Pettet	Councilman	
George Theoharous	Councilman	
Thomas F. Carroll	Administrator	
Katherine Falone	Borough Clerk	
Lynn Gordon	Tax Collector to 05/01/10	
Ann Smolen	Tax Collector from 05/01/10	
Mary Ann Brindisi	Chief Financial Officer	
Harold Cook	Magistrate	
Nancy Dean	Court Administrator to 02/08/10	
Kathleen Gallanthen	Court Administrator from 02/08/10	
John Reno	Police Chief	
Jeffrey Brusco	Building Inspector	
Michael Reiff	Water Department Supervisor	
Christopher Chapman	Health Officer	
Brian Townsend	Tax Assessor	
Richard A. Alaimo	Engineers	
Anthony Fiorello	Attorney	
Ralph Fava	Prosecutor	
Charles J. Ferraioli, Jr.	Auditor	

*Covered under New Jersey Intergovernmental Insurance Fund.

Adequacy of insurance coverage is the responsibility of the Borough.

Borough of Wanaque

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2010

Name of Federal Agency or Department	Federal Program	C.F.D.A./ Account No.	Total Grant Award	Balance Jan. 1, 2010	Receipts/ Revenues	Expended	Balance Dec. 31, 2010	Cumulative Expenditures
U.S. Department of Justice	COPS Universal Hiring	9F-CF-WX-2845	100,000.00	(25,000.00)			(25,000.00)	100,000.00
Dept. of Law & Public Safety	Click It or Ticket	20.602	4,000.00	4,000.00			4,000.00	
	Over the Limit Under Arrest	20.601	3,950.00		3,950.00		3,950.00	4,400.00
			4,400.00		4,400.00	4,400.00		6,000.00
			6,000.00	(1,050.00)	1,050.00			
	Obey the Signs or Pay the Fines	20.600						
Department of Homeland Security	Buffer Zone Protection Program	97.078	100,150.00		65,419.19	65,419.19		65,419.19
Dept of Housing and Urban Development								
Pass Through Funds:								
County of Passaic	(1) Community Development Block Grant	14.218	127,000.00					
			83,800.00					
Dept. of Environmental Protection	Municipal Stormwater Regulation Program	66.605	2,552.00	2,552.00			2,552.00	
			7,655.00	7,655.00			7,655.00	
			10,207.00	6,340.93			6,340.93	3,866.07
				(5,502.07)	74,819.19	69,819.19	(502.07)	179,685.26

(1) Accounted for in General Capital Fund
 Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

Borough of Wanaque

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2010

Name of State Agency or Department of Environmental Protection and Energy	State Program	State Program / Account No.	Total Grant Award	Balance Jan. 1, 2010	Receipts/ Revenues	Expended	Balance Dec. 31, 2010	Cumulative Expenditures
Department of Motor Vehicles	Clean Communities Grant	6400-100-078-6400-YYYY	14,275.14	14,275.14	14,857.02	14,275.14	14,275.14	
			11,130.06	11,130.06	11,130.06	11,130.06		
			1,045.96	1,045.96	1,045.96	1,045.96		
			10,400.73	10,400.73	10,400.73	10,400.73		
			1,582.73	1,582.73	1,582.73	1,582.73		
			7,902.94	7,902.94	7,902.94	7,902.94		
			8,712.10	8,712.10	8,712.10	8,712.10		
			335.12	335.12	335.12	335.12		
			9,040.98	9,040.98	9,040.98	9,040.98		
			62.50	62.50	62.50	62.50		
		8,777.72	6,415.35	270.00	6,145.35	2,632.37		
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	4,310.64	2,690.05	4,310.64	4,310.64		
			2,690.05	3,319.50	2,690.05	2,690.05		
			3,319.50	1,343.04	3,319.50	3,319.50		
			1,343.04	2,507.33	1,343.04	1,343.04		
			2,507.33	4,058.90	2,507.33	1,311.74		
			4,921.15	653.55	4,921.15	1,195.59		
			653.55	374.82	653.55	4,921.15		
			374.82	570.30	374.82	653.55		
			570.30	2,186.83	570.30	374.82		
			2,186.83	2,620.00	2,186.83	570.30		
2,620.00	1,804.24	2,620.00	2,186.83					
1,804.24	190.07	1,804.24	190.07					
		70,516.50	70,516.50	70,516.50	70,516.50	70,516.50		
Department of Human Services	General Assistance	7550-100-054-7550-121-LLLL-6020	1,206.28	1,206.28	1,206.28	1,206.28		
			2,089.96	2,089.96	2,089.96	2,089.96		
			2,238.50	2,238.50	2,238.50	2,238.50		
N.J. Dept. of Law and Public Safety	Body Armor Replacement	1020-718-066-YCJS-6120	24.57	24.57	24.57	24.57		
			2,065.39	2,065.39	2,065.39	2,065.39		
	NJ SLA HEOP Grant		2,405.72	2,405.72	2,405.72	2,405.72		

Borough of Wanaque

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2010

<u>Name of State Agency or Department</u>	<u>State Program</u>	<u>State Program / Account No.</u>	<u>Total Grant Award</u>	<u>Balance Jan. 1, 2010</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Balance Dec. 31, 2010</u>	<u>Cumulative Expenditures</u>
Department of Transportation	Transportation Trust Fund Auth. Act	6320-480-078-6320-6010 Ringwood Ave - Pedestrian Safety Town Center Ringwood Ave Ringwood Ave Bergen Ave Whistler Place Fourth Ave & Decker Rd Laura Ave Phase I 1st and 2nd Street Laura Ave Phase II Melrose & Furnace	18,000.00 69,000.00 150,000.00 100,000.00 150,000.00 250,000.00 300,000.00 250,000.00 211,000.00 257,000.00 200,000.00	(14,446.00) (17,250.00) (37,500.00) (25,000.00) 22,147.89 (62,500.00) (20,000.00) 6,429.65 (211,000.00)	62,500.00	875.00	(14,446.00) (17,250.00) (37,500.00) (25,000.00) 22,147.89 (20,000.00) 193,054.65 (78,858.06)	14,446.00 69,000.00 150,000.00 100,000.00 127,852.11 250,000.00 300,000.00 56,945.35 211,000.00
Department of Env. Solid Waste Protection	Recycling Tonnage	4900-752-178810-60	18,493.22 8,388.11 4,761.43	8,388.11 4,761.43	18,493.22		18,493.22 8,388.11 4,761.43	23,560.00
Highlands Council	NJ Highlands Water Protection		55,259.28 15,000.00	(15,000.00)	55,259.28 15,000.00		55,259.28	15,000.00
Passaic County	(1) Municipal Alliance		54,400.00 54,400.00	(21,565.85)	31,769.00	29,635.47 10,203.15	(29,635.47) 0.00	29,635.47 54,400.00
	(1) Tobacco Grant		1,988.00 5,214.60	4,220.60			4,220.60	
				<u>(283,078.61)</u>	<u>741,135.59</u>	<u>142,404.57</u>	<u>315,652.41</u>	<u>1,484,981.78</u>

(1) Pass-Thru Grant - County of Passaic
(2) Accounted for in General Capital Fund

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 04-04.

Borough of Wanaque , N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Current Fund</u>
Balance - December 31, 2009	A	1,828,524.92
Increased by Receipts:		
Consolidated Municipal Property Tax Relief Aid	A-2	159,468.74
Energy Receipts Tax	A-2	742,452.00
Miscellaneous Revenue Not Anticipated	A-2	78,283.63
Tax Collector	A-5	35,521,221.23
Revenue Accounts Receivable	A-11	969,322.61
Due From Passaic County - Street Lighting	A-12	10,194.96
Interfunds	A-13	436,146.21
Various Cash Liabilities and Reserves	A-22	<u>20,119.37</u>
		<u>37,937,208.75</u>
		39,765,733.67
Decreased by Disbursements:		
Refund Prior Years Revenue	A-1	11,680.64
Current Year Budget Appropriations	A-3	10,234,653.26
Interfunds	A-13	1,433,693.69
Expenditures without Appropriation	A-15	8,148.23
Appropriation Reserves	A-16	239,167.75
Local District School Taxes	A-19	12,022,522.00
Regional High School Taxes	A-20	7,305,806.15
County Taxes Payable	A-21	7,473,991.90
Various Cash Liabilities and Reserves	A-22	<u>191,480.86</u>
		<u>38,921,144.48</u>
Balance - December 31, 2010	A	<u><u>844,589.19</u></u>

Borough of Wanaque , N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2	110,377.50	
Due from NJ Senior Citizens & Vets	A-7	135,347.83	
Property Taxes Receivable	A-8	34,995,133.42	
Prepaid Taxes	A-18	112,203.93	
Deposits for Redemption of Tax Sale Certificate:	A-22	72,528.92	
Tax Overpayments	A-22	<u>95,629.63</u>	
			<u><u>35,521,221.23</u></u>
Decreased by Disbursements:			
Paid to Treasurer	A-4		<u><u>35,521,221.23</u></u>

Borough of Wanaque , N.J.
Schedule of Cash - Change Fund
Current Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	<u>575.00</u>
Balance - December 31, 2010	A	<u>575.00</u>
<u>Analysis of Balance:</u>		
Health		25.00
Police		150.00
Municipal Court		200.00
Tax Collector		<u>200.00</u>
		<u>575.00</u>

Borough of Wanaque , N.J.

**Schedule of Amount Due From State of New Jersey
for Senior Citizens' and Veterans Deductions - CH. 73 P.L. 1976**

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	22,311.53
Increased by:		
Senior Citizens' Deductions Per Tax Billing		26,305.01
Veterans' Deductions Per Tax Billing		106,750.00
Senior Citizens' and Veterans' Allowed by Tax Collector		<u>3,000.00</u>
		136,055.01
Less: Senior Citizens Deduction Disallowed		<u>4,485.03</u>
	A-8	<u>131,569.98</u>
		153,881.51
Decreased by:		
Cash Receipts	A-5	<u>135,347.83</u>
Balance - December 31, 2010	A	<u><u>18,533.68</u></u>

Borough of Wanaque, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2010

Year prior to 2010	Balance, Dec. 31, 2009	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2010
			2009	2010				
	622,240.45	11,957.57	89,861.84	497,398.85	(3,372.03)	39,248.45	1,026.96	87,938.22
		35,469,848.06	89,861.84	34,497,734.57	134,942.01	63,094.18	141,231.75	554,941.28
	<u>622,240.45</u>	<u>11,957.57</u>	<u>89,861.84</u>	<u>34,995,133.42</u>	<u>131,569.98</u>	<u>102,342.63</u>	<u>142,258.71</u>	<u>642,879.50</u>
	A		A-2/A-18	A-2/A-5	A-2/A-7	A-9		A

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	35,469,848.06
Added Tax (R.S. 54:4-63.1 et seq.)	<u>11,957.57</u>
	<u>35,481,805.63</u>
Tax Levy:	
Municipal Open Space Tax	58,033.00
Added Municipal Open Space Tax	<u>17.61</u>
	A-13
Local District School Tax	12,022,521.00
Regional High School Tax	7,541,704.87
County Tax	7,455,517.34
Added County Taxes	<u>2,514.03</u>
	A-21
	<u>7,458,031.37</u>
Local Tax for Municipal Purposes	27,080,307.85
Additional Taxes	<u>8,401,497.78</u>
	<u>35,481,805.63</u>

Borough of Wanaque , N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2010

Balance - December 31, 2009	<u>Ref.</u> A		90,817.84
Increased by:			
Interest and Costs on Tax Sale		16,091.41	
Transfer from Taxes Receivable	A-8	<u>102,342.63</u>	
			<u>118,434.04</u>
Balance - December 31, 2010	A		<u><u>209,251.88</u></u>

**Schedule of Property Acquired for
Taxes Assessed Valuation**

Current Fund

Year Ended December 31, 2010

Balance - December 31, 2009	<u>Ref.</u> A		<u><u>388,475.00</u></u>
Balance - December 31, 2010	A		<u><u>388,475.00</u></u>

Borough of Wanaque , N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2010</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		11,320.00	11,320.00	
Other	A-2		4,290.00	4,290.00	
Fees and Permits	A-2		1,706.80	1,706.80	
Health Department					
Licenses:					
Other	A-2		3,562.00	3,562.00	
Fees and Permits	A-2		11,190.00	11,190.00	
Police Department					
Fees and Permits	A-2		6,689.38	6,689.38	
Municipal Court :					
Fines and Costs	A-2	15,247.96	245,480.06	243,701.32	17,026.70
Construction Code					
Fees	A-2		65,163.00	65,163.00	
Uniform Fire Safety Act	A-2		11,470.00	11,470.00	
Library Services	A-2		20,000.00	20,000.00	
Reserve for Debt Service	A-2		200,000.00	200,000.00	
Sale of Property	A-2		21,074.97	21,074.97	
Hotel Occupancy Fee	A-2		55,859.64	55,859.64	
Social Services Rent	A-2		77,460.00	77,460.00	
Health Benefit Contribution	A-2		13,023.26	13,023.26	
Cable TV	A-2		40,804.00	40,804.00	
Cellular Tower Lease	A-2	2,415.15	173,163.70	173,518.85	2,060.00
Interest on Investments and Deposits	A-2	36.54	8,460.56	8,489.39	7.71
		<u>17,699.65</u>	<u>970,717.37</u>	<u>969,322.61</u>	<u>19,094.41</u>
		A		A-4	A

Borough of Wanaque , N.J.

Schedule of Due from County of Passaic

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A, A-1	10,194.96
Increased by:		
Street Lighting Contract Fees	A-2	<u>10,028.52</u>
		20,223.48
Decreased by:		
Receipts	A-4	<u>10,194.96</u>
Balance - December 31, 2010	A, A-1	<u><u>10,028.52</u></u>

Borough of Wanaque , N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2010

		Due From/(To)			Due From/(To)
		Balance			Balance
	<u>Ref.</u>	<u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2010</u>
Other Trust	A	(64,832.18)	116,165.63	64,832.18	(116,165.63)
Public Assistance	A	239.55	44.09	239.55	44.09
General Capital Fund	A	(945,973.03)		1,235,518.88	289,545.85
Animal Control Trust	A	60.44	10.01	60.44	10.01
Payroll Fund	A	99,954.23	423.88	99,954.23	423.88
Assessment Trust Fund	A	76,169.00	77,621.59	76,169.00	77,621.59
Water Operating Fund	A		19,175.00		19,175.00
Water Capital Fund			64,354.03		(64,354.03)
State and Federal Grant Fund	A	1,510.33	36,068.06	137,253.94	(99,675.55)
		<u>(832,871.66)</u>	<u>313,862.29</u>	<u>1,614,028.22</u>	<u>106,625.21</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	177,933.55			535,214.42
2010 Anticipated Revenue	A-2				(151,661.01)
Due From Current Fund	A	<u>(1,010,805.21)</u>			<u>(276,928.20)</u>
		<u>(832,871.66)</u>			<u>106,625.21</u>
Municipal Open Space Tax	A-1, A-8		58,050.61		
Disbursed	A-4		133,342.63	1,300,351.06	
Received	A-4		<u>122,469.05</u>	<u>313,677.16</u>	
			<u>313,862.29</u>	<u>1,614,028.22</u>	

Exhibit A-14

Borough of Wanaque, N.J.

Schedule of Deferred Charges

N.J.S. 40A:4-55 Special Emergency

Year Ended December 31, 2010

<u>Date</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Amount Resulting <u>From 2010</u>	Balance, Dec. 31, <u>2010</u>
12/13/10	Revaluation / Tax Map	375,000.00	75,000.00	375,000.00	375,000.00
				<hr/>	<hr/>
				375,000.00	375,000.00
				<hr/>	<hr/>
				A-3	A

Borough of Wanaque , N.J.

Schedule of Deferred Charges

Year Ended December 31, 2010

<u>Purpose</u>	Balance, Dec. 31, <u>2009</u>	Added in <u>2010</u>	Amount in 2010 <u>Budget</u>	Balance, Dec. 31, <u>2010</u>
Expenditure without Appropriation- Buffer Zone Protection	13,000.00		13,000.00	
Expenditure without Appropriation- Highlands Council	28,157.50	8,148.23	28,157.50	8,148.23
	<u>41,157.50</u>	<u>8,148.23</u>	<u>41,157.50</u>	<u>8,148.23</u>
	A	A-4	A-3	A

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2010

<u>Appropriations</u>	<u>Balance</u> Dec. 31, <u>2009</u>	<u>Balance</u> after Transfers and <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Government:				
Administrative and Executive				
Salaries and Wages	8,683.11	1,083.11		1,083.11
Other Expenses	876.51	2,298.58	2,223.74	74.84
Mayor and Council				
Salaries and Wages	0.52	0.52		0.52
Other Expenses	15.00	15.00		15.00
Municipal Clerk				
Salaries and Wages	204.84	1,704.84	1,590.57	114.27
Other Expenses	1,768.74	868.74	865.38	3.36
Elections				
Salaries and Wages	169.08	169.08		169.08
Financial Administration				
Salaries and Wages	2,328.89	2,328.89		2,328.89
Other Expenses	278.46	1,273.34	1,118.38	154.96
Data Processing	581.89	180.51	180.51	
Miscellaneous Other Expenses	4,037.80	4,037.80	4,037.80	
Collection of Taxes				
Salaries and Wages	4,282.87	4,282.87		4,282.87
Other Expenses	898.79	532.05	233.26	298.79
Assessment of Taxes				
Salaries and Wages	473.68	473.68		473.68
Other Expenses	2,361.66	675.91	84.25	591.66
Legal Services				
Other Expenses	4,162.57	5,162.57	4,974.35	188.22
Engineering Services and Costs				
Other Expenses	1,433.99	7,281.49	6,527.50	753.99
Planning Board				
Salaries and Wages	41.36	41.36		41.36
Other Expenses		18,923.37	18,864.93	58.44
Board of Adjustment				
Salaries and Wages	93.24	93.24		93.24
Other Expenses	496.47	1,973.10	1,476.63	496.47
Insurance				
Other Insurance Premiums	1.25	1.25		1.25
Employee Group Health	9,400.60	10,075.33	3,332.04	6,743.29

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2010

	Balance Dec. 31, <u>2009</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Police				
Salaries and Wages	1,673.01	23,673.01	22,577.49	1,095.52
Other Expenses	78.95	27,740.88	26,665.54	1,075.34
Police Vehicles	1,931.15	31.15		31.15
911 Dispatch Services	2.00	2.00		2.00
Emergency Management Services				
Salaries and Wages	71.75	71.75		71.75
Other Expenses	721.27	1,721.27	927.94	793.33
First Aid Organization Contribution	3,799.92	4,859.52	4,859.51	0.01
Fire				
Other Expenses	5,127.22	8,524.10	5,004.37	3,519.73
Uniform Fire Safety Act (Ch. 383, P.L. 1983)				
Salaries and Wages	257.88	257.88		257.88
Other Expenses	734.78	1,300.23	565.45	734.78
Municipal Prosecutor				
Retainer	45.82	45.82		45.82
Road Repair and Maintenance				
Salaries and Wages	5,836.59	336.59		336.59
Other Expenses	3,820.57	16,939.80	16,361.55	578.25
Public Buildings and Grounds				
Salaries and Wages	155.45	905.45	891.41	14.04
Other Expenses	10,921.08	13,302.59	12,302.59	1,000.00
Garbage and Trash Removal				
Other Expenses	13,946.53	12,846.53	8,987.34	3,859.19
Municipal Services Act (P.L. 1993, CH. 6)				
Garbage and Trash Removal				
Other Expenses	22,500.00	22,500.00	2,296.27	20,203.73
Recycling				
Other Expenses	1,783.58	1,783.58	1,416.00	367.58
Board Of Health:				
Salaries and Wages	914.69	914.69		914.69
Other Expenses	193.64	1,575.70	620.20	955.50
Administration of Public Assistance				
Salaries and Wages	19.50	19.50		19.50
Other Expenses	91.80	91.80		91.80
Parks and Playgrounds				
Salaries and Wages	840.58	90.58		90.58
Other Expenses	4,939.84	5,202.72	762.88	4,439.84

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2010

	Balance Dec. 31, <u>2009</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Municipal Court				
Salaries and Wages	1,385.50	1,385.50		1,385.50
Other Expenses	661.03	6,311.03	5,650.00	661.03
Uniform Construction Code Officials				
Salaries and Wages	11,495.15	495.15		495.15
Other Expenses	552.03	1,178.01	525.98	652.03
Electrical Inspector				
Salaries and Wages	58.54	58.54		58.54
Plumbing Inspector				
Salaries and Wages	68.54	68.54		68.54
Fire Sub-Code Official				
Salaries and Wages	29.48	29.48		29.48
Gasoline	1,470.72	7,470.72	7,286.80	183.92
Telephone	2,843.59	4,254.11	1,968.31	2,285.80
Street Lighting	18,165.56	15,665.56	637.88	15,027.68
Celebration of Public Events				
Other Expenses	1.05	1.05		1.05
Contribution to:				
Social Security System (O.A.S.A.)	1,619.92	1,619.92		1,619.92
Public Employee Retirement System	10.00	10.00		10.00
Watershed Management				
Other Expenses	2,000.00	2,000.00	900.90	1,099.10
Emergency Services Volunteer Length of Service Award Program	75,000.00	75,000.00	72,450.00	2,550.00
	<u>238,360.03</u>	<u>323,761.38</u>	<u>239,167.75</u>	<u>84,593.63</u>
	A		A-4	A-1
		Ref.		
Appropriation Reserves		above	238,360.03	
Transfer from Reserve for Encumbrances		A-17	85,401.35	
			<u>323,761.38</u>	

Borough of Wanaque , N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	85,401.35
Increased by:		
Transfer from Current Appropriations	A-3	142,604.63
		<u>228,005.98</u>
Decreased by:		
Transferred to Appropriation Reserves	A-16	85,401.35
		<u>85,401.35</u>
Balance - December 31, 2010	A	<u><u>142,604.63</u></u>

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2010

Balance - December 31, 2009	A	89,861.84
Increased by:		
Receipts - Prepaid 2011 Taxes	A-5	112,203.93
		<u>202,065.77</u>
Decreased by:		
Applied to 2010 Taxes	A-8	89,861.84
		<u>89,861.84</u>
Balance - December 31, 2010	A	<u><u>112,203.93</u></u>

Borough of Wanaque , N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2010

Balance - December 31, 2009	<u>Ref.</u> A	185.00
Increased by:		
Levy Calendar Year , 2010	A-8	<u>12,022,521.00</u>
		12,022,706.00
Decreased by:		
Payments	A-4	<u>12,022,522.00</u>
Balance - December 31, 2010	A	<u><u>184.00</u></u>
2010 Liability for Local District School Tax:		
Tax Paid		12,022,522.00
Tax Payable December 31, 2010		<u>184.00</u>
		12,022,706.00
Less Tax Payable December 31, 2009		<u>185.00</u>
Amount Charged to 2010 Operations	A-1	<u><u>12,022,521.00</u></u>

Borough of Wanaque , N.J.

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009		
School Tax Deferred		3,497,114.42
Increased by:		
Levy School Year - July 1, 2010		
to June 30, 2011	A-8	<u>7,541,704.87</u>
		11,038,819.29
Decreased by:		
Payments	A-4	<u>7,305,806.15</u>
Balance - December 31, 2010		
School Tax Deferred		<u><u>3,733,013.14</u></u>
2010 Liability for Regional High		
School Tax		
Tax Paid		<u>7,305,806.15</u>
Amount Charged to 2010 Operations	A-1	<u><u>7,305,806.15</u></u>

Borough of Wanaque , N.J.
Schedule of County Taxes Payable
Current Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	18,474.56
Increased by:		
Tax Levy -2010		
County Tax		7,455,517.34
Added and Omitted Taxes		<u>2,514.03</u>
	A-1/A-8	<u>7,458,031.37</u>
		7,476,505.93
Decreased by:		
Payments	A-4	<u>7,473,991.90</u>
Balance - December 31, 2010	A	<u><u>2,514.03</u></u>

Borough of Wanaque , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2010

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2010</u>
<u>Liabilities:</u>				
Deposits for Redemption of Tax Sale Certificates		72,528.92	72,528.92	
Tax Overpayments	1,336.96	95,629.63	87,110.93	9,855.66
Due to State of N.J. Marriage Surcharge	375.00	1,350.00	1,700.00	25.00
Due to State of N.J. Building Surcharge	932.00	4,337.00	5,269.00	
Due to State of N.J. Burial Permits	150.00	80.00	230.00	
<u>Reserves for:</u>				
Revaluation / Tax Map		375,000.00	3,970.25	371,029.75
Police Law Enforcement	56.64			56.64
Project D.A.R.E.	11,404.62	3,870.00	5,061.76	10,212.86
Garden State Trust - P.I.L.O.T.	6,578.16	4,385.00	6,578.16	4,385.00
Tax Appeals		15,000.00	15,000.00	
Fire Prevention Bureau	9,713.48	6,097.37	860.00	14,950.85
	<u>30,546.86</u>	<u>578,277.92</u>	<u>198,309.02</u>	<u>410,515.76</u>
	A			A
	<u>Ref.</u>			
Canceled Tax Overpayments	A-1		250.00	
Realized as Anticipated Revenue	A-2		6,578.16	
Appropriations Payable	A-3	390,000.00		
Receipts	A-4	20,119.37		
Disbursed	A-4		191,480.86	
Tax Overpayments	A-5	95,629.63		
Deposits for Redemption of Tax Sale Certificates	A-5	72,528.92		
		<u>578,277.92</u>	<u>198,309.02</u>	

Borough of Wanaque, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2010

<u>Grant</u>	<u>Balance, Dec. 31, 2009</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Balance, Dec. 31, 2010</u>
Drunk Driving Enforcement Fund		4,310.64	4,310.64	
Municipal Alliance Grant	31,769.00	54,400.00	31,769.00	54,400.00
Over the Limit Under Arrest	1,050.00	4,400.00	5,450.00	
Division of Criminal Justice - Body Armor Grant		2,089.96	2,089.96	2,982.00
Passaic County Tobacco Grant	2,982.00			
Clean Communities Program		14,857.02	14,857.02	75,000.00
Passaic County Open Space & Recreation Grant	75,000.00			
N.J. Department of Transportation				
Ringwood Ave	25,000.00			25,000.00
Ringwood Ave	37,500.00			37,500.00
Town Center	17,250.00			17,250.00
Ringwood Ave - Pedestrian Safety	18,000.00			18,000.00
U.S. Department of Justice - Universal Hiring	25,000.00			25,000.00
Alcohol Education and Rehab Fund		653.55	653.55	
NJ Highlands Water Protection	15,000.00		15,000.00	
Buffer Zone Protection Program		100,500.00	65,419.19	35,080.81
	<u>248,551.00</u>	<u>181,211.17</u>	<u>139,549.36</u>	<u>290,212.81</u>
	A	A-2	A-26	A

Borough of Wanaque , N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2010

<u>Grant</u>	Balance, Dec. 31, 2009	Transfer From 2010 Budget	<u>Expended</u>	Balance, Dec. 31, 2010
Clean Communities Program	56,628.47	14,857.02	270.00	71,215.49
Body Armor Fund	2,065.39	2,089.96	2,089.96	2,065.39
Alcohol Education and Rehabilitation Fund	5,942.02	653.55		6,595.57
Drunk Driving Enforcement Fund	11,228.77	4,310.64	5,254.49	10,284.92
Department of Transportation				
Bergen Ave	22,147.89			22,147.89
Ringwood Ave - Pedestrian Safety	3,554.00			3,554.00
Passaic County Tobacco Grant	7,202.60			7,202.60
Click It or Ticket	4,000.00			4,000.00
NJ SLA HEOP Grant	2,405.72			2,405.72
Municipal Stormwater Grant	16,547.93			16,547.93
Recycling Tonnage Grant	13,149.54			13,149.54
Buffer Zone Protection Program		100,500.00	65,419.19	35,080.81
Municipal Alliance Grant	10,203.15	54,400.00	39,838.62	24,764.53
Passaic County Open Space & Recreation Grant	75,000.00			75,000.00
Over the Limit or Under Arrest		4,400.00	4,400.00	
	<u>230,075.48</u>	<u>181,211.17</u>	<u>117,272.26</u>	<u>294,014.39</u>
	A	A-3	A-26	A

Borough of Wanaque, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2010

<u>Grant</u>	<u>Balance, Dec. 31, 2009</u>	<u>Received</u>	<u>Balance, Dec. 31, 2010</u>
Drunk Driving Enforcement Fund	2,690.05		2,690.05
NJ Highlands Water Protection Body Armor Fund		55,259.28	55,259.28
Over the Limit Under Arrest		1,206.28	1,206.28
Recycling Tonnage Grant		3,950.00	3,950.00
Clean Communities		18,493.22	18,493.22
	14,275.14		14,275.14
	<u>16,965.19</u>	<u>78,908.78</u>	<u>95,873.97</u>
	A	A-26	A

Borough of Wanaque , N.J.

Schedule of Due from/to Current Fund

Federal and State Grant Fund

Year Ended December 31, 2010

		<u>Ref.</u>	
Balance - December 31, 2009	(due from)	A	1,510.33
Increased by:			
Federal and State Grant Expenditures		A-24	<u>117,272.26</u>
			118,782.59
Decreased by:			
Federal and State Grant Receipts		A-23	139,549.36
Unappropriated Reserves		A-25	<u>78,908.78</u>
			<u>218,458.14</u>
Balance - December 31, 2010	(due to)	A	<u><u>99,675.55</u></u>

Borough of Wanaque, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2010

	Ref.	Assessment Trust Fund	Animal Control Fund	Other Trust Funds	Recreation Trust Fund	Payroll Agency Fund	L.O.S.A.P.
Balance - December 31, 2009	B	<u>239,842.85</u>	<u>552.99</u>	<u>2,604,428.56</u>	<u>45,834.44</u>	<u>162,547.73</u>	<u>612,340.59</u>
Increased by Receipts:							
Assessments Receivable	B-6	3,140.88					
Interfund - Current Fund	B-7	77,621.59	10.01	75,184.17		423.88	
Animal Control Fees	B-11		13,855.40				
Due to State of New Jersey	B-12		1,524.60				
Other Trust Funds	B-13			172,374.62			
Municipal Open Space Tax	B-14			218,592.03			
Interfunds	B-15			201,941.60			
Recreation Trust	B-16				85,290.11		
Payroll Deductions Payable	B-17					6,085,313.08	
Interfund - Other Trust Fund	B-18					6,678.48	
Contributions Receivable	B-19						72,450.00
Net Assets Available for Benefits	B-20						80,115.31
Total Receipts		<u>80,762.47</u>	<u>15,390.01</u>	<u>668,092.42</u>	<u>85,290.11</u>	<u>6,092,415.44</u>	<u>152,565.31</u>
		<u>320,605.32</u>	<u>15,943.00</u>	<u>3,272,520.98</u>	<u>131,124.55</u>	<u>6,254,963.17</u>	<u>764,905.90</u>
Decreased by Disbursements:							
Interfund - Current Fund	B-7	76,169.00	60.44	126,517.62		99,954.23	
Assessment Bonds	B-9	61,000.00					
Reserve for Animal Control Trust Fund Expenditures	B-11		14,006.35				
Due to State of New Jersey	B-12		1,524.60				
Other Trust Funds	B-13			170,427.40			
Municipal Open Space	B-14			222,272.50			
Interfunds	B-15			228,246.48			
Recreation Trust	B-16				101,314.41		
Payroll Deductions Payable	B-17					6,086,308.23	
Net Assets Available for Benefits	B-20						30,509.78
Total Disbursements		<u>137,169.00</u>	<u>15,591.39</u>	<u>747,464.00</u>	<u>101,314.41</u>	<u>6,188,204.06</u>	<u>30,509.78</u>
Balance - December 31, 2010	B	<u>183,436.32</u>	<u>351.61</u>	<u>2,525,056.98</u>	<u>29,810.14</u>	<u>66,759.11</u>	<u>734,396.12</u>

Borough of Wanaque, N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Pledged to Assessment Serial Bonds of 2004		163,676.51
Pledged to Assessment Serial Bonds of 2007		(64,000.00)
Interfund - Current Fund	B-7	77,621.59
Fund Balance	B-1	<u>6,138.22</u>
		<u>183,436.32</u>
		B

Borough of Wanaque, N.J.

Schedule of Assessments Receivable

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date of Confir- mation	Balance Dec. 31, 2009	Collected	Balance Dec. 31, 2010	Balance Pledged to	
						Bonds	Reserve
2-0-97/	Improvement to the Sanitary						
5-0-98	Sewerage Collection System	7/14/2003	25,306.68	1,488.92	23,817.76		23,817.76
13-0-01	Construction of Sidewalks on Ringwood Avenue	4/18/2005	10,975.45	1,651.96	9,323.49	9,323.49	
			<u>36,282.13</u>	<u>3,140.88</u>	<u>33,141.25</u>	<u>9,323.49</u>	<u>23,817.76</u>
			B	B-4	B		

Borough of Wanaque, N.J.

Schedule of Interfund - Current Fund

Year Ended December 31, 2010

	Due to/(from) Balance			Due to/(from) Balance
	<u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2010</u>
Animal Control Trust Fund	60.44	10.01	60.44	10.01
Assessment Trust Fund	76,169.00	77,621.59	76,169.00	77,621.59
Payroll Agency Fund	99,954.23	423.88	99,954.23	423.88
Other Trust Fund	(64,832.18)	126,517.62	75,184.17	(116,165.63)
	<u>111,351.49</u>	<u>204,573.10</u>	<u>251,367.84</u>	<u>(38,110.15)</u>
	B			B

	<u>Ref.</u>		
Cash Receipts - Assessment Trust Fund	B-4	77,621.59	
Cash Receipts - Animal Control Trust	B-4	10.01	
Cash Receipts - Other Trust Fund	B-4		75,184.17
Cash Receipts - Payroll Fund	B-4	423.88	
Cash Disbursements - Assessment Trust Fund	B-4		76,169.00
Cash Disbursements - Animal Control Trust	B-4		60.44
Cash Disbursements - Other Trust Fund	B-4	126,517.62	
Cash Disbursements - Payroll Fund	B-4		99,954.23
		<u>204,573.10</u>	<u>251,367.84</u>

Borough of Wanaque, N.J.

Schedule of Prospective Assessments Funded

Year Ended December 31, 2010

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2010</u>	<u>Bonds</u>	<u>Balance Pledged to Reserve</u>
Ringwood Ave Sidewalks	8-0-03	337,000.00	337,000.00	319,000.00	18,000.00
		<u>337,000.00</u>	<u>337,000.00</u>	<u>319,000.00</u>	<u>18,000.00</u>
		B	B		

Borough of Wanaque, N.J.

Schedule of Assessment Serial Bonds Payable

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2010		Interest Rate	Balance, Dec. 31, 2009	Decreased	Balance, Dec. 31, 2010
			Date	Amount				
Sewer Assessment Bonds of 2000	02/01/00	123,000.00			5.25%	10,000.00	10,000.00	
Construction of Sidewalks - Ringwood Avenue	02/15/04	200,000.00	02/15/11	31,000.00				
			02/15/12	34,000.00				
			02/15/13-14	37,000.00				
			02/15/15	34,000.00	3.80%	192,000.00	19,000.00	173,000.00
Ringwood Avenue Sidewalks	8/9/2007	319,000.00	02/01/11-17	32,000.00	4.125%-4.20%	287,000.00	32,000.00	255,000.00
			02/01/18	31,000.00				
						<u>B</u>	<u>61,000.00</u>	<u>428,000.00</u>
							<u>B-4</u>	<u>B</u>

Borough of Wanaque, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>Collections to Surplus</u>		<u>Balance Dec. 31, 2010</u>
<u>Assessments Receivable</u>					
2-0-97/	Improvement to the Sanitary				
5-0-98	Sewerage Collection System	25,306.68	1,488.92		23,817.76
		<u>25,306.68</u>	<u>1,488.92</u>		<u>23,817.76</u>
<u>Prospective Assessments Funded</u>					
8-0-03	Ringwood Avenue Sidewalks	18,000.00			18,000.00
		<u>18,000.00</u>			<u>18,000.00</u>
		<u>43,306.68</u>	<u>1,488.92</u>		<u>41,817.76</u>
		B	B-1		B

Borough of Wanaque, N.J.

Schedule of Reserve for Animal Control Fund Expenditures

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	B		492.55
Increased by:			
Collections			
Dog License Fees - 2010		10,292.40	
Cat License Fees - 2010		2,376.00	
Late Charge Fees		1,165.00	
Miscellaneous		<u>22.00</u>	
	B-4		<u>13,855.40</u>
			14,347.95
Decreased by:			
Expenditures R.S. 4:19-15.11	B-4		<u>14,006.35</u>
Balance - December 31, 2010	B		<u><u>341.60</u></u>

License Fees Collected

<u>Year</u>	
2009	9,158.40
2008	<u>8,586.00</u>
	<u><u>17,744.40</u></u>

Schedule of Due to State Department of Health

Year Ended December 31, 2010

	<u>Ref.</u>	
Increased by:		
State Fees Collected	B-4	<u><u>1,524.60</u></u>
Decreased by:		
Paid to State	B-4	<u><u>1,524.60</u></u>

Borough of Wanaque, N.J.

Schedule of Other Trust Funds

Year Ended December 31, 2010

	Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2010</u>
Developers Escrow	77,087.76	23,740.00	35,068.60	65,759.16
Reserve for:				
Unemployment	30,083.73	26,855.27	16,364.13	40,574.87
Parking Offenses Adjudication Act	2,901.00	260.00		3,161.00
Welcome Bricks	4,020.00	2,100.00	2,850.00	3,270.00
Recycling	783.87	39,430.97	6,764.70	33,450.14
Flexible Spending Account	18.13	7,736.68	8,928.87	(1,174.06)
Performance Bonds	750.00			750.00
Sprint Lease	10,757.79	11.98		10,769.77
Cingular Lease	10,000.00			10,000.00
Haskell Tank Lease	5,609.77	6.25		5,616.02
Wanaque Housing Trust	1,538,218.56	5,135.25	61,551.10	1,481,802.71
Soil Removal Permits	5,354.90			5,354.90
Sidewalk/Road Opening	5,594.75	1,891.50	100.00	7,386.25
Developer Agreements	38,400.00			38,400.00
State Housing Rehabilitation	31,883.00			31,883.00
Security Deposit	4,566.67			4,566.67
Monument	25.00			25.00
Bid Specs	300.00			300.00
Municipal Alliance	2,698.48	6.72		2,705.20
L.O.S.A.P.	25,250.00			25,250.00
Redevelopment	299,630.00			299,630.00
Tax Sale Premiums	177,000.00	65,200.00	38,800.00	203,400.00
Snow Removal	10,000.00			10,000.00
Storms Avenue Interconnect	14,065.00			14,065.00
	<u>2,294,998.41</u>	<u>172,374.62</u>	<u>170,427.40</u>	<u>2,296,945.63</u>
	B	B-4	B-4	B

Borough of Wanaque, N.J.
Reserve for Municipal Open Space
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	B	286,918.83
Increased by:		
2010 Tax Levy		58,033.00
2010 Added Taxes		17.61
Addice Park Improvements		160,000.00
Interest Earned		<u>541.42</u>
	B-4	<u>218,592.03</u>
		505,510.86
Decreased by:		
Expenditures	B-4	<u>222,272.50</u>
Balance - December 31, 2010	B	<u><u>283,238.36</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2010

	Due to/(from) Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2010</u>
General Capital Fund	115,000.00	200,000.00	221,568.00	93,432.00
Payroll Fund	(27,656.50)	6,678.48	1,941.60	(32,393.38)
	<u>87,343.50</u>	<u>206,678.48</u>	<u>223,509.60</u>	<u>61,038.62</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-4	200,000.00	1,941.60	
Cash Disbursements	B-4	6,678.48	221,568.00	
		<u>206,678.48</u>	<u>223,509.60</u>	

Schedule of Reserve for Recreation

Trust Funds

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	B	45,834.44
Increased by:		
Cash Receipts	B-4	<u>85,290.11</u>
		131,124.55
Decreased by:		
Cash Disbursements	B-4	<u>101,314.41</u>
Balance - December 31, 2010	B	<u>29,810.14</u>

Borough of Wanaque, N.J.

Schedule of Payroll Deductions

Payroll Fund

Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Federal Withholding		618,688.56	618,688.56	
Social Security / Medicare		459,365.99	459,365.99	
State Withholding		167,908.78	167,908.78	
Unemployment Insurance		25,382.55	25,382.55	
Union Dues		14,046.20	14,046.20	
P.E.R.S.	14,245.19	354,249.24	355,045.95	13,448.48
P.E.R.S. Contributory Insurance	917.70	10,707.48	10,728.79	896.39
P.F.R.S.	19,444.95	777,889.92	778,156.29	19,178.58
P.F.R.S. Annuity	349.06	4,428.24	4,408.28	369.02
Garnish		16,016.00	16,016.00	
Miscellaneous		2,353.92	2,353.92	
College Savings		7,280.00	7,280.00	
Life Insurance		832.56	832.56	
Deferred Compensation	(19.90)	124,755.82	124,820.92	(85.00)
Flexible Spending Account		7,733.40	7,733.40	
Dental		1,489.02	1,489.02	
Long Term Disability Insurance		13,475.88	13,341.50	134.38
Employee Share Health Ins.		13,023.26	13,023.26	
Net Payroll		<u>3,465,686.26</u>	<u>3,465,686.26</u>	
	<u>34,937.00</u>	<u>6,085,313.08</u>	<u>6,086,308.23</u>	<u>33,941.85</u>
	B	B-4	B-4	B

Borough of Wanaque, N.J.

Schedule of Due to Other Trust Fund

Payroll Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	B	27,656.50
Increased by:		
Cash Receipts	B-4	<u>6,678.48</u>
		34,334.98
Decreased by:		
Cash Disbursements	B-4	<u>1,941.60</u>
Balance - December 31, 2010	B	<u><u>32,393.38</u></u>

Borough of Wanaque, N.J.
Statement of Contributions Receivable
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	B	72,450.00
Increased by:		
Borough Contributions	B-20	<u>69,000.00</u>
		141,450.00
Decreased by:		
Receipts	B-4	<u>72,450.00</u>
Balance - December 31, 2010	B	<u><u>69,000.00</u></u>

Borough of Wanaque, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	B		684,790.59
Increased by:			
Borough Contributions	B-19	69,000.00	
Gain or (Loss)	B-4	<u>80,115.31</u>	
			<u>149,115.31</u>
Decreased by:			
Distributions	B-4		<u>30,509.78</u>
Balance - December 31, 2010	B		<u><u>803,396.12</u></u>

Borough of Wanaque , N.J.

Schedule of General Capital Cash - Treasurer

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	C		954,023.85
Increased by Receipts:			
Grant Receivable	C-4	526,980.14	
Deferred Charges Unfunded	C-6	200,000.00	
Bond Anticipation Notes	C-9	2,221,250.00	
Capital Improvement Fund	C-13	185,000.00	
Interfunds	C-15	<u>1,457,086.88</u>	
			<u>4,590,317.02</u>
			5,544,340.87
Decreased by Disbursements:			
Bond Anticipation Notes	C-9	2,312,500.00	
Improvement Authorizations	C-12	825,163.82	
Various Liabilities	C-14	200,109.81	
Interfunds	C-15	<u>350,000.00</u>	
			<u>3,687,773.63</u>
Balance - December 31, 2010	C		<u><u>1,856,567.24</u></u>

Borough of Wanaque , N.J.

Analysis of General Capital Cash

Year Ended December 31, 2010

Fund Balance	<u>Ref.</u>	
	C-1	65,103.02
Various Receivables	C-4	(696,819.86)
Capital Improvement Fund	C-13	199,423.00
Various Reserves	C-14	998,426.95
Interfund - Current Fund	C-15	289,545.85
Interfund - Other Trust Fund	C-15	(93,432.00)

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
14-0-98	Imp. to Borough Owned Property	5,324.70
19-0-99	Provision of Affordable Housing	(36,000.00)
7-0-03	Improvement of Ringwood Ave	199,670.64
8-0-03	Ringwood Ave Sidewalks	23,786.00
11-0-03	Refunding Tax Appeals	4,350.00
1-0-05	Improvement of the First Aid Squad Bldg	27,000.00
24-0-05	Improvement of Whistler Place	18,965.83
20-0-06	Acquisition of Land	93,202.95
24-0-06	Purchase of Emergency Generator	1,836.00
10-0-07	Improvement of Various Roads	35,094.06
11-0-07	Improvement of Laura Ave (Phase I)	78,652.75
12-0-07	Acquisition of Fire Truck	36,299.20
13-0-07	Improvement of the Haskell Firehouse	22,658.54
03-0-08	Laura Avenue Reconstruction II	17,737.09
05-0-08	Improvement of Athletic Fields	(256,709.72)
08-0-08	Acquisition of Land	102,797.21
10-0-08	Environmental Investigation	15,230.88
11-0-08	Needs Assessment of Municipal Building	2,753.54
19-0-08	Haskell Firehouse Addition	22,404.50
20-0-08	Appraisal of Property	10,700.00
22-0-08	Acquisition of Ambulance	535.00
08-0-09	Laura Avenue Reconstruction II	54,915.35
10-0-09	2009 Road Projects	108,664.47
12-0-09	Acquisition of Real Property	22,375.75
14-0-09	Purchase of Truck	8,432.00
25-0-09	Improvement of Melrose & Furnace Ave	301,440.00
28-0-09	Improvement of Memorial Field	(219,711.58)
5-0-10	Repaving of First Aid Squad Parking Lot	44,300.00
6-0-10	Haskell Facade Improvement Program	155,800.00
7-0-10	2nd Avenue Drainage Project	113,800.00
9-0-10	Improvement Of Ringwood Ave	36,918.37
10-0-10	Ringwood Ave Sidewalks	39,300.00
11-0-10	2nd Avenue Drainage System Improvement	(10,103.25)
18-0-10	Acquisition of Vehicles	11,900.00

1,856,567.24

C

Borough of Wanaque, N.J.

Schedule of Various Grants Receivable

Year Ended December 31, 2010

	<u>Balance, Dec. 31, 2009</u>	<u>Grants Approved</u>	<u>Cash Received</u>	<u>Balance, Dec. 31, 2010</u>
State of NJ - D.O.T. - 4th Ave & Decker Rd (Ord. 4-0-04)	20,000.00			20,000.00
State of NJ - D.O.T. - Whistler Place (Ord. 24-0-05)	62,500.00		62,500.00	
State of NJ - D.O.T. - Laura Ave (Phase I) (Ord. 11-0-07)	187,500.00		187,500.00	
State of NJ - D.O.T. - 1st & 2nd St (Ord. 7-0-09)	211,000.00		132,141.94	78,858.06
State of NJ - D.O.T. - Laura Ave (Phase II) (Ord. 8-0-09)	257,000.00		144,838.20	257,000.00
NJ Transportation Trust - Melrose & Furnace (Ord. 25-0-09)	200,000.00			55,161.80
Passaic County Open Space - Memorial Field (Ord 28-0-09)	75,000.00	127,000.00		75,000.00
Community Development Block Grant (Ord 6-0-10)		83,800.00		127,000.00
Community Development Block Grant (Ord 7-0-10)				83,800.00
	<u>1,013,000.00</u>	<u>210,800.00</u>	<u>526,980.14</u>	<u>696,819.86</u>
	C	C-12	C-2	C/C-3

Borough of Wanaque , N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	C	9,204,868.44
Decreased by:		
Budget Appropriations		
Serial Bonds Payable	C-8	641,000.00
Loan Payable - Back Beach Phase II	C-10	23,783.99
Capital Leases Payable	C-11	<u>65,000.00</u>
		<u>729,783.99</u>
Balance - December 31, 2010	C	<u><u>8,475,084.45</u></u>

Borough of Wanaque, N.J.

Schedule of Prospective Assessments Raised By Taxation

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Financed by Capital Improvement Fund</u>	<u>Balance Dec. 31, 2010</u>
10-0-10	Ringwood Ave Sidewalks	<u>39,300.00</u>	<u>39,300.00</u>
		<u>39,300.00</u> reserve	<u>39,300.00</u> C

Borough of Wanaque, N.J.

Schedule of General Serial Bonds Payable

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2010		Interest Rate	Balance, Dec. 31, 2009	Balance, Dec. 31, 2010
			Date	Amount			
General Improvement Bonds of 2000	02/01/00	2,080,000.00	02/01/11	100,000.00	5.25%	355,000.00	100,000.00
General Improvement Bonds of 2004	02/15/04	2,747,000.00	02/15/11	419,000.00	3.80%	2,655,000.00	2,394,000.00
			02/15/12	466,000.00			
			02/15/13-14	513,000.00			
			02/15/15	483,000.00			

Borough of Wanaque, N.J.

Schedule of General Serial Bonds Payable

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance, Dec. 31, 2009	Balance, Dec. 31, 2010
			Bonds Outstanding, December 31, 2010	Decreased			
			Date	Amount			
General Improvement Bonds of 2007	8/9/2007	5,938,000.00	02/01/11	150,000.00			
			02/01/12	175,000.00			
			02/01/13	200,000.00			
			02/01/14	225,000.00			
			02/01/15	250,000.00			
			02/01/16	275,000.00			
			02/01/17	300,000.00			
			2/1/18-19	375,000.00			
			02/01/20	400,000.00			
			02/01/21	425,000.00			
			02/01/22	450,000.00			
			02/01/23	475,000.00			
			02/01/24	500,000.00			
			02/01/25	525,000.00			
		02/01/26	500,000.00				
		02/01/27	113,000.00		4.125%-4.25%	5,838,000.00	5,713,000.00
						8,848,000.00	8,207,000.00
						C	C-5
						8,848,000.00	8,207,000.00
						C	C

Borough of Wanaque, N.J.

Schedule of Bond Anticipation Notes

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Original Amount Issued	Original Date of Issue	Date of Maturity	Rate of Interest	Balance, Dec. 31, 2009	Year Ended December 31, 2010		Balance, Dec. 31, 2010
							Increased	Decreased	
10-0-07	Improvement of Various Roads	315,000.00	03/06/09	03/04/11	0.81%	315,000.00	315,000.00	315,000.00	315,000.00
11-0-07	Improvement of Laura Ave Phase I	184,500.00	03/06/09	03/04/11	0.81%	184,500.00	184,500.00	184,500.00	184,500.00
12-0-07	Acquisition of Fire Truck	725,000.00	03/06/09	03/04/11	0.81%	725,000.00	725,000.00	725,000.00	725,000.00
13-0-07	Improvement of Haskell Firehouse	180,000.00	03/06/09	03/04/11	0.81%	180,000.00	180,000.00	180,000.00	180,000.00
05-0-08	Improvement of Athletic Fields	755,000.00	03/06/09	03/04/11	0.81%	755,000.00	755,000.00	755,000.00	555,000.00
22-0-08	Acquisition of Ambulance	153,000.00	03/06/09	03/04/11	0.81%	153,000.00	153,000.00	153,000.00	153,000.00
25-0-09	Impr. of Melrose & Furnace Ave	108,750.00	03/04/10	03/04/11	0.81%	108,750.00	108,750.00	108,750.00	108,750.00
						<u>2,312,500.00</u>	<u>2,312,500.00</u>	<u>2,221,250.00</u>	<u>2,221,250.00</u>
						C	C-2	C	C

Borough of Wanaque , N.J.

Schedule of Loan Payable

Department of Environmental Protection & Energy

Back Beach Improvements Phase II

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	C	136,868.44
Decreased by:		
2010 Budget Appropriation	C-5	<u>23,783.99</u>
Balance - December 31, 2010	C	<u><u>113,084.45</u></u>

<u>Payment Number</u>	<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
24	03/14/11	1,130.84	12,070.67	101,013.78
25	09/14/11	1,010.14	12,191.38	88,822.40
26	03/14/12	888.22	12,313.29	76,509.11
27	09/14/12	765.09	12,436.43	64,072.68
28	03/14/13	640.73	12,560.79	51,511.89
29	09/14/13	515.12	12,686.40	38,825.49
30	03/14/14	388.25	12,813.26	26,012.23
31	09/14/14	260.12	12,941.40	13,070.83
32	03/14/15	130.71	13,070.83	0.00
		<u>5,729.22</u>	<u>113,084.45</u>	

Borough of Wanaque , N.J.

Schedule of Capital Leases Payable

Improvement Authority

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	C	220,000.00
Decreased by:		
2010 Budget Appropriation	C-5	<u>65,000.00</u>
Balance - December 31, 2010	C	<u><u>155,000.00</u></u>

<u>Payment Number</u>	<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
8	03/15/11	6,462.50	75,000.00	80,000.00
9	03/15/12	<u>2,200.00</u>	<u>80,000.00</u>	0.00
		<u><u>8,662.50</u></u>	<u><u>155,000.00</u></u>	

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2009		2010 Authorizations	Paid or Charged	Balance, Dec. 31, 2010	
			Funded	Unfunded			Funded	Unfunded
General Improvements								
14-0-98	Imp. to Borough Owned Property	175,000.00	6,884.70			1,560.00	5,324.70	10,000.00
19-0-99	Provision of Affordable Housing	490,000.00		10,000.00			199,670.64	
7-0-03	Improvement Of Ringwood Ave	950,000.00	199,670.64				4,350.00	
11-0-03	Refunding Tax Appeals	205,000.00	4,350.00				27,000.00	
1-0-05	Improvement of the First Aid Squad Bldg	210,000.00	27,000.00				18,965.83	
24-0-05	Improvement of Whistler Place	436,000.00	18,965.83			3,800.00	93,202.95	
20-0-06	Acquisition of Land	600,000.00	97,002.95				1,836.00	
24-0-06	Purchase of Emergency Generator	25,000.00	1,836.00					35,094.06
10-0-07	Improvement of Various Roads	350,000.00		35,094.06		875.00		78,652.75
11-0-07	Improvement of Laura Ave (Phase I)	455,000.00		79,527.75				36,299.20
12-0-07	Acquisition of Fire Truck	975,000.00		36,299.20				22,658.54
13-0-07	Improvement of the Haskell Firehouse	200,000.00		9,931.86		(12,726.68)	17,737.09	
03-0-08	Laura Avenue Reconstruction II	118,000.00	17,737.09					38,290.28
05-0-08	Improvement of Athletic Fields	1,200,000.00		38,290.28		7,202.79	102,797.21	
08-0-08	Acquisition of Land	2,300,000.00	110,000.00			390.00	15,230.88	
10-0-08	Environmental Investigation	75,000.00	15,620.88				2,753.54	
11-0-08	Needs Assessment of Municipal Building	18,353.54	2,753.54				22,404.50	
19-0-08	Haskell Firehouse Addition	115,000.00	2,244.00			(20,160.50)	10,700.00	
20-0-08	Appraisal of Property	21,000.00	10,700.00					535.00
22-0-08	Acquisition of Ambulance	170,000.00		535.00		560.00	54,915.35	
08-0-09	Laura Avenue Reconstruction II	257,000.00	55,475.35			4,560.00	108,664.47	
10-0-09	2009 Road Projects	205,000.00	113,224.47			296,378.75	22,375.75	
12-0-09	Acquisition of Real Property	325,000.00	318,754.50			171,568.00	8,432.00	
14-0-09	Purchase of Truck	180,000.00	180,000.00			23,560.00	192,690.00	108,750.00
25-0-09	Improvement of Melrose & Furnace Ave	325,000.00	216,250.00	108,750.00		283,711.58		55,288.42
28-0-09	Improvement of Memorial Field	350,000.00	64,000.00	275,000.00			44,300.00	
5-0-10	Repaving of First Aid Squad Parking Lot				44,300.00			
6-0-10	Haskell Facade Improvement Program				167,000.00	11,200.00		155,800.00
7-0-10	2nd Avenue Drainage Project				113,800.00			113,800.00

Borough of Wanaque , N.J.
Schedule of Capital Improvement Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	C	259,423.00
Increased by:		
Budget Appropriation	C-2	<u>185,000.00</u>
		444,423.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-12	<u>245,000.00</u>
Balance - December 31, 2010	C/C-3	<u><u>199,423.00</u></u>

Borough of Wanaque , N.J.

Schedule of Various Liabilities

Year Ended December 31, 2010

	<u>Balance, Dec. 31, 2009</u>	<u>Decreased by Disbursements</u>	<u>Balance, Dec. 31, 2010</u>
Reserve for Debt Service	1,198,426.95	200,000.00	998,426.95
Reserve for Purchase of Public Works Equipment	<u>109.81</u>	<u>109.81</u>	<u> </u>
	<u><u>1,198,536.76</u></u>	<u><u>200,109.81</u></u>	<u><u>998,426.95</u></u>
	C	C-2	C,C-3

Borough of Wanaque, N.J.
Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2009</u>	<u>2010 Authorizations</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2010</u>
<u>General Improvements:</u>					
19-0-99	Provision of Affordable Housing	46,000.00			46,000.00
05-0-08	Improvement of Athletic Fields	295,000.00			295,000.00
25-0-09	Improvement of Melrose & Furnace Ave	108,750.00		108,750.00	
28-0-09	Improvement of Memorial Field	275,000.00			275,000.00
9-0-10	Improvement Of Ringwood Ave		809,500.00		809,500.00
11-0-10	2nd Avenue Drainage System Improvement		176,100.00		176,100.00
18-0-10	Acquisition of Vehicles		168,000.00		168,000.00
<u>Local Improvements</u>					
8-0-03	Ringwood Ave Sidewalks	400.00			400.00
10-0-10	Ringwood Ave Sidewalks		785,700.00		785,700.00
		<u>725,150.00</u>	<u>1,939,300.00</u>	<u>108,750.00</u>	<u>2,555,700.00</u>
			C-6		Footnote C

Borough of Wanaque, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2009	D	<u>515,355.95</u>	<u>2,155.36</u>
Increased by Receipts:			
Interest on Deposits	D-3	2,593.31	
Interlocal Service Agreement - WBSA	D-3	156,000.00	
Collector	D-7	1,475,616.15	
Interfunds	D-9	19,175.00	
Reserve for Water Improvements	D-18	3,454.59	
Serial Bonds	D-22		2,304,000.00
Bond Anticipation Notes	D-23		770,000.00
Interfunds	D-27		<u>314,309.86</u>
		<u>1,656,839.05</u>	<u>3,388,309.86</u>
		<u>2,172,195.00</u>	<u>3,390,465.22</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	1,420,765.35	
Interfunds	D-9	164,309.86	
Appropriation Reserves	D-15	21,234.45	
Interest on Bonds	D-17	100,801.75	
Interest on Notes	D-18	19,175.00	
Water Rent Overpayments	D-21	709.20	
Bond Anticipation Notes	D-23		650,000.00
Improvement Authorizations	D-24		172,963.76
Interfunds	D-27		<u>64,354.03</u>
		<u>1,726,995.61</u>	<u>887,317.79</u>
Balance - December 31, 2010	D	<u><u>445,199.39</u></u>	<u><u>2,503,147.43</u></u>

Borough of Wanaque, N.J.

Schedule of Change Funds

Water Utility Fund

Year Ended December 31, 2010

<u>Office</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Water Utility Collector	<u>100.00</u>	<u>100.00</u>
	D	D

Schedule of Water Utility Collector Cash

Water Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Increased by Receipts:			
Consumer Accounts Receivable	D-3,D-10	1,474,277.08	
Water Rents Overpayments	D-21	<u>1,339.07</u>	
			<u>1,475,616.15</u>
Decreased by Disbursements:			
Payment to Treasurer	D-5		<u>1,475,616.15</u>

Borough of Wanaque, N.J.

Schedule of Water Utility Capital Cash

Water Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Fund Balance	D-2	8,699.62
Capital Improvement Fund	D-25	87,445.56
Interfund - Water Operating Fund	D-27	1,795.87
Interfund - Current Fund	D-27	(64,354.03)
 <u>Improvement Authorizations</u>		
28-0-06 Improvement to the Water Supply and Distribution System		25,071.61
7-0-08 Improvements to the Water Supply and Distribution System		1,859,774.03
9-0-09 Improvement to Laura Ave Phase II		90,000.00
11-0-09 Haskell Tank Rehabilitation		29,035.08
17-0-09 Improvements to the Water Supply and Distribution System		352,079.69
26-0-09 Improvements to the Water Supply and Distribution System		113,600.00
		<hr/>
	D	<u><u>2,503,147.43</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Water Utility Operating Fund

Year Ended December 31, 2010

	Due to/(from) Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2010</u>
Water Capital Fund	162,513.99		164,309.86	(1,795.87)
Current Fund	<u> </u>	<u>19,175.00</u>	<u> </u>	<u>19,175.00</u>
	<u>162,513.99</u>	<u>19,175.00</u>	<u>164,309.86</u>	<u>17,379.13</u>
	<u>Ref.</u>			
Cash Receipts	D-5	19,175.00		
Cash Disbursements	D-5	<u> </u>	<u>164,309.86</u>	
		<u>19,175.00</u>	<u>164,309.86</u>	

Borough of Wanaque, N.J.

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	D		112,693.89
Increased by:			
Water Rents Levied			<u>1,568,408.43</u>
			1,681,102.32
Decreased by:			
Collections	D-7	1,474,277.08	
Transfer to Water Liens	D-11	<u>586.28</u>	
			<u>1,474,863.36</u>
Balance - December 31, 2010	D		<u><u>206,238.96</u></u>

Schedule of Water Liens

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Increased by:			
Transfer from Consumer Accounts Receivabl	D-10	586.28	
Interest & Costs on Sale		<u>19.74</u>	
			<u>606.02</u>
Balance - December 31, 2010	D		<u><u>606.02</u></u>

Borough of Wanaque, N.J.
Schedule of Deferred Charges
Water Utility Operating Fund
Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Reduced in</u> <u>2010</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Operating Deficit	73,829.49	73,829.49	
	73,829.49	73,829.49	
	D	D-4	D

Borough of Wanaque, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year Ended December 31, 2010

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Additions</u>		<u>Balance</u> <u>Dec. 31, 2010</u>
		<u>Capital</u> <u>Outlay</u>	<u>Ordinance</u>	
Garage and Building	14,242.56			14,242.56
Plant, Reservoir, Mains and Wells	4,853,082.83		850,000.00	5,703,082.83
Pay Loader	12,928.00			12,928.00
Meters	171,581.12			171,581.12
Supplies	3,308.50			3,308.50
Hydrants	17,596.10			17,596.10
Trucks	237,375.40			237,375.40
Automobile	19,850.00			19,850.00
General Equipment	316,431.28	60,296.00		376,727.28
Compactor	1,188.00			1,188.00
Other	4,001.08			4,001.08
	<u>5,651,584.87</u>	<u>60,296.00</u>	<u>850,000.00</u>	<u>6,561,880.87</u>
	D	D-26	D-14	D

Borough of Wanaque, N.J.

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>Ordinance Date</u>	<u>Amount</u>	<u>Balance, Dec. 31, 2009</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2010</u>
28-0-06	Improvements to the Water Supply and Distribution System	12/11/06	900,000.00	900,000.00		900,000.00
6-0-07	Purchase of a Truck	04/09/07	41,000.00			
4-0-08	Improvement of Haskell Water Tank	03/10/08	850,000.00	850,000.00	850,000.00	
7-0-08	Improvements to the Water Supply and Distribution System	04/14/08	2,000,000.00	2,000,000.00		2,000,000.00
9-0-09	Improvement to Laura Ave Phase II	05/11/09	90,000.00	90,000.00		90,000.00
11-0-09	Haskell Tank Rehabilitation	06/08/09	32,009.94	32,009.94		32,009.94
17-0-09	Improvements to the Water Supply and Distribution System	09/14/09	400,000.00	400,000.00		400,000.00
26-0-09	Improvements to the Water Supply and Distribution System	12/14/09	120,000.00	120,000.00		120,000.00

4,392,009.94	850,000.00	3,542,009.94
D	D-13	D

Borough of Wanaque, N.J.

Schedule of 2009 Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>After</u> <u>Transfers</u> <u>and</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	5,621.13	5,621.13		5,621.13
Other Expenses	42,415.76	55,960.76	8,980.95	46,979.81
Purchase of Water		11,522.81	11,522.81	
Capital Improvements				
Capital Outlay	269.31	1,000.00	730.69	269.31
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	1,051.18	1,051.18		1,051.18
	<u>49,357.38</u>	<u>75,155.88</u>	<u>21,234.45</u>	<u>53,921.43</u>
	D		D-4	D-1
	<u>Ref.</u>			
Appropriation Reserves	above	49,357.38		
Transfer from Reserve for Encumbrances	D-16	<u>25,798.50</u>		
		<u>75,155.88</u>		

Schedule of Reserve for Encumbrances

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	25,798.50
Increased by:		
Charges Against Current Year Appropriations	D-4	<u>33,202.00</u>
		59,000.50
Decreased by:		
Transferred to Appropriation Reserves	D-15	<u>25,798.50</u>
Balance - December 31, 2010	D	<u>33,202.00</u>

Borough of Wanaque, N.J.
Schedule of Accrued Interest on Bonds
Water Utility Operating Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	47,173.41
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	<u>92,522.00</u>
		139,695.41
Decreased by:		
Interest Paid	D-5	<u>100,801.75</u>
Balance - December 31, 2010	D	<u><u>38,893.66</u></u>

Schedule of Accrued Interest on Notes
Water Utility Operating Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Increased by:		
Budget Appropriation for Interest on Notes	D-4	20,375.00
Decreased by:		
Interest Paid	D-5	<u>19,175.00</u>
Balance - December 31, 2010	D	<u><u>1,200.00</u></u>

Borough of Wanaque, N.J.

Schedule of Security Deposits Payable

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	<u>375.00</u>
Balance - December 31, 2010	D	<u>375.00</u>

Schedule of Reserve for Water Improvements

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	224,959.26
Increased by:		
Receipts	D-4	<u>3,454.59</u>
Balance - December 31, 2010	D	<u>228,413.85</u>

Schedule of Water Rent Overpayments

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	709.20
Increased by:		
Receipts	D-6	<u>1,339.07</u>
		2,048.27
Decreased by:		
Disbursements	D-4	<u>709.20</u>
Balance - December 31, 2010	D	<u>1,339.07</u>

Borough of Wanaque, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2009	Issued	Paid by Budget Appropriation	Balance, Dec. 31, 2010
			Date	Amount					
Water Bonds of 2000	02/01/00	975,000.00	02/01/11	100,000.00	5.25%	240,000.00	140,000.00	100,000.00	
Water Bonds of 2004	02/15/04	901,000.00	02/15/11	40,000.00	3.80%	801,000.00	35,000.00	766,000.00	
			02/15/12	80,000.00					
			02/15/13	175,000.00					
			02/15/14	225,000.00					
			02/15/15	246,000.00					
Water Bonds of 2007	08/09/07	1,487,000.00	02/01/11	20,000.00	4.125-4.25%	1,487,000.00	10,000.00	1,477,000.00	
			02/01/12	25,000.00					
			02/01/13	30,000.00					
			02/01/14	35,000.00					
			02/01/15	40,000.00					
			02/01/16	100,000.00					
			02/01/17-21	150,000.00					
			02/01/22	125,000.00					
			02/01/23-24	100,000.00					
			02/01/25-26	50,000.00					
02/01/27	52,000.00								

Borough of Wanaque, N.J.

Schedule of Water Capital Bond Anticipation Notes

Water Utility Capital Fund

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original 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>
4-0-08	Improvement to Haskell Tank	03/06/09	03/04/11	0.81%	650,000.00	650,000.00	650,000.00	650,000.00
26-0-09	Improve. to the Water Supply and Distribution System	03/04/10	03/04/11	0.81%		120,000.00		120,000.00
					<u>650,000.00</u>	<u>770,000.00</u>	<u>650,000.00</u>	<u>770,000.00</u>
					D	D-5	D-5	D

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2009		Paid or Charged	Balance Dec. 31, 2010	
				Funded	Unfunded		Funded	Unfunded
28-0-06	Improvement to the Water Supply and Distribution System	12/11/06	900,000.00	95,597.59		70,525.98	25,071.61	
6-0-07	Purchase of a Truck	04/09/07	41,000.00					
4-0-08	Improvement of Haskell Water Tank	03/10/08	850,000.00		1,391.50	1,391.50		
7-0-08	Improvements to the Water Supply and Distribution System	04/14/08	2,000,000.00	22,500.00	1,904,000.00	66,725.97	1,859,774.03	
9-0-09	Improvement to Laura Ave Phase II	05/11/09	90,000.00	90,000.00			90,000.00	
11-0-09	Haskell Tank Rehabilitation	06/08/09	32,009.94	29,035.08			29,035.08	
17-0-09	Improvements to the Water Supply and Distribution System	09/14/09	400,000.00		380,000.00	27,920.31	352,079.69	
26-0-09	Improvements to the Water Supply and Distribution System	12/14/09	120,000.00		120,000.00	6,400.00		113,600.00
				237,132.67	2,405,391.50	172,963.76	2,355,960.41	113,600.00
				D	D	D-5	D	D

Borough of Wanaque, N.J.

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	<u>87,445.56</u>
Balance - December 31, 2010	D, D-8	<u>87,445.56</u>

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	D		4,023,584.87
Increased by:			
Capital Outlay	D-13	60,296.00	
Serial Bonds Paid by Budget	D-22	185,000.00	
Transferred from Deferred Reserve	D-28	<u>96,000.00</u>	
			<u>341,296.00</u>
Balance - December 31, 2010	D		<u>4,364,880.87</u>

Borough of Wanaque, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2009</u>	<u>Transferred to Reserve for Amortization</u>	<u>Balance, Dec. 31, 2010</u>
4-0-08	Improvement of Haskell Water Tank	03/10/08	96,000.00	96,000.00	
7-0-08	Improvements to the Water Supply and Distribution System	04/14/08	200,000.00		200,000.00
9-0-09	Improvement to Laura Ave Phase II	05/11/09	90,000.00		90,000.00
11-0-09	Haskell Tank Rehabilitation	06/08/09	32,009.94		32,009.94
			<u>418,009.94</u>	<u>96,000.00</u>	<u>322,009.94</u>
			D	D-26	D

Borough of Wanaque, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2009</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2010</u>
7-0-08	Improvements to the Water Supply and Distribution System	1,904,000.00	1,904,000.00	
17-0-09	Improvements to the Water Supply and Distribution System	400,000.00	400,000.00	
26-0-09	Improvements to the Water Supply and Distribution System	120,000.00	120,000.00	
		<u>2,424,000.00</u>	<u>2,424,000.00</u>	
				<u>Footnote D</u>

Borough of Wanaque, N.J.

Schedule of Cash

Sewer Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2009	E	<u> </u>	<u> </u>
Increased by Receipts:			
Transfer from WBSA		295,765.57	2,744,181.61
Refund of Prior Year Expenditure	E-1	60,374.80	
Miscellaneous Revenue	E-2	39,457.43	
Collector	E-5	4,102,134.09	
Interfunds	E-7	202,966.70	
Interfunds	E-19		4,761.87
		<u>4,700,698.59</u>	<u>2,748,943.48</u>
		<u>4,700,698.59</u>	<u>2,748,943.48</u>
Decreased by Disbursements:			
Budget Appropriations	E-3	3,328,936.40	
Interfunds	E-7	2,600.13	
Interest on Bonds	E-15	277,675.00	
Various Cash Liabilities and Reserves	E-14	120,216.93	
Interfunds	E-19		194,956.72
		<u>3,729,428.46</u>	<u>194,956.72</u>
Balance - December 31, 2010	E	<u><u>971,270.13</u></u>	<u><u>2,553,986.76</u></u>

Borough of Wanaque, N.J.

Schedule of Sewer Utility Collector Cash

Sewer Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Increased by Receipts:			
Consumer Accounts Receivable	E-2,E-8	4,090,456.79	
Connection Fees Accounts Receivable	E-2,E-10	<u>11,677.30</u>	
			<u>4,102,134.09</u>
Decreased by Disbursements:			
Payment to Treasurer	E-4		<u>4,102,134.09</u>

Borough of Wanaque, N.J.

Schedule of Sewer Utility Capital Cash

Sewer Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Interfund - Sewer Operating Fund	E-19	(221,567.16)
Bond & Debt Service Reserve Fund	E-20	897,700.33
 <u>Improvement Authorizations</u>		
<u>Improvement Description</u>		
Force Mains and Interceptors		<u>1,877,853.59</u>
	E	<u>2,553,986.76</u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Sewer Utility Operating Fund

Year Ended December 31, 2010

	Due to/(from) Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2010</u>
Sewer Capital Fund		224,167.31	2,600.13	221,567.18
		<u>224,167.31</u>	<u>2,600.13</u>	<u>221,567.18</u>
	E			E
	<u>Ref.</u>			
Transfer from WBSA		21,200.61		
Cash Receipts	E-4	202,966.70		
Cash Disbursements	E-4		<u>2,600.13</u>	
		<u>224,167.31</u>	<u>2,600.13</u>	

Borough of Wanaque, N.J.

Schedule of Consumer Accounts Receivable

Sewer Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Increased by:			
Transfer from WBSA		210,004.01	
Sewer Rents Levied		<u>4,131,814.09</u>	
			4,341,818.10
Decreased by:			
Collections	E-5	4,090,456.79	
Transfer to Sewer Liens	E-9	<u>1,801.06</u>	
			<u>4,092,257.85</u>
Balance - December 31, 2010	E		<u><u>249,560.25</u></u>

Schedule of Sewer Liens

Sewer Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Increased by:			
Transfer from Consumer Accounts Receivable	E-8	1,801.06	
Interest & Costs on Sale		<u>94.10</u>	
Balance - December 31, 2010	E		<u><u>1,895.16</u></u>

Borough of Wanaque, N.J.
Schedule of Consumer Accounts Receivable
Sewer Utility Operating Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Increased by:		
Transfer from WBSA		282,591.31
Decreased by:		
Collections	E-5	<u>11,677.30</u>
Balance - December 31, 2010	E	<u><u>270,914.01</u></u>

Borough of Wanaque, N.J.

Schedule of Fixed Capital

Sewer Utility Capital Fund

Year Ended December 31, 2010

<u>Description</u>	<u>Additions</u>		<u>Balance Dec. 31, 2010</u>
	<u>Transfer from WBSA</u>	<u>Ordinance</u>	
Force Mains and Interceptors	<u>13,724,733.73</u>	<u> </u>	<u>13,724,733.73</u>
	<u>13,724,733.73</u>	<u> </u>	<u>13,724,733.73</u>
			E

Borough of Wanaque, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year Ended December 31, 2010

<u>Improvement Description</u>	Transfer from <u>WBSA</u>	Balance, <u>Dec. 31, 2010</u>
Force Mains and Interceptors	2,055,763.50	2,055,763.50
	<hr/>	<hr/>
	<u>2,055,763.50</u>	<u>2,055,763.50</u>
		E

Borough of Wanaque, N.J.
Schedule of Reserve for Encumbrances
Sewer Utility Operating Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Increased by:		
Charges Against Current Year Appropriations	E-3	<u>1,699.80</u>
Balance - December 31, 2010	E	<u><u>1,699.80</u></u>

Borough of Wanaque, N.J.

Schedule of Various Cash Liabilities and Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Deferred Revenue - Connection Fees		61,932.82		61,932.82
Accounts Payable		19,259.95	19,259.95	
Due to WVRSA		286,366.25	114,433.13	171,933.12
Varoius Reserves		5,783.80	5,783.80	
Reserve for O&M Requirments		57,000.00		57,000.00
Reserve for Sewer Improvements		45,000.00		45,000.00
		475,342.82	139,476.88	335,865.94
	<u>E</u>			<u>E</u>
	<u>Ref.</u>			
Transfer from WBSA		246,409.70		
Canceled Accounts Payable	E-1		19,259.95	
O&M Requirment	E-1	57,000.00		
Charges Against Current Year Appro	E-3	171,933.12		
Cash Disbursements	E-4		120,216.93	
		475,342.82	139,476.88	

Borough of Wanaque, N.J.

Schedule of Accrued Interest on Bonds

Sewer Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Increased by:		
Transfer from WBSA		23,139.58
Budget Appropriation for Interest on Bonds	E-3	<u>277,675.00</u>
		300,814.58
Decreased by:		
Interest Paid	E-4	<u>277,675.00</u>
Balance - December 31, 2010	E	<u><u>23,139.58</u></u>

Borough of Wanaque, N.J.

Schedule of Sewer Serial Bonds Payable

Sewer Utility Capital Fund

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2010		Interest Rate	Transferred from WBSA	Paid by Budget Appropriation	Balance, Dec. 31, 2010
			Date	Amount				
Sewer Revenue Refunding Bonds (Series 1991)	11/27/91	8,697,808.00	12/01/11	155,127.00				
			12/01/12	142,525.05		463,346.45	165,694.40	297,652.05
Sewer Revenue Refunding Bonds (Series 2001)	10/16/01	5,410,000.00	12/01/13	590,000.00				
			12/01/14	615,000.00				
			12/01/15	650,000.00				
			12/01/16	685,000.00				
			12/01/17	715,000.00	5.00%	3,255,000.00		3,255,000.00
Sewer Revenue Bonds (Series 2008A)	09/16/08	2,137,261.00	12/01/22	371,070.00				
			12/01/23	348,422.00				
			12/01/24	331,325.00				
			12/01/25	310,378.00				
			12/01/26	292,435.00				
			12/01/27	274,687.00				
			12/01/28	208,944.35	4.77-5.16%	2,137,261.35		2,137,261.35

Borough of Wanaque, N.J.

Schedule of Sewer Serial Bonds Payable

Sewer Utility Capital Fund

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Transferred from WBSA	Paid by Budget Appropriation	Balance, Dec. 31, 2010
			Date	Amount				
Sewer Revenue Refunding Bonds (Series 2008B)	09/16/08	2,850,000.00	12/1/2011-13	30,000.00				
			12/1/2014-16	35,000.00				
			12/01/17	40,000.00				
			12/01/18	605,000.00				
			12/01/19	625,000.00				
			12/01/20	650,000.00				
			12/01/21	675,000.00	3.5-4.25%	2,820,000.00	30,000.00	2,790,000.00
						8,675,607.80	195,694.40	8,479,913.40
							E-18	E

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year Ended December 31, 2010

Improvement Description	Balance Dec. 31, 2009		Transfer from WBSA	Balance Dec. 31, 2010	
	Funded	Unfunded		Funded	Unfunded
Force Mains and Interceptors			1,877,853.59	1,877,853.59	
	<u>E</u>	<u>E</u>	<u>1,877,853.59</u>	<u>1,877,853.59</u>	<u>E</u>

Borough of Wanaque, N.J.

Schedule of Reserve for Amortization

Sewer Utility Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Increased by:			
Transfer from WBSA		7,104,889.43	
Serial Bonds Paid by Budget	E-16	<u>195,694.40</u>	
			<u>7,300,583.83</u>
Balance - December 31, 2010	E		<u><u>7,300,583.83</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Sewer Utility Capital Fund

Year Ended December 31, 2010

	Due to/(from) Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2010</u>
Sewer Operating Fund		226,329.03	4,761.87	(221,567.16)
Current Fund				
General Capital Fund				
		<u>226,329.03</u>	<u>4,761.87</u>	<u>(221,567.16)</u>
	<u>E</u>			<u>E</u>
	<u>Ref.</u>			
Transfer from WBSA		31,372.31		
Cash Receipts	E-4		4,761.87	
Cash Disbursements	E-4	<u>194,956.72</u>		
		<u>226,329.03</u>	<u>4,761.87</u>	

Borough of Wanaque, N.J.

Schedule of Bond & Debt Service Reserve Fund

Sewer Utility Capital Fund

Year Ended December 31, 2010

Ref.

Increased by:

Transfer from WBSA

897,700.33

Balance - December 31, 2010

E

897,700.33

Borough of Wanaque , N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2010

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2009	F	<u>8,912.78</u>	<u>1,508.64</u>	<u>7,404.14</u>
Increased by Receipts:				
State Aid		56,400.00		56,400.00
Other Receipts		44.09	3.77	40.32
Supplemental Security Income Reimbursement		<u>13,363.00</u>		<u>13,363.00</u>
		<u>69,807.09</u>	<u>3.77</u>	<u>69,803.32</u>
		<u>78,719.87</u>	<u>1,512.41</u>	<u>77,207.46</u>
Decreased by Disbursements:				
Public Assistance - 2010		70,516.50		70,516.50
Supplemental Security Income		2,340.00		2,340.00
Due Current Fund		239.55	12.95	226.60
		<u>73,096.05</u>	<u>12.95</u>	<u>73,083.10</u>
Balance - December 31, 2010	F	<u><u>5,623.82</u></u>	<u><u>1,499.46</u></u>	<u><u>4,124.36</u></u>

Borough of Wanaque , N.J.

Schedule of Public Assistance Cash and Reconciliation

Per N.J.S.A. 40A:5-5

Public Assistance Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2010	F-1	5,623.82
Increased by:		
Cash Receipts Record		<u>2.78</u>
Balance - April 8, 2011		<u><u>5,626.60</u></u>

<u>Reconciliation - April 8, 2011</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:			
Lakeland State Bank			
Checking	1,513.16	4,113.44	5,626.60
Less: Outstanding Checks	<u> </u>	<u> </u>	<u> </u>
Balance - April 8, 2011	<u><u>1,513.16</u></u>	<u><u>4,113.44</u></u>	<u><u>5,626.60</u></u>

Borough of Wanaque , N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	F-1	8,912.78
Increased by Receipts:		
Cash Receipts Record		<u>69,807.09</u>
		78,719.87
Decreased by Disbursements:		
Cash Disbursements Record		
Public Assistance - 2010		70,516.50
- SSI		2,340.00
- Due Current Fund		<u>239.55</u>
		<u>73,096.05</u>
Balance - December 31, 2010		<u><u>5,623.82</u></u>

	<u>P.A.T.F.</u> <u>Account #1</u>	<u>P.A.T.F.</u> <u>Account #2</u>	<u>TOTAL</u>
<u>Reconciliation - December 31, 2010</u>			
Balance on Deposit per Statement of: Lakeland State Bank			
Checking	1,512.41	4,350.96	5,863.37
Less: Outstanding Checks	<u>12.95</u>	<u>226.60</u>	<u>239.55</u>
Balance - December 31, 2010	<u><u>1,499.46</u></u>	<u><u>4,124.36</u></u>	<u><u>5,623.82</u></u>

Borough of Wanaque , N.J.

Schedule of Revenues - Cash Basis

Public Assistance Fund

Year Ended December 31, 2010

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
State Aid Payments	56,400.00		56,400.00
Interest Earned	44.09	3.77	40.32
Supplemental Security Income State/Municipal Refund	<u>13,363.00</u>		<u>13,363.00</u>
Total Revenues (P.A.T.F.)	<u>69,807.09</u>	<u>3.77</u>	<u>69,803.32</u>
Total Receipts	<u>69,807.09</u>	<u>3.77</u>	<u>69,803.32</u>
	F-1		

Schedule of Expenditures - Cash Basis

Public Assistance Fund

Year Ended December 31, 2010

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Payments for Current Year Assistance (Reported)			
Maintenance Payments	17,160.00		17,160.00
Other:			
Miscellaneous	2,183.00		2,183.00
Temporary Rental Assistance	<u>51,173.50</u>		<u>51,173.50</u>
Total Payments Reported	70,516.50		70,516.50
Interfund - Current Fund	239.55	12.95	226.60
SSI Payments			
Reimbursement to Clients	<u>2,340.00</u>		<u>2,340.00</u>
Total Disbursements (P.A.T.F.)	<u>73,096.05</u>	<u>12.95</u>	<u>73,083.10</u>
	F-1		

BOROUGH OF WANAQUE

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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James J. Cerullo, CPA, RMA
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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

June 7, 2011

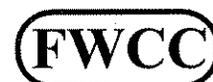
Honorable Mayor and
Members of the Borough Council
Borough of Wanaque
Wanaque, New Jersey 07465

We have audited the financial statements-regulatory basis of the Borough of Wanaque in the County of Passaic as of and for the year ended December 31, 2010, and have issued our report thereon dated June 7, 2011. Our report disclosed that, as described in note 1 to the financial statements-regulatory basis, the Borough of Wanaque prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 audit, we considered the Borough of Wanaque'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-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Wanaque's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Wanaque's internal control over financial reporting.

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

We noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Wanaque in the accompanying comments and recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

June 7, 2011

GENERAL COMMENTS

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, 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."

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$21,000.00 and \$29,000.00 with a qualified purchasing agent. On July 1, 2010, the bid threshold was increased to \$26,000.00 and \$36,000.00 with a qualified purchasing agent..

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$21,000.00 or \$26,000.00 after July 1, 2010, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$29,000.00 or \$36,000.00 after July 1, 2010 within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

Yard Waste Disposal	Police Vehicle Maintenance
Police Vehicle Maintenance	John Deere Backhoe
Reconstruction of Melrose Ave & Furnare Ave. and Repaving of First Aid Parking Lot	

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

GENERAL COMMENTS, (continued)

Inasmuch as the system of records did not provide for an accumulation of payments for 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 violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 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 on January 4, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"Resolved that interest on Tax Title Liens be 8% per annum and interest on delinquent taxes be 8% per annum on amounts less than \$1,500.00 and on any amount in excess of \$1,500.00 the rate shall be 12%."

"Be it further resolved that a grace period of ten (10) days shall be provided within which the installment of taxes may be received without charge for interest."

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 6, 2010.

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	14
2009	13
2008	13

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

GENERAL COMMENTS, (continued)

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices. In addition, we used analytical review procedures to satisfy the validity of the receivables.

The result of the test, which was made as of December 31, 2010, is not yet known but a separate report will be rendered if any irregularities develop.

General Fixed Assets

Our review of the fixed asset recording and reporting system revealed that the fixed asset report was not updated for additions and deletions during 2010. Properly maintaining the fixed asset accounting system will safeguard the Borough's assets from misuse or theft.

School Taxes Payable

The amount due to the local and regional school districts, as of December 31, 2010, was verified by the school secretary.

Revenue

Receipts from licenses, fees, permits, etc., for all departments, including the Municipal Court, were checked to the extent deemed appropriated to the records maintained.

In two instances, plumbing permits were not charged in accordance with the Borough's fee schedule.

Expenditures

In connection with the expenditures, vouchers were examined to the extent deemed necessary to determine that the vouchers carried properly executed certifications as required by statute.

An examination was made of the employees' compensation records to determine that salaries were paid in conformity with amounts of salaries and wages authorized in the ordinance.

The Borough's attorney and the Planning Board attorney were paid through payroll and included on the P.E.R.S. pension report.

Void payroll checks were not recorded properly in the payroll records.

GENERAL COMMENTS, (continued)

Other

The Analysis of General Capital Fund Cash includes cash deficits for ordinances over 5 years old.

Expenditures were made without an appropriation.

There is a deficit in Assessment Fund cash for the 2007 Assessment Bonds.

There is a deficit in the Flexible Spending Reserve in the Other Trust Fund.

There are old receivable balances in General Capital that need to be collected.

RECOMMENDATIONS

It is recommended:

- *1. That the General Fixed Asset Accounting System be updated for additions and disposals made during the year.
2. That all plumbing permits be charged in accordance with the Borough's fee schedule.
3. That the Borough attorney and Planning Board attorney not be paid through payroll and not be included on the P.E.R.S. pension report.
4. That void payroll checks be recorded in the payroll records.
- *5. That cash deficits for ordinances over 5 years old be funded.
- *6. That all expenditures have a legal budget appropriation before being encumbered and paid.
- *7. That the deficit in Assessment Fund cash be funded.
8. That the deficit in the Flexible Spending Reserve be funded.
- *9. That old receivable balances in General Capital Fund be reviewed and proper action taken.

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all items except those marked with an (*).

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
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