

**BOROUGH OF WANAQUE**  
**COUNTY OF PASSAIC**  
**FINANCIAL STATEMENTS WITH**  
**SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2011**

**(WITH INDEPENDENT AUDITOR'S REPORT THEREON)**

**BOROUGH OF WANAQUE**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2011**

# BOROUGH OF WANAQUE

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## INDEPENDENT AUDITOR'S REPORT

May 17, 2012

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, 2011 and 2010, 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, 2011. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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.



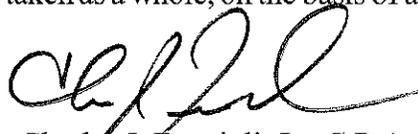
In our opinion, because of the Borough of Wanaque's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Wanaque, New Jersey as of December 31, 2011 and 2010 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, 2011 and \$5,446,872.00 at December 31, 2010; 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, 2011 and 2010, 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, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 17, 2012 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

May 17, 2012



Borough of Wanaque , N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Current Fund:			
Cash	A-4	1,331,490.10	844,589.19
Change Fund	A-6	575.00	575.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	<u>17,654.08</u>	<u>18,533.68</u>
		<u>1,349,719.18</u>	<u>863,697.87</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	659,236.91	642,879.50
Tax Title Liens Receivable	A-9	276,546.09	209,251.88
Property Acquired for Taxes - Assessed Valuation	A-10	388,475.00	388,475.00
Revenue Accounts Receivable	A-11	63,195.70	19,094.41
Due from Passaic County	A-12	9,743.64	10,028.52
Interfund Receivables:			
Animal Control Trust Fund	A-13	7.60	10.01
Water Operating Fund	A-13		19,175.00
Payroll Fund	A-13	1,282.19	423.88
Public Assistance Fund	A-13	12.24	44.09
Assessment Trust Fund	A-13		77,621.59
Sewer Operating Fund	A-13	35,947.01	
General Capital Fund	A-13		<u>289,545.85</u>
		<u>1,434,446.38</u>	<u>1,656,549.73</u>
Deferred Charges:			
Special Emergency Authorization	A-14	675,000.00	375,000.00
Expenditure without Appropriation	A-15		<u>8,148.23</u>
		<u>675,000.00</u>	<u>383,148.23</u>
		<u>3,459,165.56</u>	<u>2,903,395.83</u>
Federal and State Grant Fund:			
State Grants Receivable	A-23	251,864.08	290,212.81
Interfund - Current Fund	A-26	<u>96,855.57</u>	<u>99,675.55</u>
		<u>348,719.65</u>	<u>389,888.36</u>
Total Assets		<u><u>3,807,885.21</u></u>	<u><u>3,293,284.19</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>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-16	562,987.90	212,963.13
Encumbrances Payable	A-17	193,028.54	142,604.63
Prepaid Taxes	A-18	156,448.58	112,203.93
Interfunds Payable			
Other Trust Fund	A-13	158,349.59	116,165.63
Assessment Trust Fund	A-13	57,232.88	
Federal and State Grant Fund	A-13	96,855.57	99,675.55
Water Operating Fund	A-13	3,626.79	
Water Capital Fund	A-13		64,354.03
Local School Tax Payable	A-19	181.00	184.00
Regional School Tax Payable	A-20	9,487.14	
County Taxes Payable	A-21	16,719.19	2,514.03
Deposits for Redemption of Tax Sale Certificates	A-22	1,674.67	
Tax Overpayments	A-22	13,790.09	9,855.66
Special Emergency Note	A-22	375,000.00	
Due to State of NJ:			
Marriage Surcharge	A-22	25.00	25.00
Building Surcharge	A-22	1,308.00	
Reserve for:			
Revaluation / Tax Map	A-22	309,284.15	371,029.75
Police Law Enforcement	A-22	56.64	56.64
Project D.A.R.E.	A-22	15,057.86	10,212.86
Garden State Trust - P.I.L.O.T.	A-22	4,385.00	4,385.00
Fire Prevention Bureau	A-22	20,843.04	14,950.85
		<u>1,996,341.63</u>	<u>1,161,180.69</u>
Reserve for Receivables	Contra	1,434,446.38	1,656,549.73
Fund Balance	A-1	<u>28,377.55</u>	<u>85,665.41</u>
		<u>3,459,165.56</u>	<u>2,903,395.83</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	307,594.03	294,014.39
Unappropriated Reserve for Grants	A-25	41,125.62	95,873.97
		<u>348,719.65</u>	<u>389,888.36</u>
Total Liabilities, Reserves and Fund Balance		<u>3,807,885.21</u>	<u>3,293,284.19</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>2011</u>	<u>2010</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	60,000.00	340,000.00
Miscellaneous Revenue Anticipated	A-2	2,482,350.62	2,327,832.70
Receipts from Delinquent Taxes	A-2	454,662.58	494,026.82
Receipts from Current Taxes	A-2	35,841,370.41	34,722,538.42
Non-Budget Revenue	A-2	281,552.17	78,283.63
Due From Passaic County	A-12	10,028.52	10,194.96
Other Credits to Income:			
Interfunds Returned	A-13	386,820.42	177,933.55
Unexpended Balance of Appropriation Reserves	A-16	98,022.90	84,593.63
Canceled Tax Overpayments			250.00
		<hr/>	<hr/>
Total Revenues and Other Income		39,614,807.62	38,235,653.71
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	4,120,745.00	4,177,125.00
Other Expenses	A-3	4,967,979.94	5,108,166.44
Capital Improvement Fund	A-3	130,294.65	185,000.00
Municipal Debt Service	A-3	1,132,585.54	1,156,167.02
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,208,386.29	576,131.23
Refund of Prior Years Taxes	A-4	30,226.74	11,680.64
Due From Passaic County	A-12	9,743.64	10,028.52
Interfund Advances	A-13	423,590.04	535,214.42
Municipal Open Space	A-13	58,050.62	58,050.61
Expenditure Without Appropriation	A-15		8,148.23
Local District School Tax	A-19	12,841,729.00	12,022,521.00
Regional High School Tax	A-20	7,278,363.46	7,305,806.15
County Taxes including Added Taxes	A-21	7,785,400.56	7,458,031.37
		<hr/>	<hr/>
Total Expenditures		39,987,095.48	38,612,070.63

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

**Current Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Excess (Deficit) Revenue Over Expenditures		(372,287.86)	(376,416.92)
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-14	<u>375,000.00</u>	<u>383,148.23</u>
Statutory Excess to Fund Balance		2,712.14	6,731.31
Fund Balance, January 1,	A	<u>85,665.41</u>	<u>418,934.10</u>
		88,377.55	425,665.41
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-2	<u>60,000.00</u>	<u>340,000.00</u>
Fund Balance, December 31,	A	<u><u>28,377.55</u></u>	<u><u>85,665.41</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, 2011**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	60,000.00	60,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	11,200.00	11,280.00	80.00
Licenses - Other	A-2	7,500.00	7,784.40	284.40
Fees & Permits	A-2	19,850.00	21,057.68	1,207.68
Fines and Costs:				
Municipal Court	A-11	244,000.00	202,448.80	(41,551.20)
Interest and Costs on Taxes	A-5	110,350.00	94,491.10	(15,858.90)
Interest on Investments	A-11	8,400.00	9,158.77	758.77
Consolidated Municipal Property Tax Relief Aid	A-4	142,402.00	142,402.00	
Energy Receipts Tax	A-4	759,956.00	759,956.00	
Garden State Trust PILOT	A-22	4,385.00	4,385.00	
Uniform Construction Code Fees	A-11	65,100.00	71,067.00	5,967.00
Street Lighting Contract	A-12	10,000.00	9,743.64	(256.36)
Clean Communities Program	A-23	14,275.14	14,275.14	
Recycling Tonnage Grant	A-23	18,493.22	18,493.22	
Drunk Driving Enforcement Fund	A-23	2,690.05	2,690.05	
Municipal Alliance	A-23	50,326.00	50,326.00	
NJ Highlands Water Protection	A-23	55,259.28	55,259.28	
Over the Limit Under Arrest	A-23	3,950.00	3,950.00	
Body Armor Replacement Fund	A-23	1,206.28	1,206.28	
Cable TV	A-11	43,617.00	43,617.00	
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	
FEMA	A-11	29,832.97	29,832.97	
Hotel Occupancy Fee	A-11	55,800.00	63,629.40	7,829.40
Social Services Rent	A-11	65,000.00	54,867.50	(10,132.50)
Cellular Tower Lease	A-11	173,500.00	178,280.61	4,780.61
Medicare Reimbursement	A-11	8,237.78	8,237.78	
Assessment Trust Fund Balance	A-11	6,100.00	6,100.00	
Interfund General Capital Fund	A-13	289,545.00	289,545.00	
Interfund Assessment Trust Fund	A-13	77,621.00	77,621.00	
Interfund Water Operating Fund	A-13	19,175.00	19,175.00	
Total Miscellaneous Revenues	A-1	2,529,241.72	2,482,350.62	(46,891.10)
Receipts from Delinquent Taxes	A-1/A-2	591,000.16	454,662.58	(136,337.58)
Subtotal General Revenues		3,180,241.88	2,997,013.20	(183,228.68)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	8,744,853.00	8,741,864.59	(2,988.41)
Budget Totals		11,925,094.88	11,738,877.79	(186,217.09)
Non-Budget Revenue	A-1/A-2		281,552.17	281,552.17
		11,925,094.88	12,020,429.96	95,335.08
Adopted Budget	A-3	11,855,915.91		
Appropriated by N.J.S. 40A:4-87	A-3	69,178.97		
		11,925,094.88		

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, 2011**

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	35,841,370.41
Allocated to School and County Taxes	A-8	<u>27,775,880.82</u>
Balance for Support of Municipal Budget Appropriations		8,065,489.59
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>676,375.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>8,741,864.59</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-8	<u>454,662.58</u>
Licenses - Other:		
Clerk	A-11	4,772.40
Board of Health	A-11	<u>3,012.00</u>
	A-2	<u>7,784.40</u>
Fees & Permits		
Clerk	A-11	830.00
Police	A-11	6,715.35
Board of Health	A-11	<u>13,512.33</u>
	A-2	<u>21,057.68</u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Senior Citizen and Veterans Administrative Fee		2,594.77
Interest and Costs on Assessments		1,677.15
Use of Borough Property		2,180.00
DMV Inspections		5,325.00
Various Refunds		<u>269,775.25</u>
	A-2,A-4	<u>281,552.17</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, 2011

	<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		80,275.00	76,375.00	75,823.01	551.99	
Other Expenses		65,700.00	65,700.00	65,574.04	125.96	
Mayor and Council						
Salaries and Wages		39,000.00	37,500.00	37,499.48	0.52	
Other Expenses		3,000.00	3,000.00	2,511.90	488.10	
Municipal Clerk						
Salaries and Wages		121,500.00	123,000.00	122,720.01	279.99	
Other Expenses		31,500.00	31,500.00	29,140.64	2,359.36	
Elections						
Salaries & Wages		2,500.00	2,500.00	2,141.05	358.95	
Other Expenses		4,000.00	4,000.00	3,204.87	795.13	
Financial Administration:						
Salaries & Wages		107,250.00	107,750.00	106,900.07	849.93	
Other Expenses		8,950.00	8,450.00	5,559.88	2,890.12	
Data Processing		17,500.00	28,700.00	28,700.00		
Miscellaneous Other Expenses		47,500.00	47,500.00	31,038.00	16,462.00	
Collection of Taxes						
Salaries and Wages		55,500.00	54,500.00	53,677.42	822.58	
Other Expenses		7,900.00	7,055.00	6,285.70	769.30	
Assessment of Taxes						
Salaries and Wages		44,500.00	45,345.00	45,213.67	131.33	
Other Expenses		7,475.00	7,475.00	7,468.24	6.76	
Revaluation / Tax Map			75,000.00	9,000.00	66,000.00	
Legal Services and Costs						
Retainer		30,000.00	30,000.00	30,000.00		
Other Expenses		60,000.00	67,500.00	66,215.09	1,284.91	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<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		20,000.00	20,000.00	8,179.39	11,820.61	
Other Expenses						
Planning Board		8,600.00	8,600.00	7,954.25	645.75	
Salaries and Wages		16,275.00	16,275.00	4,566.63	2,708.37	9,000.00
Other Expenses						
Board of Adjustment		5,825.00	5,825.00	5,249.21	575.79	
Salaries and Wages		6,675.00	6,675.00	862.58	812.42	5,000.00
Other Expenses						
Insurance:						
Other Insurance Premiums		406,000.00	406,000.00	399,901.44	6,098.56	
Group Insurance for Employees		924,500.00	913,300.00	897,428.59	15,871.41	
Health Benefit Waiver		100,000.00	100,000.00	100,000.00		
Hurricane Damage		300,000.00	300,000.00	84,530.76	215,469.24	
Police						
Salaries and Wages		2,782,000.00	2,782,000.00	2,747,399.95	34,600.05	
Other Expenses		166,000.00	166,000.00	165,947.39	52.61	
Police Vehicles		33,000.00	65,000.00	65,000.00		
911 Dispatch Services		8,400.00	8,400.00	8,400.00		
Emergency Management Services:						
Salaries and Wages		17,875.00	18,525.00	18,525.00		
Other Expenses		6,100.00	9,820.00	7,527.85	2,292.15	
First Aid Organization Contribution		39,410.00	41,610.00	41,582.02	27.98	
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	71,405.81	4,194.19	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<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>						
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Salaries and Wages		33,150.00	33,350.00	33,322.37	27.63	
Other Expenses		7,532.00	7,532.00	5,812.93	1,719.07	
Municipal Prosecutor Retainer		16,650.00	16,650.00	16,527.34	122.66	
Road Repair and Maintenance						
Salaries and Wages		430,000.00	430,000.00	426,049.00	3,951.00	
Other Expenses		199,450.00	199,450.00	166,149.53	23,300.47	10,000.00
Public Buildings and Grounds						
Salaries and Wages		27,000.00	28,500.00	28,418.51	81.49	
Other Expenses		230,000.00	219,400.00	192,349.44	7,050.56	20,000.00
Garbage and Trash Removal						
Other Expenses		727,500.00	682,655.00	670,251.08	12,403.92	
Municipal Services Act (P.L. 1993, CH. 6)						
Garbage and Trash Removal						
Other Expenses		22,500.00	22,500.00		22,500.00	
Recycling						
Other Expenses		223,000.00	230,000.00	230,000.00		
Board of Health						
Salaries and Wages		94,500.00	79,150.00	78,003.79	1,146.21	
Other Expenses		107,816.00	117,816.00	108,353.13	3,462.87	6,000.00
Parks and Playgrounds:						
Salaries and Wages		6,450.00	7,650.00	7,514.39	135.61	
Other Expenses						
Golden Agers		7,500.00	7,500.00	7,500.00		
Miscellaneous Other Expenses		40,400.00	40,400.00	36,816.68	3,583.32	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<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			130,450.00	130,450.00	123,195.94	4,754.06	2,500.00
Other Expenses			8,500.00	8,500.00	6,453.90	2,046.10	
Uniform Construction Code Officials							
Salaries and Wages			118,000.00	109,800.00	109,141.03	658.97	
Other Expenses			5,000.00	5,000.00	4,043.83	956.17	
Electrical Inspector							
Salaries and Wages			12,850.00	14,550.00	13,880.11	669.89	
Plumbing Inspector							
Salaries and Wages			12,850.00	16,850.00	16,849.33	0.67	
Fire Sub-Code Official							
Salaries and Wages			7,025.00	7,025.00	6,856.71	168.29	
Gasoline			100,000.00	115,000.00	115,000.00		
Telephone			28,000.00	30,125.00	26,594.97	3,530.03	
Street Lighting			62,500.00	57,000.00	56,987.65	12.35	
Celebration of Public Events							
Other Expenses			12,000.00	12,600.00	11,960.31	639.69	
<b>Total Operations within "CAPS"</b>			<b>8,051,408.00</b>	<b>8,426,408.00</b>	<b>7,891,640.91</b>	<b>482,267.09</b>	<b>52,500.00</b>
<b>Detail:</b>							
Salaries and Wages		A-1	4,141,100.00	4,123,245.00	4,070,334.30	50,410.70	2,500.00
Other Expenses		A-1	3,910,308.00	4,303,163.00	3,821,306.61	431,856.39	50,000.00

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<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		8,148.23	8,148.23	8,148.23		
Deficit in Flexible Spending Account		1,174.06	1,174.06	1,174.06		
Statutory Expenditures:						
Contribution to:						
Public Employee Retirement System		267,997.00	267,997.00	267,997.00		
Social Security System (O.A.S.I.)		183,000.00	183,000.00	167,279.19	5,720.81	10,000.00
Police and Firemen's Retirement System of NJ		619,067.00	619,067.00	619,067.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>1,079,386.29</u>	<u>1,079,386.29</u>	<u>1,063,665.48</u>	<u>5,720.81</u>	<u>10,000.00</u>
Total General Appropriations for Municipal Purposes within "CAPS"		<u>9,130,794.29</u>	<u>9,505,794.29</u>	<u>8,955,306.39</u>	<u>487,987.90</u>	<u>62,500.00</u>
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		449,764.00	449,764.00	449,764.00		
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	
Interlocal Municipal Service Agreements:						
Street Lighting		10,000.00	10,000.00	10,000.00		
Other Expenses						
Public and Private Programs Offset by Revenues		18,852.97	18,852.97	18,852.97		
FEMA Reimbursement		14,275.14	14,275.14	14,275.14		
Clean Communities Program		3,950.00	3,950.00	3,950.00		
Over the Limit Under Arrest						

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Drunk Driving Enforcement Fund		2,690.05	2,690.05	2,690.05		
NJ Highlands Water Protection		55,259.28	55,259.28	55,259.28		
Recycling Tonnage Grant		18,493.22	18,493.22	18,493.22		
Municipal Alliance		50,326.00	50,326.00	50,326.00		
Body Armor Replacement Program		1,206.28	1,206.28	1,206.28		
Total Operations - Excluded from "CAPS"		714,816.94	714,816.94	639,816.94	75,000.00	
Detail:						
Other Expenses	A-1	714,816.94	714,816.94	639,816.94	75,000.00	
Capital Improvements:						
Capital Improvement Fund		130,294.65	130,294.65	130,294.65		
Total Capital Improvements Excluded from "CAPS"	A-1	130,294.65	130,294.65	130,294.65		
Municipal Debt Service:						
Payment of Bond Principal		669,000.00	669,000.00	669,000.00		
Interest on Bonds		337,305.00	337,730.00	337,729.51		0.49
Interest on Notes		19,643.00	19,218.00	17,991.00		1,227.00
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		81,462.00	81,462.00	81,462.00		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,133,814.00	1,133,814.00	1,132,585.54		1,228.46
Deferred Charges:						
Special Emergency Authorizations		75,000.00	75,000.00	75,000.00		
Deficit in Assessment Cash		64,000.00	64,000.00	64,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	139,000.00	139,000.00	139,000.00		

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>2,117,925.59</u>	<u>2,117,925.59</u>	<u>2,041,697.13</u>	<u>75,000.00</u>	<u>1,228.46</u>
Subtotal General Appropriations		<u>11,248,719.88</u>	<u>11,623,719.88</u>	<u>10,997,003.52</u>	<u>562,987.90</u>	<u>63,728.46</u>
Reserve for Uncollected Taxes		<u>676,375.00</u>	<u>676,375.00</u>	<u>676,375.00</u>		
Total General Appropriations		<u>11,925,094.88</u>	<u>12,300,094.88</u>	<u>11,673,378.52</u>	<u>562,987.90</u>	<u>63,728.46</u>
			A-2		A	
Adopted Budget	A-2		11,855,915.91			
Appropriated by (N.J.S. 40A:4-87)	A-2		69,178.97			
Emergency Appropriation	A-14		375,000.00			
			<u>12,300,094.88</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			676,375.00		
Cash Disbursed	A-4			10,559,626.78		
Deferred Charges						
Expenditure without Appropriation	A-15			8,148.23		
Special Emergency Authorization	A-13			75,000.00		
Encumbrances Payable	A-16			193,028.54		
Reserve for Tax Appeals	A-21			15,000.00		
Reserve for Federal and State Grants	A-23			146,199.97		
				<u>11,673,378.52</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>2011</u>	<u>2010</u>
<b>Assessment Trust Fund</b>			
Cash	B-4, B-5	48,030.43	183,436.32
Assessments Receivable	B-6	28,592.67	33,141.25
Interfund - Current Fund	B-7	57,232.88	
Prospective Assessments Funded	B-8	<u>337,000.00</u>	<u>337,000.00</u>
		<u>470,855.98</u>	<u>553,577.57</u>
<b>Animal Control Trust Fund:</b>			
Cash	B-4		351.61
Deficit in Animal Control Expenditures	B-11	<u>298.81</u>	
		<u>298.81</u>	<u>351.61</u>
<b>Other Trust Funds:</b>			
Cash	B-4	2,454,102.79	2,525,056.98
Interfund - Current Fund	B-7	158,349.59	116,165.63
Interfund - Payroll Fund	B-15	<u>6,318.38</u>	<u>32,393.38</u>
		<u>2,618,770.76</u>	<u>2,673,615.99</u>
<b>Recreation Trust Fund</b>			
Cash	B-4	<u>33,507.17</u>	<u>29,810.14</u>
		<u>33,507.17</u>	<u>29,810.14</u>
<b>Payroll Agency Trust Fund</b>			
Cash	B-4	<u>54,221.35</u>	<u>66,759.11</u>
		<u>54,221.35</u>	<u>66,759.11</u>
<b>Emergency Services Volunteer Length of Service Award Program (Unaudited)</b>			
Cash in Plan	B-4	759,196.78	734,396.12
Contributions Receivable	B-19	<u>78,200.00</u>	<u>69,000.00</u>
		<u>837,396.78</u>	<u>803,396.12</u>
<b>Total Assets</b>		<u><u>4,015,050.85</u></u>	<u><u>4,127,510.54</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>Liabilities, Reserves &amp; Fund Balance</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<b>Assessment Trust Fund</b>			
Interfund - Current Fund	B-7		77,621.59
Assessment Serial Bonds	B-9	365,000.00	428,000.00
Reserve for Assessments and Liens	B-10	104,422.53	41,817.76
Fund Balance	B-1	1,433.45	6,138.22
		<u>470,855.98</u>	<u>553,577.57</u>
<b>Animal Control Trust Fund:</b>			
Cash Deficit	B-4	291.21	
Interfund - Current Fund	B-7	7.60	10.01
Reserve for Animal Control Expenditures	B-11		341.60
		<u>298.81</u>	<u>351.61</u>
<b>Other Trust Fund:</b>			
Developers Escrow	B-13	62,664.47	65,759.16
Various Reserves	B-13	2,214,179.26	2,231,186.47
Reserve for Municipal Open Space	B-14	341,927.03	283,238.36
Interfund - General Capital Fund	B-15		93,432.00
		<u>2,618,770.76</u>	<u>2,673,615.99</u>
<b>Recreation Trust Fund:</b>			
Reserve for Recreation Expenditures	B-16	33,507.17	29,810.14
<b>Payroll Agency Trust Fund</b>			
Interfund - Current Fund	B-7	1,282.19	423.88
Payroll Deductions Payable	B-17	46,620.78	33,941.85
Interfund - Other Trust Fund	B-18	6,318.38	32,393.38
		<u>54,221.35</u>	<u>66,759.11</u>
<b>Emergency Services Volunteer Length of Service Award Program (Unaudited)</b>			
Net Assets Available for Benefits	B-20	837,396.78	803,396.12
		<u>837,396.78</u>	<u>803,396.12</u>
<b>Total Liabilities, Reserves and Fund Balances</b>		<u><u>4,015,050.85</u></u>	<u><u>4,127,510.54</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, 2011**

Balance - December 31, 2010	<u>Ref.</u> B	6,138.22
Increased by:		
Collection of Unpledged Assessments	B-10	<u>1,395.23</u>
		7,533.45
Decreased by:		
Payment to Current Fund as Anticipated Revenue	B-4	<u>6,100.00</u>
Balance - December 31, 2011	B	<u><u>1,433.45</u></u>

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

**Exhibit B-2**

**Borough of Wanaque, N.J.**

**Schedule of Revenues - Regulatory Basis**

**Assessment Trust Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash	B-3	<u>63,000.00</u>	<u>63,000.00</u>
		<u>63,000.00</u>	<u>63,000.00</u>

**Exhibit B-3**

**Schedule of Expenditures - Regulatory Basis**

**Assessment Trust Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	B-2	<u>63,000.00</u>	<u>63,000.00</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>2011</u>	<u>2010</u>
<u>Assets</u>			
Cash	C-2/C-3	2,171,415.52	1,856,567.24
Various Grants Receivable	C-4	672,417.86	696,819.86
Deferred Charges to Future Taxation:			
Funded	C-5	7,706,822.40	8,475,084.45
Deferred Charges to Future Taxation:			
Unfunded	C-6	5,091,950.00	4,776,950.00
Prospective Assessments Raised by Taxation	C-7	39,300.00	39,300.00
Interfund - Other Trust Fund	C-15		93,432.00
Total Assets		<u>15,681,905.78</u>	<u>15,938,153.55</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	7,538,000.00	8,207,000.00
Bond Anticipation Notes	C-9	3,816,450.00	2,221,250.00
Loan Payable - DEP. - Back Beach Phase II	C-10	88,822.40	113,084.45
Capital Leases Payable	C-11	80,000.00	155,000.00
Improvement Authorizations:			
Funded	C-12	1,171,682.94	1,334,855.28
Unfunded	C-12	2,144,402.82	2,315,165.00
Capital Improvement Fund	C-13	199,717.65	199,423.00
Reserve for:			
Debt Service	C-14	538,426.95	998,426.95
Prospective Assessments Raised by Taxation	contra	39,300.00	39,300.00
Interfund - Current Fund	C-15		289,545.85
Fund Balance	C-1	65,103.02	65,103.02
Total Liabilities, Reserves and Fund Balance		<u>15,681,905.78</u>	<u>15,938,153.55</u>

Footnote: There were \$1,275,500.00 of Bonds and Notes Authorized But Not Issued on  
December 31, 2011 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, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	<u>65,103.02</u>
Balance - December 31, 2011	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>2011</u>	<u>2010</u>
<u>Assets</u>			
<b>Operating Fund:</b>			
Cash	D-5	499,710.74	445,199.39
Change Fund	D-6	100.00	100.00
Interfund - Current Fund	D-9	3,626.79	
Interfund - Water Utility Capital Fund	D-9		1,795.87
		503,437.53	447,095.26
Receivables with Full Reserves:			
Consumers Account Receivable	D-10	173,459.36	206,238.96
Water Liens Receivable	D-11	1,013.02	606.02
		174,472.38	206,844.98
<b>Total Operating Fund</b>		677,909.91	653,940.24
<b>Capital Fund:</b>			
Cash	D-5/D-8	2,412,087.38	2,503,147.43
Fixed Capital	D-12	6,561,880.87	6,561,880.87
Fixed Capital Authorized and Uncompleted	D-13	3,771,009.94	3,542,009.94
Interfund - Water Utility Operating Fund	D-26	197,329.31	
Interfund - Current Fund	D-26		64,354.03
		12,942,307.50	12,671,392.27
<b>Total Capital Fund</b>		12,942,307.50	12,671,392.27
<b>Total Assets</b>		13,620,217.41	13,325,332.51

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>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<b>Operating Fund:</b>			
Interfund - Water Utility Capital Fund	D-9	197,329.31	
Interfund - Current Fund	D-9		19,175.00
Appropriation Reserve	D-4/D-14	33,135.39	29,032.65
Encumbrances Payable	D-15	23,917.64	33,202.00
Accrued Interest on Bonds	D-16	92,166.66	38,893.66
Accrued Interest on Notes	D-17	5,065.00	1,200.00
Security Deposits Payable	D-18	375.00	375.00
Reserve for Water Improvement Escrow	D-19		228,413.85
Water Rent Overpayments	D-20	1,122.30	1,339.07
		<u>353,111.30</u>	<u>351,631.23</u>
Reserve for Receivables	Contra	174,472.38	206,844.98
Fund Balance	D-1	<u>150,326.23</u>	<u>95,464.03</u>
<b>Total Operating Fund</b>		<u>677,909.91</u>	<u>653,940.24</u>
<b>Capital Fund:</b>			
Serial Bonds Payable	D-21	4,487,000.00	4,647,000.00
Bond Anticipation Notes	D-22	770,000.00	770,000.00
Improvement Authorizations:			
Funded	D-23	2,530,582.21	2,355,960.41
Unfunded	D-23	48,188.64	113,600.00
Capital Improvement Fund	D-24	29,946.22	87,445.56
Reserve for Amortization	D-25	4,524,880.87	4,364,880.87
Interfund - Water Utility Operating Fund	D-26		1,795.87
Reserve for Deferred Amortization	D-27	551,009.94	322,009.94
Fund Balance	D-2	<u>699.62</u>	<u>8,699.62</u>
<b>Total Capital Fund</b>		<u>12,942,307.50</u>	<u>12,671,392.27</u>
<b>Total Liabilities, Reserves and Fund Balances</b>		<u>13,620,217.41</u>	<u>13,325,332.51</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, 2011

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>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	56,258.08	50,000.00
Rents	D-3	1,453,497.21	1,251,923.00
Miscellaneous Anticipated	D-3	68,375.75	2,593.31
Interlocal Service Agreement - WBSA	D-3	150,000.00	156,000.00
Water Capital Fund Surplus	D-3	8,000.00	
Additional Water Rents			222,354.08
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	<u>19,247.32</u>	<u>53,921.43</u>
Total Income		<u>1,755,378.36</u>	<u>1,736,791.82</u>
Expenditures:			
Operating	D-4	1,145,000.00	1,185,000.00
Capital Improvements			65,000.00
Debt Service	D-4	452,258.08	297,897.00
Deferred Charges and Statutory Expenditures	D-4	<u>47,000.00</u>	<u>121,829.49</u>
Total Expenditures		<u>1,644,258.08</u>	<u>1,669,726.49</u>
Deficit in Revenue over Expenditures		111,120.28	67,065.33
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years		<u>                    </u>	<u>                    </u>
Statutory Excess to Surplus		111,120.28	67,065.33
Fund Balance - January 1,	D	<u>95,464.03</u>	<u>78,398.70</u>
		206,584.31	145,464.03
Decreased by:			
Utilized as Anticipated Revenue		<u>56,258.08</u>	<u>50,000.00</u>
Fund Balance - December 31,	D	<u><u>150,326.23</u></u>	<u><u>95,464.03</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, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	8,699.62
Decreased by:		
Anticipated as 2011 Revenue	D-5	<u>8,000.00</u>
Balance - December 31, 2011	D	<u><u>699.62</u></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, 2011

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	56,258.08	56,258.08	
Rents	D-1,D-7	1,474,000.00	1,453,497.21	(20,502.79)
Interlocal Service Agreement - Sewer Utility	D-1, D-5	156,000.00	150,000.00	(6,000.00)
Water Capital Surplus	D-1, D-5	8,000.00	8,000.00	
Miscellaneous	D-1		<u>68,375.75</u>	<u>68,375.75</u>
Budget Totals		<u>1,694,258.08</u>	<u>1,736,131.04</u>	<u>41,872.96</u>
		D-4		

Analysis Realized Revenues

Miscellaneous:

Interest on Deposits:	D-5		5,184.47	
Interest Subsidy	D-5		61,391.28	
Installation of Outside Meters, Connection and Repair Charges	D-7		<u>1,800.00</u>	
			<u>68,375.75</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, 2011

	Ref.	Appropriated		Expended	Unexpended	
		Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operating:						
Salaries and Wages		540,000.00	540,000.00	537,388.93	2,611.07	
Other Expenses		600,000.00	600,000.00	525,664.56	24,335.44	50,000.00
Purchase of Water		55,000.00	55,000.00	48,870.58	6,129.42	
Total Operating	D-1	<u>1,195,000.00</u>	<u>1,195,000.00</u>	<u>1,111,924.07</u>	<u>33,075.93</u>	<u>50,000.00</u>
Debt Service:						
Payment of Bond Principal		160,000.00	160,000.00	160,000.00		
Interest on Bonds		282,156.08	282,156.08	282,156.08		
Interest on Notes		10,102.00	10,102.00	10,102.00		
Total Debt Service	D-1	<u>452,258.08</u>	<u>452,258.08</u>	<u>452,258.08</u>		
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)		42,000.00	42,000.00	41,940.54	59.46	
Unemployment Compensation Insurance		5,000.00	5,000.00	5,000.00		
Total Deferred Charges and Statutory Expenditures	D-1	<u>47,000.00</u>	<u>47,000.00</u>	<u>46,940.54</u>	<u>59.46</u>	
		<u>1,694,258.08</u>	<u>1,694,258.08</u>	<u>1,611,122.69</u>	<u>33,135.39</u>	<u>50,000.00</u>
			D-3		D	
Cash Disbursed	D-5			1,294,946.97		
Encumbrances Payable	D-15			23,917.64		
Interest on Bonds	D-16			282,156.08		
Interest on Notes	D-17			10,102.00		
				<u>1,611,122.69</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>2011</u>	<u>2010</u>
<u>Assets</u>			
<b>Operating Fund:</b>			
Cash	E-4	<u>1,012,029.66</u>	<u>971,270.13</u>
Receivables with Full Reserves:			
Consumers Account Receivable	E-8	296,927.76	249,560.25
Sewer Liens Receivable	E-9	8,357.15	1,895.16
Connection Fees Receivable	E-10	<u>270,914.01</u>	<u>270,914.01</u>
		<u>576,198.92</u>	<u>522,369.42</u>
<b>Total Operating Fund</b>		<u>1,588,228.58</u>	<u>1,493,639.55</u>
<b>Capital Fund:</b>			
Cash	E-4/E-6	2,370,593.33	2,553,986.76
Fixed Capital	E-11	13,724,733.73	13,724,733.73
Fixed Capital Authorized and Uncompleted	E-12	2,095,763.50	2,055,763.50
Interfund - Sewer Utility Operating Fund	E-20	<u>178,220.81</u>	<u>221,567.16</u>
<b>Total Capital Fund</b>		<u>18,369,311.37</u>	<u>18,556,051.15</u>
<b>Total Assets</b>		<u>19,957,539.95</u>	<u>20,049,690.70</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>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<b>Operating Fund:</b>			
Interfund - Sewer Utility Capital Fund	E-7	178,220.81	221,567.18
Interfund - Current Fund	E-7	35,947.01	
Appropriation Reserve	E-3/E-13	134,263.68	174,755.68
Encumbrances Payable	E-14	12,248.16	1,699.80
Deferred Revenue - Connection Fees	E-15	61,932.82	61,932.82
Sewer Overpayments	E-15	624.94	
Due to WVRSA	E-15		171,933.12
Reserve for Sewer Improvement Escrow	E-15	45,000.00	45,000.00
Reserve for O&M Requirement	E-15	57,000.00	57,000.00
Accrued Interest on Bonds	E-16	79,197.91	23,139.58
		<u>604,435.33</u>	<u>757,028.18</u>
Reserve for Receivables	Contra	576,198.92	522,369.42
Fund Balance	E-1	<u>407,594.33</u>	<u>214,241.95</u>
<b>Total Operating Fund</b>		<u>1,588,228.58</u>	<u>1,493,639.55</u>
<b>Capital Fund:</b>			
Serial Bonds Payable	E-17	8,034,786.40	8,479,913.40
Improvement Authorizations:			
Funded	E-18	1,879,800.99	1,877,853.59
Reserve for Amortization	E-19	7,745,710.83	7,300,583.83
Bond & Debt Service Reserve Fund	E-21	669,013.15	897,700.33
Deferred Reserve for Amortization	E-22	<u>40,000.00</u>	
<b>Total Capital Fund</b>		<u>18,369,311.37</u>	<u>18,556,051.15</u>
<b>Total Liabilities, Reserves and Fund Balances</b>		<u>19,957,539.95</u>	<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, 2011.

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

## Sewer Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Surplus Anticipated	E-2	100,000.00	
Transfer from WBSA			5,015.68
Rents	E-2	3,972,634.04	4,090,456.79
Miscellaneous Anticipated	E-2	23,599.66	39,457.43
Interlocal Service Agreement - WBSA	E-2	8,813.00	11,677.30
Refund of Prior Year Expenditures			60,374.80
Canceled Accounts Payable			19,259.95
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	E-13	174,755.68	
Total Income		<u>4,279,802.38</u>	<u>4,226,241.95</u>
Expenditures:			
Operating	E-3	2,950,000.00	2,894,000.00
Capital Improvements	E-3	150,000.00	173,325.00
Debt Service	E-3	886,450.00	887,675.00
O&M Requirement			57,000.00
Total Expenditures		<u>3,986,450.00</u>	<u>4,012,000.00</u>
Excess in Revenue over Expenditures		293,352.38	214,241.95
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years			
Statutory Excess to Surplus		293,352.38	214,241.95
Fund Balance - January 1,	E	<u>214,241.95</u>	
		507,594.33	214,241.95
Decreased by:			
Utilized as Anticipated Revenue		<u>100,000.00</u>	
Fund Balance - December 31,	E	<u><u>407,594.33</u></u>	<u><u>214,241.95</u></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**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	E-1	100,000.00	100,000.00	
Rents	E-1,E-5	3,853,450.00	3,972,634.04	119,184.04
Connection Fees	E-1,E-5	8,000.00	8,813.00	813.00
Miscellaneous	E-1	<u>25,000.00</u>	<u>23,599.66</u>	<u>(1,400.34)</u>
 Budget Totals		 <u>3,986,450.00</u>	 <u>4,105,046.70</u>	 <u>118,596.70</u>
		E-3		

Analysis Realized Revenues

Miscellaneous:

Interest on Deposits

21,056.49

Miscellaneous Reimbursements

2,543.17

E-4

23,599.66

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, 2011

	Ref.	Appropriated		Expended	
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:					
Other Expenses		100,000.00	100,000.00	75,736.32	24,263.68
Interlocal Water Utility		150,000.00	150,000.00	150,000.00	
Interlocal WVRSA		<u>2,700,000.00</u>	<u>2,700,000.00</u>	<u>2,700,000.00</u>	
Total Operating	E-1	<u>2,950,000.00</u>	<u>2,950,000.00</u>	<u>2,925,736.32</u>	<u>24,263.68</u>
Capital Improvements:					
Capital Outlay		<u>150,000.00</u>	<u>150,000.00</u>	<u>40,000.00</u>	<u>110,000.00</u>
Total Capital Improvements	E-1	<u>150,000.00</u>	<u>150,000.00</u>	<u>40,000.00</u>	<u>110,000.00</u>
Debt Service:					
Payment of Bond Principal		185,126.80	185,126.80	185,126.80	
Interest on Bonds		<u>701,323.20</u>	<u>701,323.20</u>	<u>701,323.20</u>	
Total Debt Service	E-1	<u>886,450.00</u>	<u>886,450.00</u>	<u>886,450.00</u>	
		<u>3,986,450.00</u>	<u>3,986,450.00</u>	<u>3,852,186.32</u>	<u>134,263.68</u>
			E-2		E
Cash Disbursed	E-4			3,138,614.96	
Encumbrances Payable	E-14			12,248.16	
Interest on Bonds	E-16			<u>701,323.20</u>	
				<u>3,852,186.32</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

Public Assistance Fund

December 31,

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Cash	F-1	<u>5,591.97</u>	<u>5,623.82</u>
Total Assets		<u><u>5,591.97</u></u>	<u><u>5,623.82</u></u>
<u>Liabilities</u>			
Reserve for Public Assistance		5,579.73	5,579.73
Interfund - Current Fund		<u>12.24</u>	<u>44.09</u>
Total Liabilities		<u><u>5,591.97</u></u>	<u><u>5,623.82</u></u>

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

**Borough of Wanaque, N.J.**

**Statement of General Fixed Assets - Regulatory Basis**

**December 31, 2011**

	<u>2011</u>	<u>2010</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, 2011 and 2010**

**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, 2011 and 2010**  
**(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, 2011 and 2010**  
**(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, 2011 and 2010**  
**(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, 2011 and 2010**  
**(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 2011, the Borough Council increased the original budget by \$444,178.97. This increase was funded by additional aid allotted the Borough in the amount of \$69,178.97, a \$75,000.00 Special Emergency for Revaluation/Tax Map and a \$300,000.00 Special Emergency for Hurricane Damage. 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, 2011 and 2010**  
**(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, 2011 and 2010**  
**(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, 2011 and 2010**  
**(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, 2011, \$-0- of the Borough's bank balance of \$12,657,202.40 was exposed to custodial credit risk.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(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, 2011 and 2010 amounted to \$759,196.78 and \$734,396.12, respectively.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(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, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Fixed Income	\$268,864.10	\$226,620.26
Index Funds	135,271.36	137,369.44
Growth Funds	105,131.15	104,047.93
Value Funds	96,672.53	111,513.34
All Others	<u>153,257.64</u>	<u>154,845.15</u>
 Total	 <u>\$759,196.78</u>	 <u>\$734,396.12</u>

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2011 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$8,207,000.00	\$	\$669,000.00	\$7,538,000.00	\$641,000.00
Trust Assessment	428,000.00		63,000.00	365,000.00	66,000.00
Water Utility	4,647,000.00		160,000.00	4,487,000.00	105,000.00
Sewer Utility	8,479,913.40	2,995,000.00	3,440,127.00	8,034,786.40	172,525.05
Other Liabilities:					
Compensated Absences Payable	737,745.22	65,487.79	68,119.46	735,113.55	
Deferred Pension Liability	315,277.00			315,277.00	13,678.00
New Jersey:					
- Back Beach Park					
Phase II Loan	113,084.45		24,262.05	88,822.40	24,749.72
Capital Lease - Improvement Authority	<u>155,000.00</u>		<u>75,000.00</u>	<u>80,000.00</u>	<u>80,000.00</u>
	<u>\$23,083,020.07</u>	<u>\$3,060,487.79</u>	<u>\$4,499,508.51</u>	<u>\$21,643,999.35</u>	<u>\$1,102,952.77</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(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 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued:</u>			
Assessment Bonds	\$365,000.00	\$428,000.00	\$489,000.00
General Bonds, Notes and Loans	11,443,272.40	10,541,334.45	11,297,368.44
Water Utility - Bonds, Notes and Loans	5,257,000.00	5,417,000.00	3,178,000.00
Sewer Utility - Bonds, Notes and Loans	<u>8,034,786.40</u>	<u>8,479,913.40</u>	<u>                    </u>
Total Issued	<u>25,100,058.80</u>	<u>24,866,247.85</u>	<u>14,964,368.44</u>
 Less:			
Funds Temporarily Held to Pay			
Bonds and Notes:			
General	<u>642,256.81</u>	<u>1,098,103.46</u>	<u>1,357,451.50</u>
Net Debt Issued	<u>24,457,801.99</u>	<u>23,768,144.39</u>	<u>13,606,916.94</u>
 <u>Authorized But Not Issued</u>			
General Bonds and Notes	1,275,500.00	2,555,700.00	725,150.00
Water Utility - Bonds and Notes	<u>                    </u>	<u>                    </u>	<u>2,424,000.00</u>
Total Authorized But Not Issued	<u>1,275,500.00</u>	<u>2,555,700.00</u>	<u>3,149,150.00</u>
 Less Deductions:			
Self Liquidating	<u>13,291,786.40</u>	<u>13,896,913.40</u>	<u>4,545,324.20</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$12,441,515.59</u>	<u>\$12,426,930.99</u>	<u>\$12,210,742.74</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(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 .92%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$15,840,599.28	\$15,840,599.28	\$0.00
Regional High School District Debt	1,102,213.49	1,102,213.49	0.00
Water Utility Debt	5,257,000.00	5,257,000.00	0.00
Sewer Utility Debt	8,034,786.40	8,034,786.40	0.00
General Debt	<u>13,083,772.40</u>	<u>642,256.81</u>	<u>12,441,515.59</u>
	<u>\$43,318,371.57</u>	<u>\$30,876,855.98</u>	<u>\$12,441,515.59</u>

Net Debt \$12,441,515.59 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,351,016,994.67 equals .92%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$47,285,594.81
Net Debt	<u>12,441,515.59</u>
Remaining Borrowing Power	<u>\$34,844,079.22</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(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		\$1,736,131.04
Deductions:		
Operating and Maintenance Cost	\$1,192,000.00	
Debt Service per Water Account	<u>452,258.08</u>	
Total Deductions		<u>1,644,258.08</u>
Excess in Revenue		<u>\$91,872.96</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		\$4,105,046.70
Deductions:		
Operating and Maintenance Cost	\$2,950,000.00	
Debt Service per Sewer Account	<u>886,450.00</u>	
Total Deductions		<u>3,836,450.00</u>
Excess in Revenue		<u>\$268,596.70</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, 2011 and 2010**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's long term debt consisted of the following at December 31, 2011:

<u>Paid by Current Fund</u>	<u>Debt Outstanding</u>
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	\$1,975,000.00
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	5,563,000.00
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>88,822.40</u>
Total Current Fund	<u>7,626,822.40</u>
 <u>Paid by Water Utility Fund</u>	
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	726,000.00
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	1,457,000.00
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>4,487,000.00</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	142,525.05
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	2,760,000.00
Sewer Revenue Refunding Bonds - Series 2011 with an interest rate of 3.00%-4.00% issued September 7, 2011, due in installments through December 1, 2017	<u>2,995,000.00</u>
	<u>8,034,786.40</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(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	\$142,000.00
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>223,000.00</u>
Total Trust Assessment Fund	<u>365,000.00</u>
	<u>\$20,513,608.80</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 \$1,275,500.00

**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>
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	32,000.00	3,306.00	275,000.00	192,374.38
2017-2021	63,000.00	2,625.00	1,875,000.00	748,187.50
2022-2026			2,450,000.00	288,687.50
2027			<u>113,000.00</u>	<u>2,401.25</u>
	<u>\$365,000.00</u>	<u>\$43,147.00</u>	<u>\$7,626,822.40</u>	<u>\$2,253,774.13</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(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>
2012	\$105,000.00	\$221,922.48	\$172,525.05	\$653,049.75
2013	230,000.00	215,943.10	625,000.00	219,450.00
2014	285,000.00	206,427.48	645,000.00	200,400.00
2015	311,000.00	195,094.10	670,000.00	180,700.00
2016	125,000.00	186,632.60	695,000.00	153,900.00
2017-2021	1,255,000.00	804,744.00	3,090,000.00	395,487.50
2022-2026	1,125,000.00	493,475.50	1,653,629.70	1,956,370.30
2027-2031	<u>1,051,000.00</u>	<u>196,978.00</u>	<u>483,631.65</u>	<u>821,368.35</u>
	<u>\$4,487,000.00</u>	<u>\$2,521,217.26</u>	<u>\$8,034,786.40</u>	<u>\$4,580,725.90</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, 2011, the Borough had \$3,816,450.00 in outstanding general capital bond anticipation notes and \$770,000 water capital bond anticipation notes, maturing on March 2, 2012 at an interest rate of 1.25%.



**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

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

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

	Regional High School Taxes	
	Balance Dec. 31, 2011	Balance Dec. 31, 2010
Balance of Tax	\$3,554,837.46	\$3,733,013.14
Deferred	<u>3,545,350.32</u>	<u>3,733,013.14</u>
Taxes Payable	<u>\$ 9,487.14</u>	<u>\$ - 0 -</u>

Local school taxes have been raised on a calendar year basis and there is no deferred liability at December 31, 2011.

**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, 2011 and 2010**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Public Employees' Retirement System (PERS), (continued)*

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

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

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

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

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(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 compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. 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.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

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.

Significant Legislation

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 8 1/4 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, 2011 and 2010**  
**(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 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. 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>
2011	\$267,997.00	\$619,067.00
2010	194,746.60	507,803.00
2009	100,319.00	254,245.00

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 \$1,500.00 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 \$5,000.00 annually, the official may choose to waive 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, 2011 and 2010**  
**(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.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 7, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

**Plan Description**

The Borough of Wanaque contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 9. OTHER POST-EMPLOYMENT BENEFITS, (continued)**

**Plan Description, (continued)**

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>

**Plan Coverage**

Any employee who retires after twenty-five (25) years or more of service within a state administered pension system shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough.

**Funding Policy**

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough of on a monthly basis. The rates charges by the system for the year ended December 31, 2011 were as follows:

The Borough of Wanaque's contributions to SHBP for post-retirement benefits for the year ended December 31, 2011 was \$187,416.20 which equaled the required contributions for the year.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 10. FUND BALANCES**

Fund balances as of December 31, 2011 that have been anticipated as revenue in the 2012 budget is as follows:

Current Fund	\$-0-
Water Operating Fund	101,181.00
Sewer Operating Fund	174,530.00

**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, 2011 and December 31, 2010 are as follows:

	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</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 \$735,113.55 as of December 31, 2011. 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, 2011 and 2010**  
**(continued)**

**NOTE 13. DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2011 consist of the following:

\$7.60	Due to Current Fund from Animal Control Trust Fund for interest earned on deposits.
1,282.19	Due to Current Fund from Payroll Fund for interest earned on deposits.
12.24	Due to Current Fund from Public Assistance Fund for interest earned on deposits.
35,947.01	Due to Current Fund from Sewer Operating Fund for Sewer Operating Fund expenditures paid by Current Fund.
96,855.57	Due to Federal and State Grant Fund from Current Fund for grant receipts deposited in Current Fund.
57,232.88	Due to Assessment Trust Fund from Current Fund for budget appropriation.
197,329.31	Due to Water Capital Fund from Water Operating Fund for improvement authorization.
3,626.79	Due to Water Operating Fund from Current Fund for Water Operating Fund receipts deposited in Current Fund.
158,349.59	Due to Other Trust Fund from Current Fund for Other Trust receipts deposited in Current Fund.
6,318.38	Due to Other Trust Fund from Payroll Fund for Other Trust Fund receipts deposited in the Payroll Fund.
<u>178,220.81</u>	Due to Sewer Capital Fund from Sewer Operating Fund for Sewer Capital Fund receipts deposited in Sewer Operating Fund.
<u>\$735,182.37</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, 2011 and 2010**  
**(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>
2012	<u>\$82,200.00</u>	<u>\$80,000.00</u>	<u>\$2,200.00</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 2011 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, 2011 and 2010**  
**(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, 2011</u>	<u>Balance</u> <u>Dec 31, 2010</u>
Prepaid Taxes	<u>\$156,448.58</u>	<u>\$112,203.93</u>
Cash Liability for Taxes Collected in Advance	<u>\$156,448.58</u>	<u>\$112,203.93</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, 2011 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, 2011 and 2010**  
**(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>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate:</u>	<u>6.302</u>	<u>6.112</u>	<u>5.835</u>
Apportionment of Tax Rate:			
Municipal	1.432090	1.4454	1.3649
Municipal Open Space	.01001	.010	.010
County	1.34115	1.2849	1.2207
Local School	2.217	2.0717	2.0123
Regional High School	1.2241	1.30	1.2271
Library	.07765		

Assessed Valuation:

2011	<u>\$579,259,284.00</u>		
2010		<u>\$580,331,284.00</u>	
2009			<u>\$577,156,626.00</u>
2008			

**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>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$36,583,440.15	\$35,841,370.41	97.97%
2010	35,481,805.63	34,722,538.42	97.86
2009	33,765,295.28	33,059,889.66	97.91

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Dec. 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$276,546.09	\$659,236.91	\$935,783.00	2.56%
2010	209,251.88	642,879.50	852,131.38	2.40
2009	90,817.84	622,240.45	713,058.29	2.11

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2011	\$388,475.00
2010	388,475.00
2009	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>
2011	\$28,377.55	\$-0-
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

<u>Water Utility Operating Fund</u>		
<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$150,326.23	\$101,181.00
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

<u>Sewer Utility Operating Fund</u>		
<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$407,594.33	\$174,530.00
2010	214,241.95	100,000.00

**COMPARISON OF WATER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2011	\$1,421,116.75	\$1,453,497.21
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

**COMPARISON OF SEWER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2011	\$4,026,448.11	\$3,972,634.04
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	
Dominick Cortellessa	Councilman	
Edward Leonard	Councilman	
Donald D. Pasquariello	Councilman	
Robert Pettet	Councilman	
George Theoharous	Councilman	
Thomas F. Carroll	Administrator	
Katherine Falone	Borough Clerk	
Ann Smolen	Tax Collector	
Mary Ann Brindisi	Chief Financial Officer	
Joseph Perconti	Acting Magistrate	
Kathleen Gallanthen	Court Administrator	
John Reno	Police Chief	
Jeffrey Brusco	Building Inspector	
Michael Reiff	Water Department Supervisor	
Christopher Chapman	Health Officer	
Brian Townsend	Tax Assessor	
Richard A. Alaimo Associates	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, 2011

Name of Federal Agency or Department	Federal Program	C.F.D.A./ Account No.	Total Grant Award	Balance Jan. 1, 2011	Receipts/ Revenues	Expended	Balance Dec. 31, 2011	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	9,400.00		9,400.00		9,400.00	3,950.00
Department of Homeland Security	Buffer Zone Protection Program	97.078	100,150.00		34,274.73	34,274.73		99,693.92
	Public Assistance Grant Program	97.036	18,852.97		18,852.97	18,852.97		18,852.97
Dept of Housing and Urban Development	(1) Community Development Block Grant	14.218	127,000.00			420.00	(420.00)	420.00
Pass Through Funds: County of Passaic			83,800.00		61,902.00	61,902.00		61,902.00
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
				(502.07)	124,429.70	119,399.70	4,527.93	288,684.96

(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, 2011

Name of State Agency or Department	State Program	State Program / Account No.	Total Grant Award	Balance Jan. 1, 2011	Receipts/ Revenues	Expended	Balance Dec. 31, 2011	Cumulative Expenditures
Department of Environmental Protection and Energy	Clean Communities Grant	4900-765-042-4900-004-VCMC-6020	15,679.08	14,857.02	15,679.08	14,857.02	15,679.08	15,679.08
			14,857.02	14,275.14	14,275.14	14,857.02	14,857.02	
			14,275.14	11,130.06	11,130.06	14,275.14	14,275.14	
			11,130.06	1,045.96	1,045.96	11,130.06	11,130.06	
			1,045.96	10,400.73	10,400.73	1,045.96	1,045.96	
			10,400.73	1,582.73	1,582.73	10,400.73	10,400.73	
			1,582.73	7,902.94	7,902.94	1,582.73	1,582.73	
			7,902.94	8,712.10	8,712.10	7,902.94	7,902.94	
			8,712.10	335.12	335.12	8,712.10	8,712.10	
			335.12	9,040.98	9,040.98	335.12	335.12	
9,040.98	62.50	62.50	9,040.98	9,040.98				
62.50	8,777.72	8,777.72	62.50	62.50				
8,777.72			8,777.72	8,777.72				
5,665.99			5,665.99	5,665.99				
479.36			479.36	479.36				
8,298.36			8,298.36	8,298.36				
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	5,763.24	4,310.64	5,763.24	4,310.64	5,763.24	5,763.24
			4,310.64	2,690.05	2,690.05	4,310.64	4,310.64	
			2,690.05	3,319.50	3,319.50	2,690.05	2,690.05	
			3,319.50	1,343.04	1,343.04	3,319.50	3,319.50	
			1,343.04	1,311.74	1,311.74	1,343.04	1,343.04	
			1,311.74	2,507.33	2,507.33	1,311.74	1,311.74	
			2,507.33			2,507.33	2,507.33	
1,887.71			1,887.71	1,887.71				
653.55			653.55	653.55				
374.82			374.82	374.82				
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653.55			653.55	653.55				
374.82			374.82	374.82				
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2,186.83			2,186.83	2,186.83				
2,620.00			2,620.00	2,620.00				
1,804.24			1,804.24	1,804.24				
1,887.71			1,887.71	1,887.71				
653.55			653.55	653.55				
374.8								



## Borough of Wanaque, N.J.

## Schedule of Cash - Treasurer

## Current Fund

## Year Ended December 31, 2011

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2010	A		844,589.19
Increased by Receipts:			
Consolidated Municipal Property Tax Relief Aid	A-2	142,402.00	
Energy Receipts Tax	A-2	759,956.00	
Miscellaneous Revenue Not Anticipated	A-2	281,552.17	
Tax Collector	A-5	36,931,641.63	
Revenue Accounts Receivable	A-11	938,831.91	
Due From Passaic County - Street Lighting	A-12	10,028.52	
Interfunds	A-13	644,834.63	
Various Cash Liabilities and Reserves	A-22	<u>396,690.67</u>	
			<u>40,105,937.53</u>
			40,950,526.72
Decreased by Disbursements:			
Refund Prior Years Revenue	A-1	30,226.74	
Current Year Budget Appropriations	A-3	10,559,626.78	
Interfunds	A-13	317,444.25	
Appropriation Reserves	A-16	257,544.86	
Local District School Taxes	A-19	12,841,732.00	
Regional High School Taxes	A-20	7,268,876.32	
County Taxes Payable	A-21	7,771,195.40	
Various Cash Liabilities and Reserves	A-22	<u>572,390.27</u>	
			<u>39,619,036.62</u>
Balance - December 31, 2011	A		<u><u>1,331,490.10</u></u>

**Borough of Wanaque , N.J.**

**Schedule of Cash - Collector-Treasurer**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2	94,491.10	
Due from NJ Senior Citizens & Vets	A-7	129,738.35	
Property Taxes Receivable	A-8	36,054,970.31	
Prepaid Taxes	A-18	156,448.58	
Deposits for Redemption of Tax Sale Certificate:	A-22	400,636.97	
Tax Overpayments	A-22	<u>95,356.32</u>	
			<u><u>36,931,641.63</u></u>
Decreased by Disbursements:			
Paid to Treasurer	A-4		<u><u>36,931,641.63</u></u>

Borough of Wanaque , N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	A	<u>575.00</u>
Balance - December 31, 2011	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, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	A	18,533.68
Increased by:		
Senior Citizens' Deductions Per Tax Billing		25,806.72
Veterans' Deductions Per Tax Billing		105,750.00
Senior Citizens' and Veterans' Allowed by Tax Collector		<u>1,500.00</u>
		133,056.72
Less: Senior Citizens Deduction Disallowed		<u>4,197.97</u>
	A-8	<u>128,858.75</u>
		147,392.43
Decreased by:		
Cash Receipts	A-5	<u>129,738.35</u>
Balance - December 31, 2011	A	<u><u>17,654.08</u></u>

Borough of Wanaque, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2011

Year prior 2011	Balance, Dec. 31, 2010	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2011
			2010	2011				
	642,879.50	78,519.98	112,203.93	457,912.58	(3,250.00)	1,786.58	111,092.72	75,337.62
		36,504,920.17	112,203.93	35,597,057.73	132,108.75	63,448.55	94,721.90	583,899.29
	<u>642,879.50</u>	<u>78,519.98</u>	<u>112,203.93</u>	<u>36,054,970.31</u>	<u>128,858.75</u>	<u>65,235.13</u>	<u>205,814.62</u>	<u>659,236.91</u>
	A		A-2/A-18	A-2/A-5	A-2/A-7	A-9		A

Analysis of Tax Levy

	Ref.
Tax yield:	
General Purpose Tax	36,504,920.17
Added Tax (R.S. 54:4-63.1 et seq.)	<u>78,519.98</u>
	<u>36,583,440.15</u>
Tax Levy:	
Municipal Open Space Tax	57,926.00
Added Municipal Open Space Tax	<u>124.62</u>
	58,050.62
Local District School Tax	12,841,729.00
Regional High School Tax	7,090,700.64
County Tax	7,768,681.37
Added County Taxes	<u>16,719.19</u>
	<u>7,785,400.56</u>
	27,775,880.82
Local Tax for Municipal Purposes	8,744,853.00
Additional Taxes	<u>62,706.33</u>
	<u>8,807,559.33</u>
	<u>36,583,440.15</u>

**Borough of Wanaque , N.J.**

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	<u>Ref.</u> A		209,251.88
Increased by:			
Interest and Costs on Tax Sale		2,059.08	
Transfer from Taxes Receivable	A-8	<u>65,235.13</u>	
			<u>67,294.21</u>
Balance - December 31, 2011	A		<u><u>276,546.09</u></u>

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

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	<u>Ref.</u> A		<u><u>388,475.00</u></u>
Balance - December 31, 2011	A		<u><u>388,475.00</u></u>

## Borough of Wanaque , N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

## Year Ended December 31, 2011

	Ref.	Balance Dec. 31, 2010	Accrued	Collected	Balance Dec. 31, 2011
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		11,280.00	11,280.00	
Other	A-2		4,772.40	4,772.40	
Fees and Permits	A-2		830.00	830.00	
Health Department					
Licenses:					
Other	A-2		3,012.00	3,012.00	
Fees and Permits	A-2		13,512.33	13,512.33	
Police Department					
Fees and Permits	A-2		6,715.35	6,715.35	
Municipal Court :					
Fines and Costs	A-2	17,026.70	196,922.50	202,448.80	11,500.40
Construction Code					
Fees	A-2		71,067.00	71,067.00	
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	
FEMA	A-2		29,832.97	29,832.97	
Hotel Occupancy Fee	A-2		63,629.40	63,629.40	
Social Services Rent	A-2		54,867.50	54,867.50	
Medicare Reimbursement	A-2		8,237.78	8,237.78	
Pilot Program			51,690.04		51,690.04
Assessment Trust Fund Balance	A-2		6,100.00	6,100.00	
Cable TV	A-2		43,617.00	43,617.00	
Cellular Tower Lease	A-2	2,060.00	176,220.61	178,280.61	
Interest on Investments and Deposits	A-2	7.71	9,156.32	9,158.77	5.26
		<u>19,094.41</u>	<u>982,933.20</u>	<u>938,831.91</u>	<u>63,195.70</u>
		A		A-4	A

**Borough of Wanaque , N.J.**

**Schedule of Due from County of Passaic**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A, A-1	10,028.52
Increased by:		
Street Lighting Contract Fees	A-2	<u>9,743.64</u>
		19,772.16
Decreased by:		
Receipts	A-4	<u>10,028.52</u>
Balance - December 31, 2011	A, A-1	<u><u>9,743.64</u></u>

Borough of Wanaque , N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2011

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2011</u>
Other Trust	A	(116,165.63)	158,349.59	116,165.63	(158,349.59)
Public Assistance	A	44.09	12.24	44.09	12.24
General Capital Fund	A	289,545.85		289,545.85	
Animal Control Trust	A	10.01	7.60	10.01	7.60
Payroll Fund	A	423.88	1,282.19	423.88	1,282.19
Assessment Trust Fund	A	77,621.59		134,854.47	(57,232.88)
Water Operating Fund	A	19,175.00		22,801.79	(3,626.79)
Water Capital Fund	A	(64,354.03)		64,354.03	
Sewer Operating Fund	A		35,947.01		35,947.01
State and Federal Grant Fund	A	(99,675.55)	96,855.57	99,675.55	(96,855.57)
		<u>106,625.21</u>	<u>292,454.20</u>	<u>727,875.30</u>	<u>(278,815.79)</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	386,820.42			423,590.04
2011 Anticipated Revenue	A-2				(386,341.00)
Due From Current Fund	A	(280,195.21)			(316,064.83)
		<u>106,625.21</u>			<u>(278,815.79)</u>
Municipal Open Space Tax	A-1, A-8		58,050.62		
Disbursed	A-4		37,249.04	280,195.21	
Received	A-4		197,154.54	447,680.09	
			<u>292,454.20</u>	<u>727,875.30</u>	

Borough of Wanaque, N.J.

Schedule of Deferred Charges

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

Year Ended December 31, 2011

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance, Dec. 31, 2010	Amount Resulting From 2011	Amount in 2011 Budget	Balance, Dec. 31, 2011
12/13/10	Revaluation / Tax Map	375,000.00	75,000.00	375,000.00		75,000.00	300,000.00
06/13/11	Revaluation / Tax Map	75,000.00	15,000.00		75,000.00		75,000.00
09/12/11	Hurricane Damage	300,000.00	60,000.00		300,000.00		300,000.00
				<u>375,000.00</u>	<u>375,000.00</u>	<u>75,000.00</u>	<u>675,000.00</u>
				A	A-3	A-3	A

**Exhibit A-15**

**Borough of Wanaque , N.J.**

**Schedule of Deferred Charges**

**Year Ended December 31, 2011**

<u>Purpose</u>	Balance, Dec. 31, <u>2010</u>	Amount in 2011 <u>Budget</u>	Balance, Dec. 31, <u>2011</u>
Expenditure without Appropriation- Highlands Council	8,148.23	8,148.23	
	<u>8,148.23</u>	<u>8,148.23</u>	
	A	A-3	A

## Borough of Wanaque , N.J.

## Schedule of Appropriation Reserves

## Current Fund

## Year Ended December 31, 2011

<u>Appropriations</u>	Balance Dec. 31, 2010	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
General Government:				
Administrative and Executive				
Salaries and Wages	2,841.31	341.31		341.31
Other Expenses	202.10	1,484.09	1,444.65	39.44
Mayor and Council				
Salaries and Wages	0.52	0.52		0.52
Other Expenses	119.12	119.12		119.12
Municipal Clerk				
Other Expenses	345.28	358.97	13.69	345.28
Elections				
Salaries and Wages	33.44	33.44		33.44
Other Expenses	111.79	111.79	42.47	69.32
Financial Administration				
Salaries and Wages	547.08	547.08		547.08
Other Expenses		260.00	168.96	91.04
Data Processing	281.26	281.26		281.26
Miscellaneous Other Expenses	7,435.35	1,735.35		1,735.35
Collection of Taxes				
Salaries and Wages	350.85	350.85		350.85
Other Expenses	259.46	259.46		259.46
Assessment of Taxes				
Salaries and Wages	134.24	134.24		134.24
Other Expenses	67.48	2,567.48		2,567.48
Legal Services				
Other Expenses	1,126.42	9,626.42	9,593.34	33.08
Engineering Services and Costs				
Other Expenses	2,027.03	2,027.03	190.00	1,837.03
Planning Board				
Other Expenses	476.00	376.00		376.00
Board of Adjustment				
Salaries and Wages	103.01	3.01		3.01
Other Expenses	1,807.67	7.67		7.67
Insurance				
Other Insurance Premiums	63.63	663.63		663.63
Employee Group Health	12,442.60	12,442.60		12,442.60

## Borough of Wanaque , N.J.

## Schedule of Appropriation Reserves

## Current Fund

## Year Ended December 31, 2011

	Balance Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Police				
Salaries and Wages	53,594.74	48,194.74	30,985.60	17,209.14
Other Expenses	4,860.16	27,977.34	25,808.22	2,169.12
Police Vehicles		1,500.00	1,500.00	
911 Dispatch Services	312.00	312.00		312.00
Emergency Management Services				
Salaries and Wages	272.62	272.62		272.62
Other Expenses	117.24	3,232.50	3,101.67	130.83
First Aid Organization Contribution		1,999.64	1,986.56	13.08
Fire				
Other Expenses	434.78	31,214.84	28,361.74	2,853.10
Uniform Fire Safety Act (Ch. 383, P.L. 1983)				
Salaries and Wages	0.70	0.70		0.70
Other Expenses	120.09	120.09		120.09
Municipal Prosecutor				
Retainer	289.94	289.94		289.94
Road Repair and Maintenance				
Salaries and Wages	6,290.03	3,165.03		3,165.03
Other Expenses	635.60	10,806.91	10,258.26	548.65
Public Buildings and Grounds				
Salaries and Wages	735.12	735.12		735.12
Other Expenses	346.98	13,870.03	13,604.62	265.41
Garbage and Trash Removal				
Other Expenses	556.95	30,056.95	28,832.00	1,224.95
Municipal Services Act (P.L. 1993, CH. 6)				
Garbage and Trash Removal				
Other Expenses	11,160.00	11,160.00	11,160.00	
Recycling				
Other Expenses	814.03	11,262.03	2,888.00	8,374.03
Board Of Health:				
Salaries and Wages	1,572.06	1,572.06		1,572.06
Other Expenses	108.20	1,908.20	1,859.00	49.20
Administration of Public Assistance				
Other Expenses	208.50	208.50		208.50
Parks and Playgrounds				
Salaries and Wages	767.84	767.84		767.84
Other Expenses	4,493.50	21,168.50	13,232.82	7,935.68

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2011

	Balance Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Municipal Court				
Salaries and Wages	4,034.90	4,034.90		4,034.90
Other Expenses	925.25	2,040.74	1,115.49	925.25
Uniform Construction Code Officials				
Salaries and Wages	652.61	652.61		652.61
Other Expenses	1,552.38	1,614.83	62.45	1,552.38
Plumbing Inspector				
Salaries and Wages	1,111.46	101.46		101.46
Gasoline	38.32	3,632.62		3,632.62
Telephone	4,263.19	4,550.73	287.54	4,263.19
Street Lighting	563.01	2,057.68	2,047.78	9.90
Celebration of Public Events				
Other Expenses	699.00	699.00		699.00
Contribution to:				
Social Security System (O.A.S.A.)	3,573.54	3,573.54		3,573.54
Increased Costs: Public Employee Retirement System	0.40	0.40		0.40
Watershed Management				
Other Expenses	2,000.00	2,000.00		2,000.00
Emergency Services Volunteer Length of Service				
Award Program	75,000.00	75,000.00	69,000.00	6,000.00
Interlocal: Street Lighting				
Other Expenses	82.35	82.35		82.35
	<u>212,963.13</u>	<u>355,567.76</u>	<u>257,544.86</u>	<u>98,022.90</u>
	A		A-4	A-1
		Ref.		
Appropriation Reserves		above	212,963.13	
Transfer from Reserve for Encumbrances		A-17	<u>142,604.63</u>	
			<u>355,567.76</u>	

**Borough of Wanaque , N.J.**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A	142,604.63
Increased by:		
Transfer from Current Appropriations	A-3	193,028.54
		<u>335,633.17</u>
Decreased by:		
Transferred to Appropriation Reserves	A-16	142,604.63
		<u>142,604.63</u>
Balance - December 31, 2011	A	<u><u>193,028.54</u></u>

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	A	112,203.93
Increased by:		
Receipts - Prepaid 2012 Taxes	A-5	156,448.58
		<u>268,652.51</u>
Decreased by:		
Applied to 2011 Taxes	A-8	112,203.93
		<u>112,203.93</u>
Balance - December 31, 2011	A	<u><u>156,448.58</u></u>

**Borough of Wanaque , N.J.**

**Schedule of Local District School Tax**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	<u>Ref.</u> A	184.00
Increased by:		
Levy Calendar Year , 2011	A-8	<u>12,841,729.00</u>
		12,841,913.00
Decreased by:		
Payments	A-4	<u>12,841,732.00</u>
Balance - December 31, 2011	A	<u><u>181.00</u></u>
2011 Liability for Local District School Tax:		
Tax Paid		12,841,732.00
Tax Payable December 31, 2011		<u>181.00</u>
		12,841,913.00
Less Tax Payable December 31, 2010		<u>184.00</u>
Amount Charged to 2011 Operations	A-1	<u><u>12,841,729.00</u></u>

Borough of Wanaque , N.J.

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010			
School Tax Deferred			3,733,013.14
Increased by:			
Levy School Year - July 1, 2011			
to June 30, 2012	A-8		<u>7,090,700.64</u>
			10,823,713.78
Decreased by:			
Payments	A-4		<u>7,268,876.32</u>
Balance - December 31, 2011			
School Tax Payable	A	9,487.14	
School Tax Deferred		<u>3,545,350.32</u>	
			<u><u>3,554,837.46</u></u>
2011 Liability for Regional High			
School Tax			
Tax Paid			7,268,876.32
Tax Payable December 31, 2011			<u>9,487.14</u>
Amount Charged to 2011 Operations	A-1		<u><u>7,278,363.46</u></u>

**Borough of Wanaque , N.J.**  
**Schedule of County Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	A		2,514.03
Increased by:			
Tax Levy -2011			
County Tax		7,768,681.37	
Added and Omitted Taxes		<u>16,719.19</u>	
	A-1/A-8		<u>7,785,400.56</u>
			7,787,914.59
Decreased by:			
Payments	A-4		<u>7,771,195.40</u>
Balance - December 31, 2011	A		<u><u>16,719.19</u></u>

Borough of Wanaque , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2011

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
<u>Liabilities:</u>				
Deposits for Redemption of Tax Sale Certificates		400,636.97	398,962.30	1,674.67
Tax Overpayments	9,855.66	95,356.32	91,421.89	13,790.09
Special Emergency Note		375,000.00		375,000.00
Due to State of N.J. Marriage Surcharge	25.00	825.00	825.00	25.00
Due to State of N.J. Building Surcharge		4,580.00	3,272.00	1,308.00
<u>Reserves for:</u>				
Revaluation / Tax Map	371,029.75		61,745.60	309,284.15
Police Law Enforcement	56.64			56.64
Project D.A.R.E.	10,212.86	4,845.00		15,057.86
Garden State Trust - P.I.L.O.T.	4,385.00	4,385.00	4,385.00	4,385.00
Tax Appeals		15,000.00	15,000.00	
Fire Prevention Bureau	14,950.85	7,055.67	1,163.48	20,843.04
	<u>410,515.76</u>	<u>907,683.96</u>	<u>576,775.27</u>	<u>741,424.45</u>
	A			A
	<u>Ref.</u>			
Realized as Anticipated Revenue	A-2		4,385.00	
Appropriations Payable	A-3	15,000.00		
Receipts	A-4	396,690.67		
Disbursed	A-4		572,390.27	
Tax Overpayments	A-5	95,356.32		
Deposits for Redemption of Tax Sale Certificates	A-5	400,636.97		
		<u>907,683.96</u>	<u>576,775.27</u>	

Borough of Wanaque , N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	<u>Balance, Dec. 31, 2010</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Balance, Dec. 31, 2011</u>
Federal Grants:				
Over the Limit Under Arrest		3,950.00	3,950.00	
U.S. Department of Justice - Universal Hiring	25,000.00			25,000.00
Buffer Zone Protection Program	35,080.81		34,274.73	806.08
	<u>60,080.81</u>	<u>3,950.00</u>	<u>38,224.73</u>	<u>25,806.08</u>
State Grants:				
Drunk Driving Enforcement Fund		2,690.05	2,690.05	
Municipal Alliance Grant	54,400.00	50,326.00	54,400.00	50,326.00
Division of Criminal Justice - Body Armor Grant		1,206.28	1,206.28	
Passaic County Tobacco Grant	2,982.00			2,982.00
Clean Communities Program		14,275.14	14,275.14	
Passaic County Open Space & Recreation Grant	75,000.00			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
Recycling Tonnage Grant		18,493.22	18,493.22	
NJ Highlands Water Protection		55,259.28	55,259.28	
	<u>230,132.00</u>	<u>142,249.97</u>	<u>146,323.97</u>	<u>226,058.00</u>
	<u>290,212.81</u>	<u>146,199.97</u>	<u>184,548.70</u>	<u>251,864.08</u>
	A	A-2		A
		<u>Ref.</u>		
Transfer from Unappropriated Reserve for Grants	A-25		95,873.97	
Interfund - Current Fund	A-26		88,674.73	
			<u>184,548.70</u>	

## Borough of Wanaque , N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

## Year Ended December 31, 2011

<u>Grant</u>	<u>Balance, Dec. 31, 2010</u>	<u>Transfer From 2011 Budget</u>	<u>Expended</u>	<u>Balance, Dec. 31, 2011</u>
Federal Grants				
Over the Limit or Under Arrest		3,950.00	3,950.00	
Click It or Ticket	4,000.00			4,000.00
Buffer Zone Protection Program	35,080.81		34,274.73	806.08
Municipal Stormwater Grant	16,547.93			16,547.93
	<u>55,628.74</u>	<u>3,950.00</u>	<u>38,224.73</u>	<u>21,354.01</u>
State Grants:				
Clean Communities Program	71,215.49	14,275.14	5,665.99	79,824.64
Body Armor Fund	2,065.39	1,206.28	1,206.28	2,065.39
Alcohol Education and Rehabilitation Fund	6,595.57		700.00	5,895.57
Drunk Driving Enforcement Fund	10,284.92	2,690.05	3,781.00	9,193.97
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
NJ SLA HEOP Grant	2,405.72			2,405.72
Recycling Tonnage Grant	13,149.54	18,493.22		31,642.76
Municipal Alliance Grant	24,764.53	50,326.00	66,422.33	8,668.20
NJ Highlands Water Protection		55,259.28	16,620.00	38,639.28
Passaic County Open Space & Recreation Grant	75,000.00			75,000.00
	<u>238,385.65</u>	<u>142,249.97</u>	<u>94,395.60</u>	<u>286,240.02</u>
	<u>294,014.39</u>	<u>146,199.97</u>	<u>132,620.33</u>	<u>307,594.03</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, 2011

<u>Grant</u>	<u>Balance, Dec. 31, 2010</u>	<u>Transfer To 2011 Budget</u>	<u>Received</u>	<u>Balance, Dec. 31, 2011</u>
Federal Grants:				
Over the Limit Under Arrest	3,950.00	3,950.00	9,400.00	9,400.00
	<u>3,950.00</u>	<u>3,950.00</u>	<u>9,400.00</u>	<u>9,400.00</u>
State Grants:				
Drunk Driving Enforcement Fund	2,690.05	2,690.05	5,763.24	5,763.24
NJ Highlands Water Protection	55,259.28	55,259.28		
Alcohol Education and Rehabilitation Fund			1,887.71	1,887.71
Body Armor Fund	1,206.28	1,206.28	2,204.15	2,204.15
Recycling Tonnage Grant	18,493.22	18,493.22	6,191.44	6,191.44
Clean Communities	14,275.14	14,275.14	15,679.08	15,679.08
	<u>91,923.97</u>	<u>91,923.97</u>	<u>31,725.62</u>	<u>31,725.62</u>
	<u>95,873.97</u>	<u>95,873.97</u>	<u>41,125.62</u>	<u>41,125.62</u>
	A	A-23	A-26	A

**Borough of Wanaque , N.J.**

**Schedule of Due from Current Fund**

**Federal and State Grant Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	A		99,675.55
Increased by:			
Federal and State Grant Receipts	A-23	88,674.73	
Unappropriated Reserves	A-25	<u>41,125.62</u>	
			<u>129,800.35</u>
			229,475.90
Decreased by:			
Federal and State Grant Expenditures	A-24		<u>132,620.33</u>
Balance - December 31, 2011	A		<u><u>96,855.57</u></u>

## Borough of Wanaque, N.J.

## Schedule of Cash

## Trust Funds

## Year Ended December 31, 2011

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>	<u>Recreation Trust Fund</u>	<u>Payroll Agency Fund</u>	<u>L.O.S.A.P.</u>
Balance - December 31, 2010	B	183,436.32	351.61	2,525,056.98	29,810.14	66,759.11	734,396.12
Increased by Receipts:							
Assessments Receivable	B-6	4,548.58					
Interfund - Current Fund	B-7	8,147.85	7.60	183,917.84		1,282.19	
Budget Appropriation	B-10	64,000.00					
Animal Control Fees	B-11		12,097.00				
Due to State of New Jersey	B-12		1,434.00				
Other Trust Funds	B-13			274,331.35			
Municipal Open Space Tax	B-14			58,688.67			
Interfunds	B-15			32,393.38			
Recreation Trust	B-16				75,456.50		
Payroll Deductions Payable	B-17					6,290,777.92	
Interfund - Other Trust Fund	B-18					6,318.38	
Contributions Receivable	B-19						69,000.00
Net Assets Available for Benefits	B-20						(5,086.86)
Total Receipts		<u>76,696.43</u>	<u>13,538.60</u>	<u>549,331.24</u>	<u>75,456.50</u>	<u>6,298,378.49</u>	<u>63,913.14</u>
		<u>260,132.75</u>	<u>13,890.21</u>	<u>3,074,388.22</u>	<u>105,266.64</u>	<u>6,365,137.60</u>	<u>798,309.26</u>
Decreased by Disbursements:							
Interfund - Current Fund	B-7	143,002.32	10.01	226,101.80		423.88	
Assessment Bonds	B-9	63,000.00					
Reserve for Animal Control Trust Fund Expenditures	B-11		12,737.41				
Due to State of New Jersey	B-12		1,434.00				
Other Trust Funds	B-13			294,433.25			
Municipal Open Space	B-14						
Interfunds	B-15			99,750.38			
Recreation Trust	B-16				71,759.47		
Payroll Deductions Payable	B-17					6,278,098.99	
Net Assets Available for Benefits	B-20						39,112.48
Total Disbursements		<u>212,102.32</u>	<u>14,181.42</u>	<u>620,285.43</u>	<u>71,759.47</u>	<u>6,310,916.25</u>	<u>39,112.48</u>
Balance - December 31, 2011	B	<u>48,030.43</u>	<u>(291.21)</u>	<u>2,454,102.79</u>	<u>33,507.17</u>	<u>54,221.35</u>	<u>759,196.78</u>

**Borough of Wanaque, N.J.**

**Analysis of Assessment Cash**

**Assessment Trust Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Pledged to Assessment Serial Bonds of 2004		135,829.86
Pledged to Assessment Serial Bonds of 2007		(32,000.00)
Interfund - Current Fund	B-7	(57,232.88)
Fund Balance	B-1	<u>1,433.45</u>
		<u>48,030.43</u>
		B

Borough of Wanaque, N.J.

Schedule of Assessments Receivable

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Balance Dec. 31, 2010</u>	<u>Collected</u>	<u>Balance Dec. 31, 2011</u>	<u>Bonds</u>	<u>Balance Pledged to Reserve</u>
2-0-97/	Improvement to the Sanitary						
5-0-98	Sewerage Collection System	7/14/2003	23,817.76	1,395.23	22,422.53		22,422.53
13-0-01	Construction of Sidewalks on Ringwood Avenue	4/18/2005	9,323.49	3,153.35	6,170.14	6,170.14	
			<u>33,141.25</u>	<u>4,548.58</u>	<u>28,592.67</u>	<u>6,170.14</u>	<u>22,422.53</u>
			B	B-4	B		

Borough of Wanaque, N.J.

Schedule of Interfund - Current Fund

Year Ended December 31, 2011

	Due to/(from) Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2011</u>
Animal Control Trust Fund	10.01	7.60	10.01	7.60
Assessment Trust Fund	77,621.59	8,147.85	143,002.32	(57,232.88)
Payroll Agency Fund	423.88	1,282.19	423.88	1,282.19
Other Trust Fund	<u>(116,165.63)</u>	<u>226,101.80</u>	<u>183,917.84</u>	<u>(158,349.59)</u>
	<u>(38,110.15)</u>	<u>235,539.44</u>	<u>327,354.05</u>	<u>(214,292.68)</u>
	B			B
	<u>Ref.</u>			
Cash Receipts - Assessment Trust Fund	B-4	8,147.85		
Cash Receipts - Animal Control Trust	B-4	7.60		
Cash Receipts - Other Trust Fund	B-4		183,917.84	
Cash Receipts - Payroll Fund	B-4	1,282.19		
Cash Disbursements - Assessment Trust Fund	B-4		143,002.32	
Cash Disbursements - Animal Control Trust	B-4		10.01	
Cash Disbursements - Other Trust Fund	B-4	226,101.80		
Cash Disbursements - Payroll Fund	B-4		423.88	
		<u>235,539.44</u>	<u>327,354.05</u>	

**Exhibit B-8**

**Borough of Wanaque, N.J.**

**Schedule of Prospective Assessments Funded**

**Year Ended December 31, 2011**

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2011</u>	<u>Bonds</u>	<u>Balance Pledged to Reserve</u>
Ringwood Ave Sidewalks	8-0-03	337,000.00	337,000.00	255,000.00	82,000.00
		<u>337,000.00</u>	<u>337,000.00</u>	<u>255,000.00</u>	<u>82,000.00</u>
		B	B		

Borough of Wanaque, N.J.

Schedule of Assessment Serial Bonds Payable

Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2011		Interest Rate	Balance, Dec. 31, 2010	Decreased	Balance, Dec. 31, 2011
			Date	Amount				
Construction of Sidewalks - Ringwood Avenue	02/15/04	200,000.00	02/15/12	34,000.00				
			02/15/13-14	37,000.00				
			02/15/15	34,000.00	3.80%	173,000.00	31,000.00	142,000.00
Ringwood Avenue Sidewalks	8/9/2007	319,000.00	02/01/12-17	32,000.00				
			02/01/18	31,000.00	4.125%-4.20%	255,000.00	32,000.00	223,000.00
						<u>428,000.00</u>	<u>63,000.00</u>	<u>365,000.00</u>
						B	B-4	B

Borough of Wanaque, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Collections		Balance Dec. 31, 2011
			to Surplus	Budget Appropriation	
<u>Assessments Receivable</u>					
2-0-97/	Improvement to the Sanitary				
5-0-98	Sewerage Collection System	23,817.76	1,395.23		22,422.53
		<u>23,817.76</u>	<u>1,395.23</u>		<u>22,422.53</u>
<u>Prospective Assessments Funded</u>					
8-0-03	Ringwood Avenue Sidewalks	18,000.00		64,000.00	82,000.00
		<u>18,000.00</u>		<u>64,000.00</u>	<u>82,000.00</u>
		<u>41,817.76</u>	<u>1,395.23</u>	<u>64,000.00</u>	<u>104,422.53</u>
		B	B-1	B-4	B

Borough of Wanaque, N.J.

Schedule of Reserve for/Deficit in Animal Control Fund Expenditures

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	341.60
Increased by:		
Collections		
Dog License Fees - 2011		9,504.00
Cat License Fees - 2011		2,124.00
Late Charge Fees		465.00
Miscellaneous		4.00
	B-4	<u>12,097.00</u>
		12,438.60
Decreased by:		
Expenditures R.S. 4:19-15.11	B-4	<u>12,737.41</u>
Balance - December 31, 2011	B	<u><u>(298.81)</u></u>

License Fees Collected

<u>Year</u>	
2010	10,292.40
2009	<u>9,158.40</u>
	<u><u>19,450.80</u></u>

Schedule of Due to State Department of Health

Year Ended December 31, 2011

	<u>Ref.</u>	
Increased by:		
State Fees Collected	B-4	<u><u>1,434.00</u></u>
Decreased by:		
Paid to State	B-4	<u><u>1,434.00</u></u>

**Borough of Wanaque, N.J.**

**Schedule of Other Trust Funds**

**Year Ended December 31, 2011**

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Developers Escrow	65,759.16	25,392.75	28,487.44	62,664.47
Reserve for:				
Unemployment	40,574.87	34,793.51	24,082.51	51,285.87
Parking Offenses Adjudication Act	3,161.00	292.00	471.99	2,981.01
Welcome Bricks	3,270.00	1,200.00	2,850.00	1,620.00
Recycling	33,450.14	65,854.35	69,348.33	29,956.16
Flexible Spending Account	(1,174.06)	10,869.50	8,570.47	1,124.97
Performance Bonds	750.00			750.00
Sprint Lease	10,769.77	10.74		10,780.51
Cingular Lease	10,000.00			10,000.00
Haskell Tank Lease	5,616.02	5.61		5,621.63
Wanaque Housing Trust	1,481,802.71	3,843.50	6,722.00	1,478,924.21
Soil Removal Permits	5,354.90	100.00		5,454.90
Sidewalk/Road Opening	7,386.25	2,010.00	300.00	9,096.25
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	2,705.20	6.42		2,711.62
L.O.S.A.P.	25,250.00			25,250.00
Redevelopment	299,630.00			299,630.00
Tax Sale Premiums	203,400.00	111,100.00	143,600.00	170,900.00
Snow Removal	10,000.00	18,852.97	10,000.51	18,852.46
Storms Avenue Interconnect	14,065.00			14,065.00
	<u>2,296,945.63</u>	<u>274,331.35</u>	<u>294,433.25</u>	<u>2,276,843.73</u>
	B	B-4	B-4	B

**Borough of Wanaque, N.J.**

**Reserve for Municipal Open Space**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	283,238.36
Increased by:		
2011 Tax Levy		57,926.00
2011 Added Taxes		124.62
Interest Earned		638.05
	B-4	<u>58,688.67</u>
Balance - December 31, 2011	B	<u><u>341,927.03</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2011

	Due to/(from) Balance Dec. 31, 2010	Increased	Decreased	Due to/(from) Balance Dec. 31, 2011
General Capital Fund	93,432.00		93,432.00	-
Payroll Fund	<u>(32,393.38)</u>	<u>6,318.38</u>	<u>32,393.38</u>	<u>(6,318.38)</u>
	<u>61,038.62</u>	<u>6,318.38</u>	<u>125,825.38</u>	<u>(6,318.38)</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-4		32,393.38	
Cash Disbursements	B-4	<u>6,318.38</u>	<u>93,432.00</u>	
		<u>6,318.38</u>	<u>125,825.38</u>	

Schedule of Reserve for Recreation

Trust Funds

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	29,810.14
Increased by:		
Cash Receipts	B-4	<u>75,456.50</u>
		105,266.64
Decreased by:		
Cash Disbursements	B-4	<u>71,759.47</u>
Balance - December 31, 2011	B	<u>33,507.17</u>

**Borough of Wanaque, N.J.**  
**Schedule of Payroll Deductions**  
**Payroll Fund**  
**Year Ended December 31, 2011**

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Federal Withholding		661,814.96	661,814.96	
Social Security / Medicare		400,791.05	400,791.05	
State Withholding		170,498.97	170,498.97	
Unemployment Insurance		23,000.73	23,000.73	
Union Dues		12,996.90	12,996.90	
P.E.R.S.	13,448.48	416,994.90	415,068.30	15,375.08
P.E.R.S. Contributory Insurance	896.39	10,041.20	10,108.49	829.10
P.F.R.S.	19,178.58	888,076.41	884,999.69	22,255.30
P.F.R.S. Annuity	369.02	4,574.40	4,562.22	381.20
D.C.R.P.		761.00	279.08	481.92
Garnish		6,593.96	6,834.22	(240.26)
Miscellaneous		1,176.96	1,176.96	
College Savings		7,330.00	7,610.00	(280.00)
Life Insurance		832.56	832.56	
Deferred Compensation	(85.00)	124,234.14	124,149.14	
Flexible Spending Account		9,691.24	9,691.16	0.08
Dental		1,553.76	1,553.76	
Long Term Disability Insurance	134.38	15,081.61	15,263.00	(47.01)
Employee Share Health Ins.		26,497.41	18,632.04	7,865.37
Net Payroll		<u>3,508,235.76</u>	<u>3,508,235.76</u>	
	<u>33,941.85</u>	<u>6,290,777.92</u>	<u>6,278,098.99</u>	<u>46,620.78</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, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	32,393.38
Increased by:		
Cash Receipts	B-4	<u>6,318.38</u>
		38,711.76
Decreased by:		
Cash Disbursements	B-4	<u>32,393.38</u>
Balance - December 31, 2011	B	<u><u>6,318.38</u></u>

**Borough of Wanaque, N.J.**

**Statement of Contributions Receivable**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	69,000.00
Increased by:		
Borough Contributions	B-20	<u>78,200.00</u>
		147,200.00
Decreased by:		
Receipts	B-4	<u>69,000.00</u>
Balance - December 31, 2011	B	<u><u>78,200.00</u></u>

**Borough of Wanaque, N.J.**

**Statement of Net Assets Available for Benefits**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	803,396.12
Increased by:		
Borough Contributions	B-19	78,200.00
Gain or (Loss)	B-4	<u>(5,086.86)</u>
		<u>73,113.14</u>
Decreased by:		
Distributions	B-4	<u>39,112.48</u>
Balance - December 31, 2011	B	<u><u>837,396.78</u></u>

**Borough of Wanaque , N.J.**

**Schedule of General Capital Cash - Treasurer**

**Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	C		1,856,567.24
Increased by Receipts:			
Grant Receivable	C-4	174,402.00	
Bond Anticipation Notes	C-9	3,816,450.00	
Capital Improvement Fund	C-13	130,294.65	
Interfunds	C-15	<u>93,432.00</u>	
			<u>4,214,578.65</u>
			6,071,145.89
Decreased by Disbursements:			
Bond Anticipation Notes	C-9	2,221,250.00	
Improvement Authorizations	C-12	928,934.52	
Various Liabilities	C-14	460,000.00	
Interfunds	C-15	<u>289,545.85</u>	
			<u>3,899,730.37</u>
Balance - December 31, 2011	C		<u><u>2,171,415.52</u></u>

## Borough of Wanaque , N.J.

## Analysis of General Capital Cash

Year Ended December 31, 2011

	<u>Ref.</u>	
Fund Balance	C-1	65,103.02
Various Receivables	C-4	(672,417.86)
Capital Improvement Fund	C-13	199,717.65
Various Reserves	C-14	538,426.95

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>Improvement Description</u>	
14-0-98	Imp. to Borough Owned Property	2,917.10
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	59,145.45
24-0-06	Purchase of Emergency Generator	1,836.00
10-0-07	Improvement of Various Roads	33,104.06
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	5,658.54
03-0-08	Laura Avenue Reconstruction II	11,612.85
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	6,582.82
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	17,700.75
14-0-09	Purchase of Truck	8,432.00
25-0-09	Improvement of Melrose & Furnace Ave	112,310.40
28-0-09	Improvement of Memorial Field	(227,463.58)
5-0-10	Repaving of First Aid Squad Parking Lot	19,453.28
6-0-10	Haskell Facade Improvement Program	155,380.00
7-0-10	2nd Avenue Drainage Project	41,760.00
9-0-10	Improvement Of Ringwood Ave	846,418.37
10-0-10	Ringwood Ave Sidewalks	825,000.00
11-0-10	2nd Avenue Drainage System Improvement	(22,099.98)
18-0-10	Acquisition of Vehicles	(167,530.45)
04-0-11	Reconstruction of Wanaque Ave	198,250.00
12-0-11	Improvement of Various Roads	(279,493.00)

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 2,171,415.52
 

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C

**Borough of Wanaque, N.J.**  
**Schedule of Various Grants Receivable**

**Year Ended December 31, 2011**

	<u>Balance,</u> <u>Dec. 31, 2010</u>	<u>Grants</u> <u>Approved</u>	<u>Cash</u> <u>Received</u>	<u>Balance,</u> <u>Dec. 31, 2011</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. - 1st & 2nd St (Ord. 7-0-09)	78,858.06			78,858.06
State of NJ - D.O.T. - Laura Ave (Phase II) (Ord. 8-0-09)	257,000.00			257,000.00
State of NJ - D.O.T. - Wanaque Ave/Butler Pl (Ord. 4-0-11)		150,000.00	112,500.00	37,500.00
NJ Transportation Trust - Melrose & Furnace (Ord. 25-0-09)	55,161.80			55,161.80
Passaic County Open Space - Memorial Field (Ord 28-0-09)	75,000.00			75,000.00
Community Development Block Grant (Ord 6-0-10)	127,000.00			127,000.00
Community Development Block Grant (Ord 7-0-10)	83,800.00		61,902.00	21,898.00
	696,819.86	150,000.00	174,402.00	672,417.86
	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, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	8,475,084.45
Decreased by:		
Budget Appropriations		
Serial Bonds Payable	C-8	669,000.00
Loan Payable - Back Beach Phase II	C-10	24,262.05
Capital Leases Payable	C-11	<u>75,000.00</u>
		<u>768,262.05</u>
Balance - December 31, 2011	C	<u><u>7,706,822.40</u></u>





**Borough of Wanaque, N.J.**

**Schedule of Prospective Assessments Raised By Taxation**

**Year Ended December 31, 2011**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Financed by Capital Improvement <u>Fund</u>	Balance Dec. 31, 2011 <u></u>
10-0-10	Ringwood Ave Sidewalks	<u>39,300.00</u>	<u>39,300.00</u>
		<u>39,300.00</u>	<u>39,300.00</u>
		reserve	C

Borough of Wanaque, N.J.

Schedule of General Serial Bonds Payable

Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2011		Interest Rate	Balance, Dec. 31, 2010	Decreased	Balance, Dec. 31, 2011
			Date	Amount				
General Improvement Bonds of 2000	02/01/00	2,080,000.00			5.25%	100,000.00	100,000.00	
General Improvement Bonds of 2004	02/15/04	2,747,000.00	02/15/12	466,000.00				
			02/15/13-14	513,000.00				
			02/15/15	483,000.00			3.80%	419,000.00
General Improvement Bonds of 2007	8/9/2007	5,938,000.00	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%	5,713,000.00	150,000.00	5,563,000.00	
						<u>8,207,000.00</u>	<u>669,000.00</u>	<u>7,538,000.00</u>
						C	C-5	C

Borough of Wanaque, N.J.

Schedule of Bond Anticipation Notes

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount Issued</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Balance, Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2011</u>
10-0-07	Improvement of Various Roads	315,000.00	03/06/09	03/02/12	1.25%	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	03/02/12	1.25%	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	03/02/12	1.25%	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	03/02/12	1.25%	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	03/02/12	1.25%	555,000.00	555,000.00	555,000.00	555,000.00
22-0-08	Acquisition of Ambulance	153,000.00	03/06/09	03/02/12	1.25%	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	03/02/12	1.25%	108,750.00	108,750.00	108,750.00	108,750.00
09-0-10	Ringwood Ave Road Improvements	809,500.00	03/03/11	03/02/12	1.25%	809,500.00	809,500.00	809,500.00	809,500.00
10-0-10	Ringwood Ave Sidewalk Improve.	785,700.00	03/03/11	03/02/12	1.25%	785,700.00	785,700.00	785,700.00	785,700.00
						<u>2,221,250.00</u>	<u>2,221,250.00</u>	<u>2,221,250.00</u>	<u>3,816,450.00</u>
						C	C-2	C-2	C

**Borough of Wanaque , N.J.**

**Schedule of Loan Payable**

**Department of Environmental Protection & Energy**

**Back Beach Improvements Phase II**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	113,084.45
Decreased by:		
2011 Budget Appropriation	C-5	<u>24,262.05</u>
Balance - December 31, 2011	C	<u><u>88,822.40</u></u>

<u>Payment Number</u>	<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
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>3,588.24</u>	<u>88,822.40</u>	

**Borough of Wanaque , N.J.**  
**Schedule of Capital Leases Payable**  
**Improvement Authority**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	155,000.00
Decreased by:		
2011 Budget Appropriation	C-5	<u>75,000.00</u>
Balance - December 31, 2011	C	<u><u>80,000.00</u></u>

<u>Payment Number</u>	<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
9	03/15/12	<u>2,200.00</u>	<u>80,000.00</u>	
		<u><u>2,200.00</u></u>	<u><u>80,000.00</u></u>	

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2010		2011 Authorizations	Paid or Charged	Balance, Dec. 31, 2011	
			Funded	Unfunded			Funded	Unfunded
<u>General Improvements</u>								
14-0-98	Imp. to Borough Owned Property	175,000.00	5,324.70			2,407.60	2,917.10	10,000.00
19-0-99	Provision of Affordable Housing	490,000.00		10,000.00				
7-0-03	Improvement Of Ringwood Ave	950,000.00	199,670.64				199,670.64	
11-0-03	Refunding Tax Appeals	205,000.00	4,350.00				4,350.00	
1-0-05	Improvement of the First Aid Squad Bldg	210,000.00	27,000.00				27,000.00	
24-0-05	Improvement of Whistler Place	436,000.00	18,965.83				18,965.83	
20-0-06	Acquisition of Land	600,000.00	93,202.95			34,057.50	59,145.45	
24-0-06	Purchase of Emergency Generator	25,000.00	1,836.00				1,836.00	
10-0-07	Improvement of Various Roads	350,000.00		35,094.06		1,990.00		33,104.06
11-0-07	Improvement of Laura Ave (Phase I)	455,000.00		78,652.75				78,652.75
12-0-07	Acquisition of Fire Truck	975,000.00		36,299.20				36,299.20
13-0-07	Improvement of the Haskell Firehouse	200,000.00		22,658.54		17,000.00		5,658.54
03-0-08	Laura Avenue Reconstruction II	118,000.00	17,737.09			6,124.24	11,612.85	
05-0-08	Improvement of Athletic Fields	1,200,000.00		38,290.28				38,290.28
08-0-08	Acquisition of Land	2,300,000.00	102,797.21				102,797.21	
10-0-08	Environmental Investigation	75,000.00	15,230.88				15,230.88	
11-0-08	Needs Assessment of Municipal Building	18,353.54	2,753.54				2,753.54	
19-0-08	Haskell Firehouse Addition	115,000.00	22,404.50			15,821.68	6,582.82	
20-0-08	Appraisal of Property	21,000.00	10,700.00				10,700.00	
22-0-08	Acquisition of Ambulance	170,000.00		535.00				535.00
08-0-09	Laura Avenue Reconstruction II	257,000.00	54,915.35				54,915.35	
10-0-09	2009 Road Projects	205,000.00	108,664.47				108,664.47	
12-0-09	Acquisition of Real Property	325,000.00	22,375.75			4,675.00	17,700.75	
14-0-09	Purchase of Truck	180,000.00	8,432.00				8,432.00	
25-0-09	Improvement of Melrose & Furnace Ave	325,000.00	192,690.00			189,129.60	3,560.40	108,750.00
28-0-09	Improvement of Memorial Field	350,000.00		55,288.42		7,752.00		47,536.42
5-0-10	Repaving of First Aid Squad Parking Lot	44,300.00	44,300.00			24,846.72	19,453.28	
6-0-10	Haskell Facade Improvement Program	167,000.00	155,800.00			420.00	155,380.00	
7-0-10	2nd Avenue Drainage Project	113,800.00	113,800.00			72,040.00	41,760.00	

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2010		2011 Authorizations	Paid or Charged	Balance, Dec. 31, 2011	
			Funded	Unfunded			Funded	Unfunded
<u>General Improvements (cont.)</u>								
9-0-10	Improvement Of Ringwood Ave	850,000.00	36,918.37	809,500.00			36,918.37	809,500.00
11-0-10	2nd Avenue Drainage System Improvement	185,000.00		165,996.75		11,996.73		154,000.02
18-0-10	Acquisition of Vehicles	210,000.00	11,900.00	168,000.00		179,430.45		469.55
4-0-11	Reconstruction of Wanaque Ave	230,000.00			230,000.00	31,750.00	198,250.00	
12-0-11	Improvement of Various Roads	350,000.00			350,000.00	314,493.00		35,507.00
20-0-11	Purchase of Used Fire Truck	15,000.00			15,000.00	15,000.00		
<u>Local Improvements</u>								
8-0-03	Ringwood Ave Sidewalks	375,000.00	23,786.00	400.00			23,786.00	400.00
10-0-10	Ringwood Ave Sidewalks	825,000.00	39,300.00	785,700.00			39,300.00	785,700.00
			<u>1,334,855.28</u>	<u>2,315,165.00</u>	<u>595,000.00</u>	<u>928,934.52</u>	<u>1,171,682.94</u>	<u>2,144,402.82</u>
			C	C		C-2	C	C, C-6
			Ref.					
			Various Grants Receivable					
			C-4					
			Deferred Charges to Future Taxation - Unfunded					
			C-6					
			Capital Improvement Fund					
			C-13					
			<u>595,000.00</u>					

Borough of Wanaque , N.J.

Schedule of Capital Improvement Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	199,423.00
Increased by:		
Budget Appropriation	C-2	<u>130,294.65</u>
		329,717.65
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-12	<u>130,000.00</u>
Balance - December 31, 2011	C/C-3	<u><u>199,717.65</u></u>

**Borough of Wanaque , N.J.**

**Schedule of Various Liabilities**

**Year Ended December 31, 2011**

	<u>Balance, Dec. 31, 2010</u>	<u>Decreased by Disbursements</u>	<u>Balance, Dec. 31, 2011</u>
Reserve for Debt Service	998,426.95	460,000.00	538,426.95
	<hr/>	<hr/>	<hr/>
	<u>998,426.95</u>	<u>460,000.00</u>	<u>538,426.95</u>
	C	C-2	C,C-3

**Borough of Wanaque , N.J.**

**Schedule of Interfunds**

**General Capital Fund**

**Year Ended December 31, 2011**

		Due From/(To) Balance		Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2010</u>	<u>Decreased</u>	<u>Dec. 31, 2011</u>
Current Fund	C	(289,545.85)	289,545.85	
Other Trust Fund	C	93,432.00	93,432.00	
Water Capital Fund	C	<u>                    </u>	<u>                    </u>	<u>                    </u>
		<u>(196,113.85)</u>	<u>382,977.85</u>	<u>                    </u>
	<u>Ref.</u>			
Disbursements	C-2		289,545.85	
Receipts	C-2		<u>93,432.00</u>	
			<u>382,977.85</u>	

Borough of Wanaque, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance,</u>	<u>2011</u>	<u>Balance,</u>
		<u>Dec. 31, 2010</u>	<u>Authorizations</u>	<u>Dec. 31, 2011</u>
			<u>Decreased</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
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
12-0-11	Improvement of Various Roads		315,000.00	315,000.00
	<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>2,555,700.00</u>	<u>315,000.00</u>	<u>1,275,500.00</u>
			<u>C-6</u>	<u>Footnote C</u>

## Borough of Wanaque, N.J.

## Schedule of Cash

## Water Utility Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2010	D	<u>445,199.39</u>	<u>2,503,147.43</u>
Increased by Receipts:			
Interest on Deposits	D-3	5,184.47	
Interlocal Service Agreement - WBSA	D-3	150,000.00	
Water Capital Surplus	D-3	8,000.00	
Miscellaneous Revenue	D-3	61,391.28	
Collector	D-7	1,456,419.51	
Interfunds	D-9	273,296.53	
Reserve for Water Improvements	D-19	1,392.07	
Bond Anticipation Notes	D-22		770,000.00
Improvement Authorizations	D-23		171,500.66
Interfunds	D-26		64,354.03
		<u>1,955,683.86</u>	<u>1,005,854.69</u>
		<u>2,400,883.25</u>	<u>3,509,002.12</u>
Decreased by Disbursements:			
Anticipated as 2011 Revenue	D-2		8,000.00
Budget Appropriations	D-4	1,294,946.97	
Interfunds	D-9	96,973.14	
Appropriation Reserves	D-14	42,987.33	
Interest on Bonds	D-16	228,883.08	
Interest on Notes	D-17	6,237.00	
Reserve for Water Improvements	D-19	229,805.92	
Water Rent Overpayments	D-20	1,339.07	
Bond Anticipation Notes	D-22		770,000.00
Improvement Authorizations	D-23		119,789.56
Interfunds	D-26		199,125.18
		<u>1,901,172.51</u>	<u>1,096,914.74</u>
Balance - December 31, 2011	D	<u>499,710.74</u>	<u>2,412,087.38</u>

Borough of Wanaque, N.J.

Schedule of Change Funds

Water Utility Fund

Year Ended December 31, 2011

<u>Office</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
Water Utility Collector	100.00	100.00
	<u>D</u>	<u>D</u>

Schedule of Water Utility Collector Cash

Water Utility Fund

Year Ended December 31, 2011

	<u>Ref.</u>		
Increased by Receipts:			
Miscellaneous Revenues	D-3	1,800.00	
Consumer Accounts Receivable	D-3,D-10	1,453,497.21	
Water Rents Overpayments	D-20	<u>1,122.30</u>	
			<u>1,456,419.51</u>
Decreased by Disbursements:			
Payment to Treasurer	D-5		<u>1,456,419.51</u>

## Borough of Wanaque, N.J.

## Schedule of Water Utility Capital Cash

## Water Utility Fund

Year Ended December 31, 2011

Fund Balance	<u>Ref.</u> D-2	699.62
Capital Improvement Fund	D-25	29,946.22
Interfund - Water Operating Fund	D-27	(197,329.31)
<u>Improvement Authorizations</u>		
28-0-06 Improvement to the Water Supply and Distribution System		22,159.70
7-0-08 Improvements to the Water Supply and Distribution System		1,857,774.03
9-0-09 Improvement to Laura Ave Phase II		90,000.00
11-0-09 Haskell Tank Rehabilitation		27,917.08
17-0-09 Improvements to the Water Supply and Distribution System		330,639.80
26-0-09 Improvements to the Water Supply and Distribution System		48,188.64
5-0-11 Water System Improvements to Wanaque Ave and Butler Place		200,000.00
14-0-11 Replace Check Valves at Conklintown Road Booster Station		2,091.60
	D	<u><u>2,412,087.38</u></u>

**Borough of Wanaque, N.J.**

**Schedule of Interfunds**

**Water Utility Operating Fund**

**Year Ended December 31, 2011**

	Due to/(from) Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2011</u>
Water Capital Fund	(1,795.87)	74,171.35	273,296.53	197,329.31
Current Fund	<u>19,175.00</u>		<u>22,801.79</u>	<u>(3,626.79)</u>
	<u>17,379.13</u>	<u>74,171.35</u>	<u>296,098.32</u>	<u>193,702.52</u>
	D			D
	<u>Ref.</u>			
Cash Receipts	D-5		273,296.53	
Cash Disbursements	D-5	<u>74,171.35</u>	<u>22,801.79</u>	
		<u>74,171.35</u>	<u>296,098.32</u>	

**Borough of Wanaque, N.J.**

**Schedule of Consumer Accounts Receivable**

**Water Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	D		206,238.96
Increased by:			
Water Rents Levied			<u>1,421,116.75</u>
			1,627,355.71
Decreased by:			
Collections	D-7	1,453,497.21	
Transfer to Water Liens	D-11	<u>399.14</u>	
			<u>1,453,896.35</u>
Balance - December 31, 2011	D		<u><u>173,459.36</u></u>

**Schedule of Water Liens**

**Water Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	D		606.02
Increased by:			
Transfer from Consumer Accounts Receivabl	D-10	399.14	
Interest & Costs on Sale		<u>7.86</u>	
			<u>407.00</u>
Balance - December 31, 2011	D		<u><u>1,013.02</u></u>

**Exhibit D-12**

**Borough of Wanaque, N.J.**

**Schedule of Fixed Capital**

**Water Utility Capital Fund**

**Year Ended December 31, 2011**

<u>Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2011</u>
Garage and Building	14,242.56	14,242.56
Plant, Reservoir, Mains and Wells	5,703,082.83	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	376,727.28	376,727.28
Compactor	1,188.00	1,188.00
Other	4,001.08	4,001.08
	<u>6,561,880.87</u>	<u>6,561,880.87</u>
	D	D

Borough of Wanaque, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	Balance,		
				<u>Dec. 31, 2010</u>	<u>2011 Authorizations</u>	
					<u>Balance, Dec. 31, 2011</u>	
28-0-06	Improvements to the Water Supply and Distribution System	12/11/06	900,000.00	900,000.00	900,000.00	
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	
5-0-11	Water System Improvements to Wanaque Avenue and Butler Place	04/18/11	200,000.00	200,000.00	200,000.00	
14-0-11	Replace Check Valves at Conklimtown Road Booster Station	07/11/11	29,000.00	29,000.00	29,000.00	
				3,542,009.94	229,000.00	3,771,009.94
				D	D-27	D

Borough of Wanaque, N.J.

Schedule of 2010 Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</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	5,040.44	5,040.44		5,040.44
Other Expenses	13,941.65	47,143.65	42,338.58	4,805.07
Purchase of Water	5,346.56	5,346.56	648.75	4,697.81
Capital Improvements				
Capital Outlay	<u>4,704.00</u>	<u>4,704.00</u>		<u>4,704.00</u>
	<u>29,032.65</u>	<u>62,234.65</u>	<u>42,987.33</u>	<u>19,247.32</u>
	D		D-4	D-1
	<u>Ref.</u>			
Appropriation Reserves	above	29,032.65		
Transfer from Reserve for Encumbrances	D-15	<u>33,202.00</u>		
		<u>62,234.65</u>		

Schedule of Reserve for Encumbrances

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	D	33,202.00
Increased by:		
Charges Against Current Year		
Appropriations	D-4	<u>23,917.64</u>
		57,119.64
Decreased by:		
Transferred to Appropriation Reserves	D-14	<u>33,202.00</u>
Balance - December 31, 2011	D	<u>23,917.64</u>

**Borough of Wanaque, N.J.**

**Schedule of Accrued Interest on Bonds**

**Water Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	38,893.66
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	<u>282,156.08</u>
		321,049.74
Decreased by:		
Interest Paid	D-5	<u>228,883.08</u>
Balance - December 31, 2011	D	<u><u>92,166.66</u></u>

**Schedule of Accrued Interest on Notes**

**Water Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	1,200.00
Increased by:		
Budget Appropriation for Interest on Notes	D-4	<u>10,102.00</u>
		11,302.00
Decreased by:		
Interest Paid	D-5	<u>6,237.00</u>
Balance - December 31, 2011	D	<u><u>5,065.00</u></u>

**Borough of Wanaque, N.J.**  
**Schedule of Security Deposits Payable**  
**Water Utility Operating Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	<u>375.00</u>
Balance - December 31, 2011	D	<u>375.00</u>

**Schedule of Reserve for Water Improvements**  
**Water Utility Operating Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	228,413.85
Increased by:		
Receipts	D-4	<u>1,392.07</u>
		229,805.92
Decreased by:		
Disbursements	D-4	<u>229,805.92</u>
Balance - December 31, 2011	D	<u>0.00</u>

**Schedule of Water Rent Overpayments**  
**Water Utility Operating Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	1,339.07
Increased by:		
Receipts	D-6	<u>1,122.30</u>
		2,461.37
Decreased by:		
Disbursements	D-4	<u>1,339.07</u>
Balance - December 31, 2011	D	<u>1,122.30</u>

Borough of Wanaque, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Paid by Budget Appropriation	Balance, Dec. 31, 2011
			Date	Amount			
Water Bonds of 2000	02/01/00	975,000.00			5.25%	100,000.00	100,000.00
Water Bonds of 2004	02/15/04	901,000.00	02/15/12	80,000.00			
			02/15/13	175,000.00			
			02/15/14	225,000.00			
			02/15/15	246,000.00	3.80%	40,000.00	726,000.00
Water Bonds of 2007	08/09/07	1,487,000.00	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			4.125-4.25%	1,477,000.00	20,000.00
							1,457,000.00

Borough of Wanaque, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Paid by Budget Appropriation	Balance, Dec. 31, 2011
			Date	Amount			
Loan Program Bonds of 2010	07/28/10	2,304,000.00	8/1/2013-17	25,000.00	1.66-6.54%	2,304,000.00	2,304,000.00
			08/01/18	80,000.00			
			08/01/19	100,000.00			
			08/01/20-24	150,000.00			
			08/01/25-26	125,000.00			
			08/01/27-30	200,000.00			
			08/01/31	199,000.00			
						<u>2,304,000.00</u>	<u>2,304,000.00</u>
						<u>4,647,000.00</u>	<u>4,487,000.00</u>
						D	D
						D-25	D

**Borough of Wanaque, N.J.**  
**Schedule of Water Capital Bond Anticipation Notes**

**Water Utility Capital Fund**

**Year Ended December 31, 2011**

<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, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2011</u>
4-0-08	Improvement to Haskell Tank	03/06/09	03/02/12	1.25%	650,000.00	650,000.00		650,000.00
26-0-09	Improve. to the Water Supply and Distribution System	03/04/10	03/02/12	1.25%	120,000.00	120,000.00		120,000.00
					<u>770,000.00</u>	<u>770,000.00</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, 2011**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2010		2011 Authorizations	Paid or Charged	Balance Dec. 31, 2011	
				Funded	Unfunded			Funded	Unfunded
28-0-06	Improvement to the Water Supply and Distribution System	12/11/06	900,000.00	25,071.61			2,911.91	22,159.70	
7-0-08	Improvements to the Water Supply and Distribution System	04/14/08	2,000,000.00	1,859,774.03			2,000.00	1,857,774.03	
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			1,118.00	27,917.08	
17-0-09	Improvements to the Water Supply and Distribution System	09/14/09	400,000.00	352,079.69			21,439.89	330,639.80	
26-0-09	Improvements to the Water Supply and Distribution System	12/14/09	120,000.00	113,600.00			65,411.36		48,188.64
5-0-11	Water System Improvements to Wanaque Ave and Butler Place	04/18/11	200,000.00		200,000.00				200,000.00
14-0-11	Replace Check Valves at Conklingtown Road Booster Station	07/11/11	29,000.00		29,000.00		26,908.40	2,091.60	
				D	D		D-5	D	D
				2,355,960.41	113,600.00	229,000.00	119,789.56	2,530,582.21	48,188.64
Reserve for Water Improvements					D-5				171,500.66
Capital Improvement Fund					D-24				57,499.34
						229,000.00			229,000.00

**Borough of Wanaque, N.J.**  
**Schedule of Capital Improvement Fund**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	87,445.56
Decreased by:		
Appropriated to Finance Improvement Authorizations	D-23	<u>57,499.34</u>
Balance - December 31, 2011	D, D-8	<u><u>29,946.22</u></u>

**Schedule of Reserve for Amortization**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	4,364,880.87
Increased by:		
Serial Bonds Paid by Budget	D-21	<u>160,000.00</u>
Balance - December 31, 2011	D	<u><u>4,524,880.87</u></u>

**Borough of Wanaque, N.J.**

**Schedule of Interfunds**

**Water Utility Capital Fund**

**Year Ended December 31, 2011**

	Due to/(from) Balance <u>Dec. 31, 2010</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2011</u>
Water Operating Fund	1,795.87	199,125.18	(197,329.31)
Current Fund	<u>(64,354.03)</u>	<u>64,354.03</u>	<u>                    </u>
	<u>(62,558.16)</u>	<u>263,479.21</u>	<u>(197,329.31)</u>
	D		D
	<u>Ref.</u>		
Cash Receipts	D-5	64,354.03	
Cash Disbursements	D-5	<u>199,125.18</u>	
		<u>263,479.21</u>	

Borough of Wanaque, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2010</u>	<u>Fixed Capital Authorized</u>	<u>Balance, Dec. 31, 2011</u>
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
5-0-11	Water System Improvements to Wanaque Ave and Butler Place	04/18/11		200,000.00	200,000.00
14-0-11	Replace Check Valves at Conklingtown Road Booster Station	07/11/11		29,000.00	29,000.00
			322,009.94	229,000.00	551,009.94
			D	D-13	D

## Borough of Wanaque, N.J.

## Schedule of Cash

## Sewer Utility Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2010	E	<u>971,270.13</u>	<u>2,553,986.76</u>
Increased by Receipts:			
Miscellaneous Revenue	E-2	23,599.66	
Collector	E-5	3,981,447.04	
Interfunds	E-7	90,530.50	
Various Cash Liabilities and Reserves	E-15	624.94	
Serial Bonds	E-17		2,995,000.00
Interfunds	E-20		221,567.16
Bond & Debt Service Reserve Fund	E-21		0.32
		<u>4,096,202.14</u>	<u>3,216,567.48</u>
		<u>5,067,472.27</u>	<u>5,770,554.24</u>
Decreased by Disbursements:			
Budget Appropriations	E-3	3,138,614.96	
Interfunds	E-7	97,929.86	
Appropriation Reserves	E-13	1,699.80	
Various Cash Liabilities and Reserves	E-15	171,933.12	
Interest on Bonds	E-16	645,264.87	
Serial Bonds	E-17		2,995,000.00
Improvement Authorizations	E-18		38,052.60
Interfunds	E-20		138,220.81
Bond & Debt Service Reserve Fund	E-21		228,687.50
		<u>4,055,442.61</u>	<u>3,399,960.91</u>
Balance - December 31, 2011	E	<u><u>1,012,029.66</u></u>	<u><u>2,370,593.33</u></u>

Borough of Wanaque, N.J.

Schedule of Sewer Utility Collector Cash

Sewer Utility Fund

Year Ended December 31, 2011

	<u>Ref.</u>		
Increased by Receipts:			
Consumer Accounts Receivable	E-2,E-8	3,972,634.04	
Connection Fees	E-2	<u>8,813.00</u>	
			<u><u>3,981,447.04</u></u>
Decreased by Disbursements:			
Payment to Treasurer	E-4		<u><u>3,981,447.04</u></u>

Schedule of Sewer Utility Capital Cash

Sewer Utility Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Interfund - Sewer Operating Fund	E-19	(178,220.81)
Bond & Debt Service Reserve Fund	E-20	669,013.15
<u>Improvement Authorizations</u>		
	<u>Improvement Description</u>	
	Force Mains and Interceptors	1,877,853.59
13-0-01	Purchase of Utility Truck	<u>1,947.40</u>
	E	<u><u>2,370,593.33</u></u>

**Borough of Wanaque, N.J.**

**Schedule of Interfunds**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2011**

	Due to/(from) Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2011</u>
Sewer Capital Fund	221,567.18	40,530.50	83,876.87	178,220.81
Current Fund		50,000.00	14,052.99	35,947.01
	<u>221,567.18</u>	<u>90,530.50</u>	<u>97,929.86</u>	<u>214,167.82</u>
	E			E
	<u>Ref.</u>			
Cash Receipts	E-4	90,530.50		
Cash Disbursements	E-4		<u>97,929.86</u>	
		<u>90,530.50</u>	<u>97,929.86</u>	

**Borough of Wanaque, N.J.**

**Schedule of Consumer Accounts Receivable**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	E		249,560.25
Increased by:			
Sewer Rents Levied			<u>4,026,448.11</u>
			4,276,008.36
Decreased by:			
Collections	E-5	3,972,634.04	
Transfer to Sewer Liens	E-9	<u>6,446.56</u>	
			<u>3,979,080.60</u>
Balance - December 31, 2011	E		<u><u>296,927.76</u></u>

**Schedule of Sewer Liens**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	D		1,895.16
Increased by:			
Transfer from Consumer Accounts Receivable	E-8	6,446.56	
Interest & Costs on Sale		<u>15.43</u>	
			<u>6,461.99</u>
Balance - December 31, 2011	E		<u><u>8,357.15</u></u>

**Borough of Wanaque, N.J.**

**Schedule of Connection Fees Receivable**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	E	<u>270,914.01</u>
Balance - December 31, 2011	E	<u>270,914.01</u>

**Exhibit E-11**

**Borough of Wanaque, N.J.**

**Schedule of Fixed Capital**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2011**

<u>Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2011</u>
Force Mains and Interceptors	<u>13,724,733.73</u>	<u>13,724,733.73</u>
	<u>13,724,733.73</u>	<u>13,724,733.73</u>
	E	E

Borough of Wanaque, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance, Dec. 31, 2010</u>	<u>2011 Authorizations</u>	<u>Balance, Dec. 31, 2011</u>
13-0-11	Force Mains and Interceptors Purchase of Utility Truck	07/11/11	40,000.00	2,055,763.50	40,000.00	2,055,763.50 40,000.00
				<u>2,055,763.50</u>	<u>40,000.00</u>	<u>2,095,763.50</u>
				E	E-22	E

Borough of Wanaque, N.J.

Schedule of 2010 Appropriation Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Balance After Transfers and Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Other Expenses	663.19	2,362.99	1,699.80	663.19
Interlocal WVRSA	767.49	767.49		767.49
Capital Improvements				
Capital Outlay	173,325.00	173,325.00		173,325.00
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>174,755.68</u>	<u>176,455.48</u>	<u>1,699.80</u>	<u>174,755.68</u>
	E		E-4	E-1
	<u>Ref.</u>			
Appropriation Reserves	above	174,755.68		
transfer from Reserve for Encumbrances	E-14	<u>1,699.80</u>		
		<u>176,455.48</u>		

**Borough of Wanaque, N.J.**

**Schedule of Reserve for Encumbrances**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	E	1,699.80
Increased by:		
Charges Against Current Year Appropriations	E-3	<u>12,248.16</u>
		13,947.96
Decreased by:		
Transferred to Appropriation Reserves	E-13	<u>1,699.80</u>
Balance - December 31, 2011	E	<u><u>12,248.16</u></u>

Borough of Wanaque, N.J.

Schedule of Various Cash Liabilities and Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Deferred Revenue - Connection Fees	61,932.82			61,932.82
Sewer Overpayments		624.94		624.94
Due to WVRS	171,933.12		171,933.12	
Reserve for O&M Requirements	57,000.00			57,000.00
Reserve for Sewer Improvements	45,000.00			45,000.00
	<u>335,865.94</u>	<u>624.94</u>	<u>171,933.12</u>	<u>164,557.76</u>
	E			E
	<u>Ref.</u>			
Cash Receipts	E-4	624.94		
Cash Disbursements	E-4		<u>171,933.12</u>	
		<u>624.94</u>	<u>171,933.12</u>	

**Borough of Wanaque, N.J.**

**Schedule of Accrued Interest on Bonds**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	E	23,139.58
Increased by:		
Budget Appropriation for Interest on Bonds	E-3	<u>701,323.20</u>
		724,462.78
Decreased by:		
Interest Paid	E-4	<u>645,264.87</u>
Balance - December 31, 2011	E	<u><u>79,197.91</u></u>

Borough of Wanaque, N.J.

Schedule of Sewer Serial Bonds Payable

Sewer Utility Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Date	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2010	Increased	Decreased	Balance, Dec. 31, 2011	
				Dec. 31, 2011	Amount						
Sewer Revenue Refunding Bonds (Series 1991)	11/27/91	8,697,808.00	12/01/12	142,525.05			297,652.05		155,127.00	142,525.05	
			12/01/22	371,070.00							
			12/01/23	348,422.00							
Sewer Revenue Refunding Bonds (Series 2001)	10/16/01	5,410,000.00	12/01/24	331,325.00		5.00%	3,255,000.00		3,255,000.00		
			12/01/25	310,378.00							
			12/01/26	292,435.00							
Sewer Revenue Bonds (Series 2008A)	09/16/08	2,137,261.00	12/01/27	274,687.00							
			12/01/28	208,944.35		4.77-5.16%	2,137,261.35			2,137,261.35	
			12/1/2012-13	30,000.00							
Sewer Revenue Refunding Bonds (Series 2008B)	09/16/08	2,850,000.00	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%	2,790,000.00		30,000.00	2,760,000.00	





**Borough of Wanaque, N.J.**

**Schedule of Reserve for Amortization**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	E	7,300,583.83
Increased by:		
Serial Bonds Paid by Budget	E-17	<u>445,127.00</u>
Balance - December 31, 2011	E	<u><u>7,745,710.83</u></u>

**Borough of Wanaque, N.J.**

**Schedule of Interfunds**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2011**

	Due to/(from) Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2011</u>
Sewer Operating Fund	(221,567.16)	178,220.81	221,567.16	(178,220.81)
	<u>(221,567.16)</u>	<u>178,220.81</u>	<u>221,567.16</u>	<u>(178,220.81)</u>
	E			E
	<u>Ref.</u>			
Cash Receipts	E-4		221,567.16	
Cash Disbursements	E-4	138,220.81		
Deferred Reserve for Amortization	E-18	<u>40,000.00</u>		
		<u>178,220.81</u>	<u>221,567.16</u>	

Borough of Wanaque, N.J.

Schedule of Bond & Debt Service Reserve Fund

Sewer Utility Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	E	897,700.33
Increased by:		
Cash Receipts	E-4	<u>0.32</u>
		897,700.65
Decreased by:		
Cash Disbursements	E-4	<u>228,687.50</u>
Balance - December 31, 2011	E	<u><u>669,013.15</u></u>

Borough of Wanaque, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31,2010</u>	<u>Fixed Capital Authorized</u>	<u>Balance, Dec. 31,2011</u>
13-0-01	Purchase of Utility Truck	07/11/11		40,000.00	40,000.00
				<u>40,000.00</u>	<u>40,000.00</u>
			<u>E</u>	<u>E-12</u>	<u>D</u>

**Borough of Wanaque , N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2011**

	<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, 2010	F	<u>5,623.82</u>	<u>1,499.46</u>	<u>4,124.36</u>
Increased by Receipts:				
Other Receipts		<u>12.24</u>	<u>4.03</u>	<u>8.21</u>
		<u>12.24</u>	<u>4.03</u>	<u>8.21</u>
		<u>5,636.06</u>	<u>1,503.49</u>	<u>4,132.57</u>
Decreased by Disbursements:				
Due Current Fund		<u>44.09</u>	<u>3.77</u>	<u>40.32</u>
		<u>44.09</u>	<u>3.77</u>	<u>40.32</u>
Balance - December 31, 2011	F	<u><u>5,591.97</u></u>	<u><u>1,499.72</u></u>	<u><u>4,092.25</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, 2011**

	<u>Ref.</u>	
Balance - December 31, 2011	F-1	5,591.97
Increased by:		
Cash Receipts Record		<u>2.78</u>
Balance - May 2, 2012		<u><u>5,594.75</u></u>

<u>Reconciliation - May 2, 2012</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	1,473.08	4,121.67	5,594.75
Less: Outstanding Checks	<u>          </u>	<u>          </u>	<u>          </u>
Balance - May 2, 2012	<u><u>1,473.08</u></u>	<u><u>4,121.67</u></u>	<u><u>5,594.75</u></u>

**Borough of Wanaque , N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	F-1	5,623.82
Increased by Receipts:		
Cash Receipts Record		<u>12.24</u>
		5,636.06
Decreased by Disbursements:		
Cash Disbursements Record		
- Due Current Fund		<u>44.09</u>
Balance - December 31, 2011		<u><u>5,591.97</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, 2011</u>			
Balance on Deposit per Statement of:			
Lakeland State Bank			
Checking	1,472.35	4,119.62	5,591.97
Less: Outstanding Checks	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance - December 31, 2011	<u><u>1,472.35</u></u>	<u><u>4,119.62</u></u>	<u><u>5,591.97</u></u>

**Borough of Wanaque , N.J.**

**Schedule of Revenues - Cash Basis**

**Public Assistance Fund**

**Year Ended December 31, 2011**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interest Earned	<u>12.24</u>	<u>4.03</u>	<u>8.21</u>
Total Receipts	<u>12.24</u>	<u>4.03</u>	<u>8.21</u>
	F-1		

**Schedule of Expenditures - Cash Basis**

**Public Assistance Fund**

**Year Ended December 31, 2011**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interfund - Current Fund	<u>44.09</u>	<u>3.77</u>	<u>40.32</u>
Total Disbursements (P.A.T.F.)	<u>44.09</u>	<u>3.77</u>	<u>40.32</u>
	F-1		

**BOROUGH OF WANAQUE**

**PART II**

**LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2011**

# Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

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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

May 17, 2012

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, 2011, and have issued our report thereon dated May 17, 2012. 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

Management of the Borough of Wanaque is responsible for establishing and maintaining effective 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

May 17, 2012

## 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:

Vegetative Waste	Ringwood Avenue Facade Improvements
Second Avenue Drainage Improvements	2011 Road Program
Improvements to Wanaque Ave and Butler Place	

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 3, 2011 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 18%."

"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 5, 2011.

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

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

<u>Year</u>	<u>Number of Liens</u>
2011	20
2010	14
2009	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, 2011, 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 2011. 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, 2011, 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.

### **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.

Vouchers did not always contain proper authorized signatures.

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.

All employees required to be enrolled in the DCRP were not enrolled.

Political Contribution Disclosure forms were not received from all vendors required to submit them.

Payroll deductions paid by the Borough's third party payroll providers were not verified.

## **GENERAL COMMENTS, (continued)**

### **Other**

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

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

There is a deficit in the Animal Control Trust Fund.

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

There are numerous old grant receivable and grant reserve balances that should be collected, spent or cancelled.

## **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 vouchers contain the proper authorized signatures.
3. That all employees required to be enrolled in the DCRP be enrolled.
4. That Political Contribution Disclosure forms be received from all vendors required to submit them.
5. That payroll deductions paid by the Borough's third party payroll provider be verified through the proper websites.
- \*6. That cash deficits for ordinances over 5 years old be funded.
- \*7. That the deficit in Assessment Fund cash be funded.
8. That the deficit in Animal Control Trust Fund be funded.
- \*9. That old receivable balances in General Capital Fund be reviewed and proper action taken.
10. That old grant receivable and reserve balances be reviewed and proper action be 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.



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