

BOROUGH OF WANAQUE
COUNTY OF PASSAIC
FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009

(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

BOROUGH OF WANAQUE

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2009

BOROUGH OF WANAQUE

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INDEPENDENT AUDITOR'S REPORT

July 1, 2010

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, 2009 and 2008, 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, 2009. These financial statements are the responsibility of the Borough of Wanaque's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

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



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, 2009 and 2008 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, 2009 and \$5,446,872.00 at December 31, 2008; 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, 2009 and 2008, 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, 2009, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 1, 2010 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

July 1, 2010



Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Current Fund:			
Cash	A-4	1,828,524.92	2,359,759.30
Change Fund	A-6	575.00	575.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	<u>22,311.53</u>	<u>21,537.07</u>
		<u>1,851,411.45</u>	<u>2,381,871.37</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	622,240.45	531,040.56
Tax Title Liens Receivable	A-9	90,817.84	82,660.46
Property Acquired for Taxes - Assessed Valuation	A-10	388,475.00	388,475.00
Prepaid Regional School Taxes	A-11	49,746.80	49,746.80
Revenue Accounts Receivable	A-12	17,699.65	24,117.54
Due from Passaic County	A-13	10,194.96	18,763.52
Interfund Receivables:			
Animal Control Trust Fund	A-14	60.44	68.53
Payroll Fund	A-14	99,954.23	80,193.72
Public Assistance Fund	A-14	239.55	427.65
Assessment Trust Fund	A-14	76,169.00	30,852.68
Federal and State Grant Fund	A-14	<u>1,510.33</u>	<u>30,852.68</u>
		<u>1,307,361.45</u>	<u>1,206,346.46</u>
Deferred Charges:			
Expenditure without Appropriation	A-15	<u>41,157.50</u>	<u>41,157.50</u>
		<u>41,157.50</u>	<u>41,157.50</u>
		<u>3,199,930.40</u>	<u>3,588,217.83</u>
Federal and State Grant Fund:			
State Grants Receivable	A-23	248,551.00	140,732.00
Interfund - Current Fund	A-26	<u>30,790.28</u>	<u>30,790.28</u>
		<u>248,551.00</u>	<u>171,522.28</u>
Total Assets		<u><u>3,448,481.40</u></u>	<u><u>3,759,740.11</u></u>

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

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-16	238,360.03	349,451.83
Encumbrances Payable	A-17	85,401.35	215,863.96
Prepaid Taxes	A-18	89,861.84	98,888.26
Interfunds Payable			
Other Trust Fund	A-14	64,832.18	27,666.47
Federal and State Grant Fund	A-14		30,790.28
General Capital Fund	A-14	945,973.03	807,681.94
Assessment Trust	A-14		
Local School Tax Payable	A-19	185.00	183.00
County Taxes Payable	A-21	18,474.56	6,748.29
Deposits for Redemption of Tax Sale Certificates	A-22		5,482.96
Tax Overpayments	A-22	1,336.96	2,015.87
Due to State of NJ:			
Marriage Surcharge	A-22	375.00	25.00
Building Surcharge	A-22	932.00	701.00
Burial Permits	A-22	150.00	
Reserve for:			
Insurance Proceeds - Damaged Car	A-22		9,671.00
Police Law Enforcement	A-22	56.64	56.64
Project D.A.R.E.	A-22	11,404.62	8,450.62
Garden State Trust - P.I.L.O.T.	A-22	6,578.16	7,055.76
Fire Prevention Bureau	A-22	9,713.48	9,581.40
		<u>1,473,634.85</u>	<u>1,580,314.28</u>
Reserve for Receivables	Contra	1,307,361.45	1,206,346.46
Fund Balance	A-1	<u>418,934.10</u>	<u>801,557.09</u>
		<u>3,199,930.40</u>	<u>3,588,217.83</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	230,075.48	161,589.46
Unappropriated Reserve for Grants	A-25	16,965.19	9,932.82
Interfund - Current Fund	A-26	1,510.33	
		<u>248,551.00</u>	<u>171,522.28</u>
Total Liabilities, Reserves and Fund Balance		<u><u>3,448,481.40</u></u>	<u><u>3,759,740.11</u></u>

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

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	780,000.00	950,000.00
Miscellaneous Revenue Anticipated	A-2	2,028,887.39	2,261,571.91
Receipts from Delinquent Taxes	A-2	531,158.93	493,794.66
Receipts from Current Taxes	A-2	33,059,889.66	32,261,467.85
Non-Budget Revenue	A-2	149,143.20	210,037.93
Due From Passaic County	A-13	18,763.52	19,944.96
Other Credits to Income:			
Interfunds Returned	A-14	111,542.58	345,061.93
Canceled Grant Reserves			17,500.00
Unexpended Balance of Appropriation Reserves	A-16	191,610.32	162,738.47
Canceled Various Reserves	A-22	9,671.00	
Canceled Tax Overpayments			1,234.73
		<hr/>	<hr/>
Total Revenues and Other Income		36,880,666.60	36,723,352.44
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	4,199,240.00	4,126,575.00
Other Expenses	A-3	4,495,028.82	5,075,723.52
Capital Improvement Fund	A-3	185,000.00	236,000.00
Municipal Debt Service	A-3	1,134,572.54	1,041,132.36
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	537,574.00	214,500.00
Refund of Prior Years Taxes	A-4	29,004.43	50,124.35
Prepaid Regional High School Taxes	A-11		49,746.80
Due From Passaic County	A-13	10,194.96	18,763.52
Audit Adjustment			1,270.00
Interfund Advances	A-14	177,933.55	311,542.58
Municipal Open Space	A-14	57,851.04	57,751.21
Canceled Grants Receivable			17,500.00
Expenditure Without Appropriation	A-15	41,157.50	
Local District School Tax	A-19	11,614,100.00	11,057,713.00
Regional High School Tax	A-20	6,979,753.31	6,639,534.50
County Taxes including Added Taxes	A-21	7,063,036.94	7,202,351.20
		<hr/>	<hr/>
Total Expenditures		36,524,447.09	36,100,228.04

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Excess (Deficit) Revenue Over Expenditures		356,219.51	623,124.40
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-15	<u>41,157.50</u>	<u> </u>
Statutory Excess to Fund Balance		397,377.01	623,124.40
Fund Balance, January 1,	A	<u>801,557.09</u>	<u>1,128,432.69</u>
		1,198,934.10	1,751,557.09
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-2	<u>780,000.00</u>	<u>950,000.00</u>
Fund Balance, December 31,	A	<u><u>418,934.10</u></u>	<u><u>801,557.09</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, 2009

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	<u>780,000.00</u>	<u>780,000.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-12	12,000.00	11,200.00	(800.00)
Licenses - Other	A-2	7,100.00	7,758.00	658.00
Fees & Permits	A-2	19,310.00	25,446.04	6,136.04
Fines and Costs:				
Municipal Court	A-12	260,000.00	201,661.13	(58,338.87)
Interest and Costs on Taxes	A-5	80,000.00	106,014.96	26,014.96
Interest on Investments	A-12	80,000.00	36,209.57	(43,790.43)
Consolidated Municipal Property Tax Relief Aid	A-4	337,397.00	337,397.00	
Energy Receipts Tax	A-4	796,932.00	796,932.00	
Garden State Trust PILOT	A-22	7,056.00	7,055.76	(0.24)
Uniform Construction Code Fees	A-12	125,000.00	55,499.00	(69,501.00)
Street Lighting Contract	A-13	8,500.00	10,194.96	1,694.96
Wanaque Borough Sewerage Authority Collection Service	A-12	8,000.00	17,027.15	9,027.15
Obey the Signs or Pay the Fines	A-23	4,000.00	4,000.00	
Passaic County Open Space & Recreation Grant	A-23	75,000.00	75,000.00	
Drunk Driving Enforcement Fund	A-23	3,319.50	3,319.50	
Municipal Alliance	A-23	54,400.00	54,400.00	
Click It or Ticket	A-23	4,000.00	4,000.00	
Alcohol Rehab Grant	A-23	374.82	374.82	
Over the Limit Under Arrest	A-23	6,000.00	6,000.00	
Body Armor Replacement Fund	A-23	2,238.50	2,238.50	
Cable TV	A-12	36,000.00	38,135.00	2,135.00
Uniform Fire Safety Act	A-12	11,470.39	11,470.39	
Borough of Ringwood Resource Grant	A-12	34,155.00	34,155.00	
Prepaid Regional High School Taxes	A-11	49,746.80	49,746.80	
Cellular Tower Lease	A-12	125,000.00	133,651.81	8,651.81
Interfund Payroll Fund	A-14	<u>38,143.00</u>		<u>(38,143.00)</u>
Total Miscellaneous Revenues	A-1	2,185,143.01	2,028,887.39	(156,255.62)
Receipts from Delinquent Taxes	A-1/A-2	<u>504,382.71</u>	<u>531,158.93</u>	<u>26,776.22</u>
Subtotal General Revenues		<u>3,469,525.72</u>	<u>3,340,046.32</u>	<u>(129,479.40)</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>7,872,836.00</u>	<u>7,912,459.35</u>	<u>39,623.35</u>
Budget Totals		11,342,361.72	11,252,505.67	(89,856.05)
Non-Budget Revenue	A-1/A-2		<u>149,143.20</u>	<u>149,143.20</u>
		<u>11,342,361.72</u>	<u>11,401,648.87</u>	<u>59,287.15</u>
Adopted Budget	A-3	11,202,961.72		
Appropriated by N.J.S. 40A:4-87	A-3	<u>139,400.00</u>		
		<u>11,342,361.72</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, 2009

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	33,059,889.66
Allocated to School and County Taxes	A-8	<u>25,817,125.71</u>
Balance for Support of Municipal Budget Appropriations		7,242,763.95
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>669,695.40</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>7,912,459.35</u></u>
 Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-8	530,474.88
Tax Title Liens	A-9	<u>684.05</u>
	A-2	<u><u>531,158.93</u></u>
 Licenses - Other:		
Clerk	A-12	3,585.00
Board of Health	A-12	<u>4,173.00</u>
	A-2	<u><u>7,758.00</u></u>
 Fees & Permits		
Clerk	A-12	1,186.00
Police	A-12	4,950.04
Construction	A-12	3,300.00
Board of Health	A-12	<u>16,010.00</u>
	A-2	<u><u>25,446.04</u></u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Sale of Municipal Assets		20,975.00
Miscellaneous Tax		1,039.53
Senior Citizen and Veterans Administrative Fee		2,761.35
Interest and Costs on Assessments		1,919.20
Hotel Fee		16,163.60
Use of Borough Property		2,690.00
DMV Inspections		8,950.00
Insurance Refund		21,635.40
Various Refunds		44,855.36
PILOT Fees		<u>28,153.76</u>
	A-2,A-4	<u><u>149,143.20</u></u>

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

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<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		112,450.00	107,450.00	98,766.89	8,683.11	
Other Expenses		44,400.00	46,900.00	46,023.49	876.51	
Mayor and Council						
Salaries and Wages		39,000.00	39,000.00	38,999.48	0.52	
Other Expenses		5,000.00	5,000.00	3,485.00	15.00	1,500.00
Municipal Clerk						
Salaries and Wages		108,300.00	115,400.00	115,195.16	204.84	
Other Expenses		43,250.00	39,750.00	32,981.26	1,768.74	5,000.00
Elections						
Salaries & Wages		3,150.00	3,150.00	2,980.92	169.08	
Other Expenses		4,500.00	4,500.00	4,250.00		250.00
Financial Administration:						
Salaries & Wages		102,900.00	107,500.00	105,171.11	2,328.89	
Other Expenses		4,050.00	4,450.00	4,171.54	278.46	
Data Processing		17,500.00	18,500.00	17,918.11	581.89	
Miscellaneous Other Expenses		45,700.00	45,700.00	41,662.20	4,037.80	
Collection of Taxes						
Salaries and Wages		65,325.00	58,225.00	53,942.13	4,282.87	
Other Expenses		8,550.00	8,550.00	6,151.21	898.79	1,500.00
Assessment of Taxes						
Salaries and Wages		58,750.00	48,250.00	47,776.32	473.68	
Other Expenses		7,950.00	7,950.00	5,588.34	2,361.66	
Legal Services and Costs						
Retainer		30,000.00	30,000.00	30,000.00		
Other Expenses		60,000.00	70,000.00	65,837.43	4,162.57	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Engineering Services and Costs						
Other Expenses		20,000.00	20,000.00	18,566.01	1,433.99	
Planning Board						
Salaries and Wages		8,200.00	8,200.00	8,158.64	41.36	
Other Expenses		34,200.00	34,200.00	34,200.00		
Board of Adjustment						
Salaries and Wages		5,600.00	5,600.00	5,506.76	93.24	
Other Expenses		8,825.00	8,825.00	3,328.53	496.47	5,000.00
Insurance:						
Other Insurance Premiums		296,628.00	296,628.00	296,626.75	1.25	
Group Insurance for Employees		1,038,960.00	1,038,960.00	1,007,559.40	9,400.60	22,000.00
Unemployment Compensation Insurance		10,000.00	16,500.00	16,500.00		
Levy CAP Waiver						
Insurance						
Other Insurance Premiums		11,649.00	11,649.00	11,649.00		
Group Insurance for Employees		48,040.00	48,040.00	48,040.00		
Police						
Salaries and Wages		2,662,000.00	2,655,000.00	2,653,326.99	1,673.01	
Other Expenses		151,300.00	167,300.00	167,221.05	78.95	
Police Vehicles		33,000.00	33,000.00	31,068.85	1,931.15	
911 Dispatch Services		7,760.00	7,760.00	7,758.00	2.00	
Emergency Management Services:						
Salaries and Wages		16,550.00	17,350.00	17,278.25	71.75	
Other Expenses		6,300.00	6,300.00	5,578.73	721.27	
First Aid Organization Contribution		37,410.00	37,410.00	33,610.08	3,799.92	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<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>						
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		45,900.00	45,900.00	40,772.78	5,127.22	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Salaries and Wages		32,975.00	33,525.00	33,267.12	257.88	
Other Expenses		8,000.00	8,000.00	7,265.22	734.78	
Municipal Prosecutor Retainer		16,125.00	16,125.00	16,079.18	45.82	
Road Repair and Maintenance						
Salaries and Wages		508,000.00	503,400.00	497,563.41	5,836.59	
Other Expenses		157,100.00	157,100.00	153,279.43	3,820.57	
Public Buildings and Grounds						
Salaries and Wages		66,400.00	66,900.00	66,744.55	155.45	
Other Expenses		165,750.00	154,250.00	123,328.92	10,921.08	20,000.00
Garbage and Trash Removal						
Other Expenses		833,900.00	833,900.00	794,953.47	13,946.53	25,000.00
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	223,000.00	201,216.42	1,783.58	20,000.00
Board of Health						
Salaries and Wages		77,500.00	96,700.00	95,785.31	914.69	
Other Expenses		113,267.00	113,267.00	103,073.36	193.64	10,000.00
Administration of Public Assistance						
Salaries and Wages		10,715.00	10,715.00	10,695.50	19.50	
Other Expenses		1,350.00	1,450.00	1,358.20	91.80	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<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>						
Parks and Playgrounds:						
Salaries and Wages		17,500.00	15,650.00	14,809.42	840.58	
Other Expenses		8,500.00	9,500.00	8,750.00		750.00
Golden Agers		55,400.00	55,400.00	48,460.16	4,939.84	2,000.00
Miscellaneous Other Expenses						
Municipal Court:						
Salaries and Wages		148,000.00	148,000.00	146,614.50	1,385.50	
Other Expenses		13,250.00	13,250.00	12,588.97	661.03	
Uniform Construction Code Officials						
Salaries and Wages		143,000.00	120,900.00	109,404.85	11,495.15	750.00
Other Expenses		6,500.00	6,500.00	5,197.97	552.03	
Electrical Inspector						
Salaries and Wages		12,350.00	12,850.00	12,791.46	58.54	
Plumbing Inspector						
Salaries and Wages		12,350.00	14,750.00	14,681.46	68.54	
Fire Sub-Code Official						
Salaries and Wages		6,725.00	6,725.00	6,695.52	29.48	
Gasoline		77,000.00	77,000.00	69,529.28	1,470.72	6,000.00
Telephone		29,000.00	29,000.00	24,656.41	2,843.59	1,500.00
Street Lighting		64,000.00	64,000.00	45,834.44	18,165.56	
Celebration of Public Events						
Other Expenses		17,000.00	17,000.00	16,998.95	1.05	
Total Operations within "CAPS"		<u>8,080,729.00</u>	<u>8,080,729.00</u>	<u>7,799,748.89</u>	<u>159,730.11</u>	<u>121,250.00</u>
Detail:						
Salaries and Wages	A-1	4,221,740.00	4,199,240.00	4,160,155.75	39,084.25	
Other Expenses	A-1	3,858,989.00	3,881,489.00	3,639,593.14	120,645.86	121,250.00

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<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"						
Statutory Expenditures:						
Contribution to:						
Public Employee Retirement System		100,329.00	100,329.00	100,319.00	10.00	
Social Security System (O.A.S.I.)		183,000.00	183,000.00	181,380.08	1,619.92	
Police and Firemen's Retirement System of NJ		254,245.00	254,245.00	254,245.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	537,574.00	537,574.00	535,944.08	1,629.92	
Total General Appropriations for Municipal Purposes within "CAPS"		8,618,303.00	8,618,303.00	8,335,692.97	161,360.03	121,250.00
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		465,957.00	465,957.00	465,957.00		
Reserve for Tax Appeals		15,000.00	15,000.00	15,000.00		
Wanaque Borough Sewerage Authority- Service Agreement		8,000.00	8,000.00	8,000.00		
Emergency Services Volunteer Length of Service Award Program		75,000.00	75,000.00		75,000.00	
Watershed Management/Stormwater N.J.S.A. 40A:4-45.3(cc) Other Expenses		5,000.00	5,000.00	3,000.00		2,000.00
Interlocal Municipal Service Agreements:						
Street Lighting		8,000.00	8,000.00	8,000.00		
Other Expenses						
Wanaque Borough Sewerage Authority Collection Services		8,500.00	8,500.00	8,500.00		

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

<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>
Public and Private Programs Offset by Revenues						
Obey the Signs or Pay the Fines		4,000.00	4,000.00	4,000.00		
Over the Limit Under Arrest		6,000.00	6,000.00	6,000.00		
Drunk Driving Enforcement Fund		3,319.50	3,319.50	3,319.50		
Alcohol Rehab Grant		374.82	374.82	374.82		
Click It or Ticket		4,000.00	4,000.00	4,000.00		
Municipal Alliance		54,400.00	54,400.00	54,400.00		
Passaic County Open Space & Recreation Grant		75,000.00	75,000.00	75,000.00		
Body Armor Replacement Program		2,238.50	2,238.50	2,238.50		
Total Operations - Excluded from "CAPS"		<u>734,789.82</u>	<u>734,789.82</u>	<u>657,789.82</u>	<u>77,000.00</u>	
Detail:						
Other Expenses	A-1	<u>734,789.82</u>	<u>734,789.82</u>	<u>657,789.82</u>	<u>77,000.00</u>	
Capital Improvements:						
Capital Improvement Fund		<u>185,000.00</u>	<u>185,000.00</u>	<u>185,000.00</u>		
Total Capital Improvements Excluded from "CAPS"	A-1	<u>185,000.00</u>	<u>185,000.00</u>	<u>185,000.00</u>		
Municipal Debt Service:						
Payment of Bond Principal		628,000.00	628,000.00	628,000.00		
Interest on Bonds		400,367.00	400,367.00	400,367.00		
Green Trust Loan Program:						
Loan Repayments for Principal and Interest		26,404.00	26,404.00	26,403.04		0.96
NJEDA Petroleum UST Loan/Public Program						
Loan Repayments for Principal Only		11,190.00	11,190.00	11,190.00		
Bergen County Improvement Authority - Capital Lease		68,612.50	68,612.50	68,612.50		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>1,134,573.50</u>	<u>1,134,573.50</u>	<u>1,134,572.54</u>		<u>0.96</u>

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

<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>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>2,054,363.32</u>	<u>2,054,363.32</u>	<u>1,977,362.36</u>	<u>77,000.00</u>	<u>0.96</u>
Subtotal General Appropriations		<u>10,672,666.32</u>	<u>10,672,666.32</u>	<u>10,313,055.33</u>	<u>238,360.03</u>	<u>121,250.96</u>
Reserve for Uncollected Taxes		<u>669,695.40</u>	<u>669,695.40</u>	<u>669,695.40</u>		
Total General Appropriations		<u>11,342,361.72</u>	<u>11,342,361.72</u>	<u>10,982,750.73</u>	<u>238,360.03</u>	<u>121,250.96</u>
			A-2		A	
Adopted Budget	A-2		11,202,961.72			
Appropriated by (N.J.S. 40A:4-87)	A-2		139,400.00			
			<u>11,342,361.72</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			669,695.40		
Cash Disbursed	A-4			10,063,321.16		
Encumbrances Payable	A-16			85,401.35		
Reserve for Tax Appeals	A-21			15,000.00		
Reserve for Federal and State Grants	A-23			149,332.82		
				<u>10,982,750.73</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>2009</u>	<u>2008</u>
Assessment Trust Fund			
Cash	B-4, B-5	239,842.85	235,553.74
Assessments Receivable	B-6	36,282.13	39,254.92
Prospective Assessments Funded	B-8	337,000.00	337,000.00
		<u>613,124.98</u>	<u>611,808.66</u>
Animal Control Trust Fund:			
Cash	B-4	552.99	626.18
		<u>552.99</u>	<u>626.18</u>
Other Trust Funds:			
Cash	B-4	2,604,428.56	2,985,505.12
Interfund - Current Fund	B-7	64,832.18	27,666.47
Interfund - Payroll Fund	B-15	27,656.50	20,241.55
		<u>2,696,917.24</u>	<u>3,033,413.14</u>
Recreation Trust Fund			
Cash	B-4	45,834.44	26,779.00
		<u>45,834.44</u>	<u>26,779.00</u>
Payroll Agency Trust Fund			
Cash	B-4	162,547.73	132,777.76
		<u>162,547.73</u>	<u>132,777.76</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-4	612,340.59	428,864.55
Contributions Receivable	B-19	72,450.00	77,050.00
		<u>684,790.59</u>	<u>505,914.55</u>
Total Assets		<u><u>4,203,767.97</u></u>	<u><u>4,311,319.29</u></u>

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

Borough of Wanaque, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Trust Fund			
Interfund - Current Fund	B-7	76,169.00	30,852.68
Assessment Serial Bonds	B-9	489,000.00	533,000.00
Reserve for Assessments and Liens	B-10	43,306.68	44,559.70
Fund Balance	B-1	<u>4,649.30</u>	<u>3,396.28</u>
		<u>613,124.98</u>	<u>611,808.66</u>
Animal Control Trust Fund:			
Interfund - Current Fund	B-7	60.44	68.53
Reserve for Animal Control Expenditures	B-11	<u>492.55</u>	<u>557.65</u>
		<u>552.99</u>	<u>626.18</u>
Other Trust Fund:			
Developers Escrow	B-13	77,087.76	166,957.66
Various Reserves	B-13	2,217,910.65	2,280,033.58
Reserve for Municipal Open Space	B-14	286,918.83	157,671.90
Interfund - General Capital Fund	B-15	<u>115,000.00</u>	<u>428,750.00</u>
		<u>2,696,917.24</u>	<u>3,033,413.14</u>
Recreation Trust Fund:			
Reserve for Recreation Expenditures	B-16	<u>45,834.44</u>	<u>26,779.00</u>
Payroll Agency Trust Fund			
Interfund - Current Fund	B-7	99,954.23	80,193.72
Payroll Deductions Payable	B-17	34,937.00	32,342.49
Interfund - Other Trust Fund	B-18	<u>27,656.50</u>	<u>20,241.55</u>
		<u>162,547.73</u>	<u>132,777.76</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-20	<u>684,790.59</u>	<u>505,914.55</u>
		<u>684,790.59</u>	<u>505,914.55</u>
Total Liabilities, Reserves and Fund Balances		<u><u>4,203,767.97</u></u>	<u><u>4,311,319.29</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, 2009

Balance - December 31, 2008	<u>Ref.</u> B	3,396.28
Increased by:		
Collection of Unpledged Assessments	B-10	<u>1,253.02</u>
Balance - December 31, 2009	B	<u><u>4,649.30</u></u>

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

Borough of Wanaque, N.J.

Schedule of Revenues - Regulatory Basis

Assessment Trust Fund

Year Ended December 31, 2009

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash	B-3	<u>44,000.00</u>	<u>44,000.00</u>
		<u>44,000.00</u>	<u>44,000.00</u>

Schedule of Expenditures - Regulatory Basis

Assessment Trust Fund

Year Ended December 31, 2009

	<u>Ref.</u>	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	B-2	<u>44,000.00</u>	<u>44,000.00</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>2009</u>	<u>2008</u>
<u>Assets</u>			
Cash	C-2/C-3	954,023.85	
Various Grants Receivable	C-4	1,013,000.00	332,500.00
Deferred Charges to Future Taxation:			
Funded	C-5	9,204,868.44	9,922,373.80
Deferred Charges to Future Taxation:			
Unfunded	C-6	3,037,650.00	4,843,900.00
Interfund - Current Fund	C-15	945,973.03	807,681.94
Interfund - Other Trust Fund	C-15	<u>115,000.00</u>	<u>428,750.00</u>
Total Assets		<u>15,270,515.32</u>	<u>16,335,205.74</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Cash Deficit	C-2/C-3		4,155.13
General Serial Bonds	C-7	8,848,000.00	9,476,000.00
Bond Anticipation Notes	C-8	2,312,500.00	
Loan Payable - DEP. - Back Beach Phase II	C-9	136,868.44	160,183.80
Loan Payable - NJEDA UST Remediation	C-10		11,190.00
Capital Leases Payable	C-11	220,000.00	275,000.00
Improvement Authorizations:			
Funded	C-12	1,486,255.95	1,381,542.47
Unfunded	C-12	593,828.15	3,558,083.83
Capital Improvement Fund	C-13	259,423.00	155,673.00
Reserve for:			
Debt Service	C-14	1,198,426.95	1,099,226.95
Purchase of Public Works Equipment	C-14	109.81	109.81
Interfund - Water Capital Fund	C-15	150,000.00	163,614.06
Fund Balance	C-1	<u>65,103.02</u>	<u>50,426.69</u>
Total Liabilities, Reserves and Fund Balance		<u>15,270,515.32</u>	<u>16,335,205.74</u>

Footnote: There were \$725,150.00 of Bonds and Notes Authorized But Not Issued on December 31, 2009 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, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	C	50,426.69
Increased by:		
Canceled Funded Improvement Authorizations	C-12	<u>544,676.33</u>
		595,103.02
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-12	<u>530,000.00</u>
Balance - December 31, 2009	C,C-3	<u><u>65,103.02</u></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>2009</u>	<u>2008</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	515,355.95	562,627.78
Change Fund	D-6	100.00	100.00
Interfund - Water Utility Capital Fund	D-9		15,337.58
		<u>515,455.95</u>	<u>578,065.36</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-10	112,693.89	116,830.04
Deferred Charges:			
Operating Deficit	D-11	73,829.49	
Total Operating Fund		<u>701,979.33</u>	<u>694,895.40</u>
Capital Fund:			
Cash	D-5/D-8	2,155.36	423,021.35
Fixed Capital	D-12	5,651,584.87	4,895,864.12
Fixed Capital Authorized and Uncompleted	D-13	4,392,009.94	4,517,000.00
Interfund - Water Utility Operating Fund	D-25	162,513.99	
Interfund - General Capital Fund	D-25	150,000.00	163,614.06
Total Capital Fund		<u>10,358,264.16</u>	<u>9,999,499.53</u>
Total Assets		<u>11,060,243.49</u>	<u>10,694,394.93</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>2009</u>	<u>2008</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Interfund - Water Utility Capital Fund	D-9	162,513.99	
Appropriation Reserve	D-4/D-14	49,357.38	1,986.20
Encumbrances Payable	D-15	25,798.50	21,448.26
Accrued Interest on Bonds	D-16	47,173.41	47,173.41
Security Deposits Payable	D-17	375.00	375.00
Reserve for Water Improvement Escrow	D-18	224,959.26	243,017.36
Water Rent Overpayments	D-19	709.20	673.43
		<u>510,886.74</u>	<u>314,673.66</u>
Reserve for Receivables	Contra	112,693.89	116,830.04
Fund Balance	D-1	<u>78,398.70</u>	<u>263,391.70</u>
Total Operating Fund		<u>701,979.33</u>	<u>694,895.40</u>
Capital Fund:			
Serial Bonds Payable	D-20	2,528,000.00	2,698,000.00
Bond Anticipation Notes	D-21	650,000.00	
Improvement Authorizations:			
Funded	D-22	237,132.67	385,152.65
Unfunded	D-22	2,405,391.50	2,554,000.00
Capital Improvement Fund	D-23	87,445.56	177,445.56
Reserve for Amortization	D-24	4,023,584.87	3,798,864.12
Interfund - Water Utility Operating Fund	D-25		15,337.58
Reserve for Deferred Amortization	D-26	418,009.94	362,000.00
Fund Balance	D-2	<u>8,699.62</u>	<u>8,699.62</u>
Total Capital Fund		<u>10,358,264.16</u>	<u>9,999,499.53</u>
Total Liabilities, Reserves and Fund Balances		<u>11,060,243.49</u>	<u>10,694,394.93</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 \$2,424,000.00 of bonds and notes authorized but not issued on December 31, 2009 per Exhibit D-27.

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>2009</u>	<u>2008</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	184,993.00	130,900.00
Rents	D-3	1,251,923.86	1,334,609.12
Miscellaneous Anticipated	D-3	2,580.19	19,372.96
Interlocal Service Agreement - WBSA	D-3	156,062.16	150,832.84
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	<u>4.30</u>	<u>65,027.37</u>
Total Income		<u>1,595,563.51</u>	<u>1,700,742.29</u>
Expenditures:			
Operating	D-4	1,316,800.00	1,090,415.81
Capital Improvements	D-4	21,000.00	
Debt Service	D-4	279,593.00	296,776.00
Deferred Charges and Statutory Expenditures	D-4	<u>52,000.00</u>	<u>50,161.46</u>
Total Expenditures		<u>1,669,393.00</u>	<u>1,437,353.27</u>
Deficit in Revenue over Expenditures		(73,829.49)	263,389.02
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years	D-11	<u>73,829.49</u>	
Statutory Excess to Surplus		0.00	263,389.02
Fund Balance - January 1,	D	<u>263,391.70</u>	<u>130,902.68</u>
		263,391.70	394,291.70
Decreased by:			
Utilized as Anticipated Revenue		<u>184,993.00</u>	<u>130,900.00</u>
Fund Balance - December 31,	D	<u><u>78,398.70</u></u>	<u><u>263,391.70</u></u>

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

Borough of Wanaque, N.J.

Statement of Capital Surplus - Regulatory Basis

Water Capital Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	D	8,699.62
Increased by:		
Funded Improvement Authorization Canceled	D-22	<u>32,009.94</u>
		40,709.56
Decreased by:		
Appropriated to Finance Improvement Auth.	D-26	<u>32,009.94</u>
Balance - December 31, 2009	D	<u><u>8,699.62</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, 2009

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	184,993.00	184,993.00	-
Rents	D-1,D-7	1,334,400.00	1,251,923.86	(82,476.14)
Interlocal Service Agreement - WBSA	D-1, D-5	150,000.00	156,062.16	6,062.16
Miscellaneous	D-1	<u> </u>	<u>2,580.19</u>	<u>2,580.19</u>
Budget Totals		<u>1,669,393.00</u>	<u>1,595,559.21</u>	<u>(73,833.79)</u>
		D-4		
 <u>Analysis Realized Revenues</u>				
Miscellaneous:				
Interest on Deposits:	D-5		<u>2,580.19</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, 2009

	Ref.	Appropriated		Expended	Reserved
		Budget	Budget After Modification	Paid or Charged	
Operating:					
Salaries and Wages		606,000.00	606,000.00	600,378.87	5,621.13
Other Expenses		560,800.00	560,800.00	518,384.24	42,415.76
Purchase of Water		150,000.00	150,000.00	150,000.00	
Total Operating	D-1	<u>1,316,800.00</u>	<u>1,316,800.00</u>	<u>1,268,763.11</u>	<u>48,036.89</u>
Capital Improvements:					
Capital Outlay		21,000.00	21,000.00	20,730.69	269.31
Total Capital Improvements	D-1	<u>21,000.00</u>	<u>21,000.00</u>	<u>20,730.69</u>	<u>269.31</u>
Debt Service:					
Payment of Bond Principal		170,000.00	170,000.00	170,000.00	
Interest on Bonds		109,593.00	109,593.00	109,593.00	
Total Debt Service	D-1	<u>279,593.00</u>	<u>279,593.00</u>	<u>279,593.00</u>	
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		47,000.00	47,000.00	45,948.82	1,051.18
Unemployment Compensation Insurance		5,000.00	5,000.00	5,000.00	
Total Deferred Charges and Statutory Expenditures	D-1	<u>52,000.00</u>	<u>52,000.00</u>	<u>50,948.82</u>	<u>1,051.18</u>
		<u>1,669,393.00</u>	<u>1,669,393.00</u>	<u>1,620,035.62</u>	<u>49,357.38</u>
			D-3		D
Cash Disbursed	D-5			1,484,644.12	
Encumbrances Payable	D-15			25,798.50	
Interest on Bonds	D-16			109,593.00	
				<u>1,620,035.62</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>2009</u>	<u>2008</u>
<u>Assets</u>			
Cash	E-1	<u>8,912.78</u>	<u>7,989.26</u>
Total Assets		<u><u>8,912.78</u></u>	<u><u>7,989.26</u></u>
<u>Liabilities</u>			
Reserve for Public Assistance		8,673.23	7,561.61
Interfund - Current Fund		<u>239.55</u>	<u>427.65</u>
Total Liabilities		<u><u>8,912.78</u></u>	<u><u>7,989.26</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, 2009

	<u>2009</u>	<u>2008</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, 2009 and 2008

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, 2009 and 2008
(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.

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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

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

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

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.

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 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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

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

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

Basis of Accounting, (continued)

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.

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

General Capital Fund
Trust Fund

Public Assistance Fund
Water 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 2009, the Borough Council increased the original budget by \$139,400.00. This increase was funded by additional aid allotted the Borough. In addition, several budget transfers were approved by the governing body.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

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

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

Basis of Accounting, (continued)

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.

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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

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

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

Basis of Accounting, (continued)

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).

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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

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

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

Basis of Accounting, (continued)

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.

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, 2009, \$-0- of the Borough's bank balance of \$7,326,870.52 was exposed to custodial credit risk.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(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, 2009 and 2008 amounted to \$612,340.59 and \$428,864.55, respectively.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(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, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Fixed Income	\$167,998.86	\$124,855.10
Index Funds	106,774.52	63,477.07
Growth Funds	81,413.96	50,009.83
Value Funds	86,012.34	56,858.19
All Others	<u>170,140.91</u>	<u>133,664.36</u>
 Total	 <u>\$612,340.59</u>	 <u>\$428,864.55</u>

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2009 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2008</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	\$9,476,000.00	\$	\$628,000.00	\$8,848,000.00	\$641,000.00
Trust Assessment	533,000.00		44,000.00	489,000.00	61,000.00
Water Utility	2,698,000.00		170,000.00	2,528,000.00	185,000.00
Other Liabilities:					
Compensated Absences Payable	654,143.51	74,867.71	59,490.02	669,521.20	
New Jersey:					
- Back Beach Park					
Phase II Loan	160,183.80		23,315.36	136,868.44	23,783.99
- Economic Development					
Authority Loan	11,190.00		11,190.00	0.00	
Capital Lease - Improvement					
Authority	<u>275,000.00</u>	<u> </u>	<u>55,000.00</u>	<u>220,000.00</u>	<u>65,000.00</u>
	<u>\$13,807,517.31</u>	<u>\$74,867.71</u>	<u>\$990,995.38</u>	<u>\$12,891,389.64</u>	<u>\$975,783.99</u>

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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
<u>Issued:</u>			
Assessment Bonds	\$489,000.00	\$533,000.00	\$545,000.00
General Bonds, Notes and Loans	11,297,368.44	9,647,373.80	10,193,917.65
Water Utility - Bonds, Notes and Loans	<u>3,178,000.00</u>	<u>2,698,000.00</u>	<u>2,853,000.00</u>
Total Issued	<u>14,964,368.44</u>	<u>12,878,373.80</u>	<u>13,591,917.65</u>
 Less:			
Funds Temporarily Held to Pay			
Bonds and Notes:			
General	<u>1,357,451.50</u>	<u>1,300,531.73</u>	<u>547,269.78</u>
Net Debt Issued	<u>13,606,916.94</u>	<u>11,577,842.07</u>	<u>13,044,647.87</u>
 <u>Authorized But Not Issued</u>			
General Bonds and Notes	725,150.00	4,843,900.00	1,483,300.00
Water Utility - Bonds and Notes	<u>2,424,000.00</u>	<u>2,554,000.00</u>	<u> </u>
Total Authorized But Not Issued	<u>3,149,150.00</u>	<u>7,397,900.00</u>	<u>1,483,300.00</u>
 Less Deductions:			
Self Liquidating	<u>4,545,324.20</u>	<u>5,252,000.00</u>	<u>2,853,000.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$12,210,742.74</u>	<u>\$13,723,742.07</u>	<u>\$11,674,947.87</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(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 .89%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$17,062,567.21	\$17,062,567.21	\$0.00
Regional High School District Debt	1,268,322.20	1,268,322.20	0.00
Water Utility Debt	5,602,000.00	4,545,324.20	1,056,675.80
General Debt	<u>12,511,518.44</u>	<u>1,357,451.50</u>	<u>11,154,066.94</u>
	<u>\$36,444,407.85</u>	<u>\$24,233,665.11</u>	<u>\$12,210,742.74</u>

Net Debt \$12,210,742.74 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,385,406,468.33 equals .89%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$48,489,226.39
Net Debt	<u>12,210,742.74</u>
Remaining Borrowing Power	<u>\$36,278,483.65</u>

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	\$1,595,559.21
Deductions:	
Operating and Maintenance Cost	\$1,368,800.00
Debt Service per Water Account	<u>279,593.00</u>
Total Deductions	<u>1,648,393.00</u>
Deficit in Revenue	<u>\$52,833.79</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, 2009 and 2008
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2009:

<u>Paid by Current Fund</u>	<u>Debt Outstanding</u>
General Serial Bonds - General Improvement Bonds of 2000 with an interest rate of 5.25% issued February 1, 2000, due in installments through February 1, 2011	\$355,000.00
General Serial Bonds - General Improvement Bonds of 2004 with an interest rate of 3.80% issued February 15, 2004 due in installments through February 15, 2015	2,655,000.00
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	5,838,000.00
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>136,868.44</u>
Total Current Fund	<u>8,984,868.44</u>
 <u>Paid by Water Utility Fund</u>	
Water Serial Bonds - Water Utility Bonds of 2000 with an interest rate of 5.25% issued February 1, 2000, due in installments through February 1, 2011	240,000.00
Water Serial Bonds - Water Utility Bonds of 2004 with an interest rate of 3.80% issued February 15, 2004 due in installments through February 15, 2015	801,000.00
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	<u>1,487,000.00</u>
Total Water Utility Fund	<u>2,528,000.00</u>
 <u>Paid by Trust Assessment Fund</u>	
Assessment Serial Bonds - Assessment Serial Bonds of 2000 with an interest rate of 5.25% issued February 1, 2000 due in installments through February 1, 2010	10,000.00
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	192,000.00
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>287,000.00</u>
Total Trust Assessment Fund	<u>489,000.00</u>
	<u>\$12,001,868.44</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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:

Water Capital	\$ <u>2,424,000.00</u>
General Capital	\$ <u>725,100.00</u>

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING**

Calendar Year	<u>Assessment Trust</u>		<u>General</u>		<u>Water Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2010	61,000.00	18,423.50	664,783.99	351,943.17	185,000.00	100,801.75	1,381,952.41
2011	63,000.00	15,891.00	693,262.05	323,554.48	160,000.00	92,458.00	1,348,165.53
2012	66,000.00	13,336.00	665,749.72	297,348.69	105,000.00	86,624.88	1,234,059.29
2013	69,000.00	10,667.00	738,247.19	270,515.85	205,000.00	80,645.50	1,374,075.54
2014	69,000.00	7,941.00	763,754.66	241,748.75	260,000.00	71,704.88	1,414,149.29
2015-2019	161,000.00	11,203.00	2,071,070.83	901,992.09	836,000.00	241,261.50	4,222,527.42
2020-2024			2,250,000.00	487,262.50	625,000.00	91,500.00	3,453,762.50
2025-2027			<u>1,138,000.00</u>	<u>54,906.25</u>	<u>152,000.00</u>	<u>9,762.50</u>	<u>1,354,668.75</u>
	<u>\$489,000.00</u>	<u>\$77,461.50</u>	<u>\$8,984,868.44</u>	<u>\$2,929,271.78</u>	<u>\$2,528,000.00</u>	<u>\$774,759.01</u>	<u>\$15,783,360.73</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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2009, the Borough had \$2,312,500.00 in outstanding general capital bond anticipation notes, maturing on March 5, 2010 at an interest rate of 2.95%.

The Borough also had \$650,000.00 in outstanding water capital bond anticipation notes, maturing on March 5, 2010 at an interest rate of 2.95%.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable - Lakeland Bank	<u>\$</u>	<u>\$2,962,500.00</u>	<u>\$</u>	<u>\$2,962,500.00</u>

NOTE 5. LOAN AGREEMENTS

The Borough has entered into a loan agreement with the State of New Jersey for Back Beach Park Improvements, Phase II. The loan is payable in 32 semiannual payments from the date of the final consummation of the loan. The funds have been provided through the 1987 Green Trust Program. The loan of \$360,000.00 is at an interest rate of 2.00% under loan number 1613-91-042. Drawdowns of the \$360,000.00 loan were initiated in 1995. Installment payments of principal and interest on this loan are due on March 14 and September 14 of each year.

The Borough has also entered into a loan agreement with the New Jersey Economic Development Authority. The loan is payable in 10 annual payments. The funds have been provided through the Petroleum UST Remediation, Upgrade, and Closure Fund/Public Program. The loan of \$111,900.00 is interest free. Principal payments are due on July 1 of each year starting on July 1, 2000.

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009, the following deferred charges are shown on the balance sheets of the various funds:

Current Fund - Expenditures without Appropriations	<u>\$41,157.50</u>
Water Operating Fund - Operating Deficit	<u>\$73,829.49</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

NOTE 7. LOCAL AND REGIONAL HIGH SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District.

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

	Regional High School Taxes	
	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
Balance of Tax	\$3,497,114.42	\$3,394,730.00
Deferred	<u>3,497,114.42</u>	<u>3,394,730.00</u>
Taxes Payable	<u>\$ -0-</u>	<u>\$ - 0 -</u>

Local high school taxes have been raised on a calendar year basis and there is no deferred liability at December 31, 2009.

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

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.

Police and Firemens' Retirement System (PFRS)

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

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

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

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

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

NOTE 8. PENSION PLANS, (continued)

Contribution Requirements

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

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

<u>Year Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2009	\$100,319.00	\$254,245.00
2008	136,159.20	434,511.00
2007	74,139.00	275,816.80

Defined Contribution Retirement Program

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

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to 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, 2009 and 2008
(continued)

NOTE 8. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

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

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

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

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

NOTE 9. OTHER POST-RETIREMENT BENEFITS

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

Eligibility for Retired Group Coverage

Service Retirement Eligibility

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

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

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

Disability Retirement Eligibility

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

Other Eligibility

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

As of January 1, 2009, there are 66 current employees actively participating in the Municipal Reinsurance Health Insurance Fund, and 8 retirees and spouses of retirees also participating.

Funding Policy

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

Currently, there are no contribution requirements of plan members.

Annual OPEB Cost

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

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

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

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2009 (based on actuarial valuations of January 1, 2008) was as follows:

Actuarial Accrued Liability (AAL)	\$6,945,500.00
Actuarial Value of Plan Assets	<u>-0-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$6,945,500.00</u>
Funded Ratio (Actuarial Value of Plan Assets (AAL))	0.00%
Cover Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A
<hr style="width: 25%; margin-left: 0;"/>	
N/A - Not Available	

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008
(continued)

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

Actuarial Methods and Assumptions

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

NOTE 10. FUND BALANCES

Fund balances as of December 31, 2009 that have been anticipated as revenue in the 2009 budget is as follows:

Current Fund	\$340,000.00
Water Operating Fund	50,000.00

NOTE 11. FIXED ASSETS

The Borough of Wanaque implemented a fixed asset accounting system during 1999. The Borough did not update their fixed assets for additions and deletions for the year. The balance as of December 31, 2009 and December 31, 2008 are as follows:

	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</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 \$669,521.20 as of December 31, 2009. 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, 2009 and 2008
(continued)

NOTE 13. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2009 consist of the following:

\$60.44	Due to Current Fund from Animal Control Trust Fund for interest earned on deposits.
99,954.23	Due to Current Fund from Payroll Fund for interest earned on deposits and excess deposits to Payroll Fund.
239.55	Due to Current Fund from Public Assistance Fund for interest earned on deposits.
76,169.00	Due to Current Fund from Assessment Trust Fund for Current Fund receipts deposited in Assessment Trust Fund.
1,510.33	Due to Current Fund from Federal and State Grant Fund for grant disbursements paid by Current Fund.
115,000.00	Due to General Capital Fund from Other Trust Fund for financing source of improvement authorization.
945,973.03	Due to General Capital Fund from Current Fund for General Capital Fund receipts deposited in Current Fund.
162,513.99	Due to Water Capital Fund from Water Operating Fund for Water Capital receipts deposited in Water Operating Fund.
150,000.00	Due to Water Capital Fund from General Capital Fund for Water Capital Fund receipts deposited in General Capital Fund.
64,832.18	Due to Other Trust Fund from Current Fund for Other Trust receipts deposited in Current Fund.
<u>27,656.50</u>	Due to Other Trust Fund from Payroll Fund for Other Trust Fund receipts deposited in the Payroll Fund.
<u>\$1,643,909.25</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, 2009 and 2008
(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>
2010	75,312.50	65,000.00	10,312.50
2011	81,462.50	75,000.00	6,462.50
2012	<u>82,200.00</u>	<u>80,000.00</u>	<u>2,200.00</u>
	<u>\$238,975.00</u>	<u>\$220,000.00</u>	<u>\$18,975.00</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 2009 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, 2009 and 2008
(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, 2009</u>	<u>Balance</u> <u>Dec 31, 2008</u>
Prepaid Taxes	<u>\$89,861.84</u>	<u>\$98,888.26</u>
Cash Liability for Taxes Collected in Advance	<u>\$89,861.84</u>	<u>\$98,888.26</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, 2009 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, 2009 and 2008
(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 will be 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>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate:</u>	5.835	5.687	5.52
Apportionment of Tax Rate:			
Municipal	1.3649	1.3367	1.123
Municipal Open Space	.010	.010	.012
County	1.2207	1.2472	1.185
Local School	2.0123	1.9164	2.030
Regional High School	1.2271	1.1767	1.170
 <u>Assessed Valuation:</u>			
2009	<u>\$577,156,626.00</u>		
2008		<u>\$577,020,732.00</u>	
2007			<u>\$563,578,695.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

		<u>Currently</u>	
		<u>Cash</u>	<u>Percentage of</u>
<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Collection</u>
2009	\$33,765,295.28	\$33,059,889.66	97.91%
2008	32,845,939.91	\$32,261,467.85	98.22
2007	31,255,041.10	30,731,890.16	98.33

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Dec. 31</u>	<u>Amount of</u>	<u>Amount of</u>	<u>Total</u>	<u>Percentage</u>
	<u>Tax Title Liens</u>	<u>Delinquent</u>	<u>Delinquent</u>	<u>of Tax Levy</u>
2009	\$90,817.84	\$622,240.45	\$713,058.29	2.11%
2008	82,660.46	531,040.56	613,701.02	1.87
2007	71,814.26	496,614.83	568,429.09	1.82

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>
2009	\$388,475.00
2008	388,475.00
2007	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>
2009	\$418,934.10	\$340,000.00
2008	801,557.09	780,000.00
2007	1,128,432.69	950,000.00
2006	1,457,928.21	1,400,000.00
2005	1,374,813.14	1,092,500.00

<u>Water Utility Operating Fund</u>		
<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2009	\$78,398.70	\$50,000.00
2008	263,391.70	184,993.00
2007	130,902.68	130,900.00
2006	101,973.76	101,900.00
2005	144,019.12	144,000.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2009	\$1,247,787.71	\$1,251,923.86
2008	1,326,502.34	1,334,609.12
2007	1,262,111.63	1,239,698.60
2006	1,159,815.37	1,161,771.44
2005	1,131,857.48	1,111,171.79

*Includes collections of prior years water levy.

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond*</u>
Daniel Mahler	Mayor	
Thomas Balunis	Councilman	
Karen Cisco	Councilwoman	
Edward O'Connell	Councilman	
Donald D. Pasquariello	Councilman	
Robert Pettet	Councilman	
George Theoharous	Councilman	
Thomas F. Carroll	Administrator	
Katherine Falone	Borough Clerk	
Lynn Gordon	Tax Collector	
Mary Ann Brindisi	Chief Financial Officer	
Harold Cook	Magistrate	
Nancy Dean	Court Administrator	
Kathleen Gallanthen	Deputy Court Administrator	
John Reno	Police Chief	
Jeffrey Brusco	Building Inspector	
George Kostro	Water Department Supervisor to 7/31/09	
Michael Reiff	Water Department Supervisor from 8/1/09	
Christopher Chapman	Health Officer	
Brian Townsend	Tax Assessor	
Richard A. Alaimo	Engineers	
Anthony Fiorello	Attorney	
Ralph Fava	Prosecutor	
Charles J. Ferraioli, Jr.	Auditor	

*Covered under New Jersey Intergovernmental Insurance Fund.

Adequacy of insurance coverage is the responsibility of the Borough.

Borough of Wanaque

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2009

<u>Name of Federal Agency or Department</u>	<u>Federal Program</u>	<u>C.F.D.A./ Account No.</u>	<u>Total Grant Award</u>	<u>Balance Jan. 1, 2009</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Balance Dec. 31, 2009</u>	<u>Cumulative Expenditures</u>
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	4,000.00	4,000.00
	Over the Limit Under Arrest	20.601	6,000.00		4,950.00	6,000.00	(1,050.00)	6,000.00
	Obey the Signs or Pay the Fines	20.600	4,000.00		4,000.00	4,000.00		4,000.00
Dept of Housing and Urban Development	Economic Development (1) Initiative - Special Purpose	14.251	99,200.00		99,200.00	99,200.00		99,200.00
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
				(452.07)	108,150.00	113,200.00	(5,502.07)	217,066.07

(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, 2009

<u>Name of State Agency or Department</u>	<u>State Program</u>	<u>State Program / Account No.</u>	<u>Total Grant Award</u>	<u>Balance Jan. 1, 2009</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Balance Dec. 31, 2009</u>	<u>Cumulative Expenditures</u>
Department of Transportation	Transportation Trust Fund Auth. Act	6320-480-078-6320-6010 Ringwood Ave - Pedestrian Safety Town Center Ringwood Ave Ringwood Ave Bergen Ave Whistler Place Fourth Ave & Decker Rd Laura Ave Phase I 1st and 2nd Street Laura Ave Phase II Melrose & Furnace	18,000.00 69,000.00 150,000.00 100,000.00 150,000.00 250,000.00 300,000.00 250,000.00 211,000.00 257,000.00 200,000.00	(14,446.00) (17,250.00) (37,500.00) (25,000.00) 22,147.89 (62,500.00) (20,000.00) (38,895.35)		17,175.00 211,000.00	(14,446.00) (17,250.00) (37,500.00) (25,000.00) 22,147.89 (62,500.00) (20,000.00) (211,000.00)	14,446.00 69,000.00 150,000.00 100,000.00 127,852.11 250,000.00 300,000.00 56,070.35 211,000.00
Department of Env. Solid Waste Protection	Recycling Tonnage	4900-752-178810-60	8,388.11 4,761.43	8,388.11 4,761.43			8,388.11 4,761.43	
Highlands Council	NJ Highlands Water Protection		15,000.00			15,000.00	(15,000.00)	15,000.00
Passaic County	(1) Municipal Alliance		54,400.00		22,631.00	44,196.85	(21,565.85)	44,196.85
	(1) Tobacco Grant		1,988.00 5,214.60	4,220.60			4,220.60	
				<u>(90,153.00)</u>	<u>257,362.07</u>	<u>450,287.68</u>	<u>(283,078.61)</u>	<u>1,505,955.08</u>

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

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

Borough of Wanaque , N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	<u>Current Fund</u>
Balance - December 31, 2008	A	2,359,759.30
Increased by Receipts:		
Consolidated Municipal Property Tax Relief Aid	A-2	337,397.00
Energy Receipts Tax	A-2	796,932.00
Miscellaneous Revenue Not Anticipated	A-2	149,143.20
Tax Collector	A-5	34,377,399.67
Revenue Accounts Receivable	A-12	572,213.09
Due From Passaic County - Street Lighting	A-13	18,763.52
Interfunds	A-14	1,197,669.45
Various Cash Liabilities and Reserves	A-22	<u>20,625.74</u>
		<u>37,470,143.67</u>
		39,829,902.97
Decreased by Disbursements:		
Refund Prior Years Revenue	A-1	29,004.43
Current Year Budget Appropriations	A-3	10,063,321.16
Interfunds	A-14	1,177,244.94
Expenditures without Appropriation	A-15	41,157.50
Appropriation Reserves	A-16	373,705.47
Local District School Taxes	A-19	11,614,098.00
Regional High School Taxes	A-20	6,930,006.51
County Taxes Payable	A-21	7,051,310.67
Various Cash Liabilities and Reserves	A-22	<u>721,529.37</u>
		<u>38,001,378.05</u>
Balance - December 31, 2009	A	<u><u>1,828,524.92</u></u>

Borough of Wanaque , N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2	106,014.96	
Due from NJ Senior Citizens & Vets	A-7	135,306.12	
Property Taxes Receivable	A-8	33,355,395.70	
Prepaid Taxes	A-18	89,861.84	
Deposits for Redemption of Tax Sale Certificate:	A-22	639,306.88	
Tax Overpayments	A-22	<u>50,830.12</u>	
			<u><u>34,377,399.67</u></u>
Decreased by Disbursements:			
Paid to Treasurer	A-4		<u><u>34,377,399.67</u></u>

Borough of Wanaque , N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	A	<u>575.00</u>
Balance - December 31, 2009	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, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	A	21,537.07
Increased by:		
Senior Citizens' Deductions Per Tax Billing		29,302.52
Veterans' Deductions Per Tax Billing		105,750.00
Senior Citizens' and Veterans' Allowed by Tax Collector		<u>5,000.00</u>
		140,052.52
Less: Senior Citizens Deduction Disallowed		<u>3,971.94</u>
	A-8	<u>136,080.58</u>
		157,617.65
Decreased by:		
Cash Receipts	A-5	<u>135,306.12</u>
Balance - December 31, 2009	A	<u><u>22,311.53</u></u>

Borough of Wanaque, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2009

Year prior 2009	Balance, Dec. 31, 2008	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2009
			2008	2009				
	531,040.56	88,196.03	98,888.26	532,464.61	(1,989.73)	8,841.43	512.97	52.71
		33,677,099.25	32,822,931.09	32,822,931.09	138,070.31	8,841.43	74,376.45	622,187.74
	<u>531,040.56</u>	<u>88,196.03</u>	<u>98,888.26</u>	<u>33,355,395.70</u>	<u>136,080.58</u>	<u>8,841.43</u>	<u>74,889.42</u>	<u>622,240.45</u>
	A		A-2/A-18	A-2/A-5	A-2/A-7	A-9		A

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	33,677,099.25
Added Tax (R.S. 54:4-63.1 et seq.)	88,196.03
	<u>33,765,295.28</u>
Tax Levy:	
Municipal Open Space Tax	57,715.00
Added Municipal Open Space Tax	136.04
	<u>57,851.04</u>
Local District School Tax	11,614,100.00
Regional High School Tax	7,082,137.73
County Tax	7,044,562.38
Added County Taxes	18,474.56
	<u>7,063,036.94</u>
Local Tax for Municipal Purposes	25,817,125.71
Additional Taxes	75,333.57
	<u>7,948,169.57</u>
	<u>33,765,295.28</u>

Borough of Wanaque , N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2009

Balance - December 31, 2008	<u>Ref.</u> A	82,660.46
Increased by:		
Transfer from Taxes Receivable	A-8	<u>8,841.43</u>
		91,501.89
Decreased by:		
Tax Liens Paid	A-2, A-5	<u>684.05</u>
Balance - December 31, 2009	A	<u><u>90,817.84</u></u>

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

Current Fund

Year Ended December 31, 2009

Balance - December 31, 2008	<u>Ref.</u> A	<u><u>388,475.00</u></u>
Balance - December 31, 2009	A	<u><u>388,475.00</u></u>

Borough of Wanaque , N.J.

Schedule of Prepaid Regional High School Taxes

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance -December 31, 2008	A	49,746.80
Decreased by:		
Applied to 2009 Levy	A-20	<u>49,746.80</u>
Balance -December 31, 2009	A	<u><u> </u></u>

Borough of Wanaque, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2009

	Ref.	Balance Dec. 31, 2008	Accrued	Collected	Balance Dec. 31, 2009
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		11,200.00	11,200.00	
Other	A-2		3,585.00	3,585.00	
Fees and Permits	A-2		1,186.00	1,186.00	
Health Department					
Licenses:					
Other	A-2		4,173.00	4,173.00	
Fees and Permits	A-2		16,010.00	16,010.00	
Police Dpeartment					
Fees and Permits	A-2		4,950.04	4,950.04	
Municipal Court :					
Fines and Costs	A-2	17,735.66	199,173.43	201,661.13	15,247.96
Construction Code					
Fees	A-2		55,499.00	55,499.00	
Fees and Permits - Other	A-2		3,300.00	3,300.00	
WBSA Collection Service	A-2	6,340.35	10,686.80	17,027.15	
Uniform Fire Safety Act	A-2		11,470.39	11,470.39	
Borough of Ringwood Resource Grant	A-2		34,155.00	34,155.00	
Cable TV	A-2		38,135.00	38,135.00	
Cellular Tower Lease	A-2		136,066.96	133,651.81	2,415.15
Interest on Investments and Deposits	A-2	41.53	36,204.58	36,209.57	36.54
		<u>24,117.54</u>	<u>565,795.20</u>	<u>572,213.09</u>	<u>17,699.65</u>
		A		A-4	A

Borough of Wanaque , N.J.

Schedule of Due from County of Passaic

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	A, A-1	18,763.52
Increased by:		
Street Lighting Contract Fees	A-2	<u>10,194.96</u>
		28,958.48
Decreased by:		
Receipts	A-4	<u>18,763.52</u>
Balance - December 31, 2009	A, A-1	<u><u>10,194.96</u></u>

Borough of Wanaque , N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2009

		Due From/(To)			Due From/(To)
		Balance			Balance
	<u>Ref.</u>	<u>Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2009</u>
Other Trust	A	(27,666.47)	76,455.44	39,289.73	(64,832.18)
Public Assistance	A	427.65	239.55	427.65	239.55
General Capital Fund	A	(807,681.94)	945,973.03	807,681.94	(945,973.03)
Animal Control Trust	A	68.53	60.44	68.53	60.44
Payroll Fund	A	80,193.72	19,760.51		99,954.23
Assessment Trust Fund	A	30,852.68	76,169.00	30,852.68	76,169.00
State and Federal Grant Fund	A	(30,790.28)	201,743.16	234,043.77	1,510.33
		<u>(754,596.11)</u>	<u>1,320,401.13</u>	<u>1,112,364.30</u>	<u>(832,871.66)</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	111,542.58			177,933.55
Due From Current Fund	A	(866,138.69)			(1,010,805.21)
		<u>(754,596.11)</u>			<u>(832,871.66)</u>
Municipal Open Space Tax	A-1, A-8		57,851.04		
Disbursed	A-4		96,229.50	1,081,015.44	
Received	A-4		1,166,320.59	31,348.86	
			<u>1,320,401.13</u>	<u>1,112,364.30</u>	

Borough of Wanaque , N.J.

Schedule of Deferred Charges

Year Ended December 31, 2009

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

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2009

	Balance Dec. 31, <u>2008</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Appropriations</u>				
General Government:				
Administrative and Executive				
Salaries and Wages	10,747.85	10,747.85		10,747.85
Other Expenses	1,596.66	3,688.04	2,091.38	1,596.66
Mayor and Council				
Salaries and Wages	0.52	0.52		0.52
Other Expenses	1,187.36	1,187.36		1,187.36
Municipal Clerk				
Salaries and Wages	618.90	618.90		618.90
Other Expenses	2,325.60	2,715.80		2,715.80
Elections				
Salaries and Wages	597.88	597.88		597.88
Other Expenses	1,482.09	1,482.09		1,482.09
Financial Administration				
Salaries and Wages	2,065.81	2,065.81		2,065.81
Other Expenses	1,157.71	1,157.71		1,157.71
Data Processing	2,986.99	3,676.99	690.00	2,986.99
Miscellaneous Other Expenses	4,149.00	6,349.00	2,200.00	4,149.00
Collection of Taxes				
Salaries and Wages	5,256.42	5,256.42		5,256.42
Other Expenses	1,810.60	1,860.60	50.00	1,810.60
Assessment of Taxes				
Salaries and Wages	7,906.03	7,906.03		7,906.03
Other Expenses	1,247.64	1,247.64		1,247.64
Legal Services				
Other Expenses	11,851.72	15,075.06	3,223.34	11,851.72
Engineering Services and Costs				
Other Expenses	10,198.63	10,198.63	2,923.00	7,275.63
Planning Board				
Salaries and Wages	45.72	45.72		45.72
Other Expenses	11,515.58	11,515.58	591.50	10,924.08
Board of Adjustment				
Salaries and Wages	2,440.76	2,440.76		2,440.76
Other Expenses	4,202.55	4,202.55	360.00	3,842.55

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2009

	Balance Dec. 31, <u>2008</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Insurance				
Other Insurance Premiums	1,334.54	4,784.54	4,750.00	34.54
Employee Group Health	10,340.67	10,340.67		10,340.67
Police				
Salaries and Wages	43,761.72	48,291.72	48,290.85	0.87
Other Expenses	10,342.17	25,060.51	21,104.21	3,956.30
Police Vehicles	1,043.70	32,000.00	30,956.30	1,043.70
911 Dispatch Services	5.00	5.00		5.00
Emergency Management Services				
Salaries and Wages	46.35	46.35		46.35
Other Expenses	1,972.39	3,659.39	1,687.00	1,972.39
First Aid Organization Contribution	712.41	4,333.87	3,596.18	737.69
Fire				
Other Expenses	5.51	3,363.92	3,358.41	5.51
Uniform Fire Safety Act (Ch. 383, P.L. 1983)				
Salaries and Wages	3.45	3.45		3.45
Other Expenses	968.37	968.37		968.37
Road Repair and Maintenance				
Salaries and Wages	14,821.83	4,821.83	2,696.49	2,125.34
Other Expenses	17,074.32	88,803.96	79,798.28	9,005.68
Public Buildings and Grounds				
Salaries and Wages	1,313.43	1,313.43		1,313.43
Other Expenses	1,471.74	10,323.74	10,268.74	55.00
Garbage and Trash Removal				
Other Expenses	12,502.81	51,905.78	34,056.81	17,848.97
Municipal Services Act (P.L. 1993, CH. 6)				
Garbage and Trash Removal				
Other Expenses	15,000.00	15,000.00	15,000.00	
Recycling				
Other Expenses	11,617.63	17,281.63	5,664.00	11,617.63
Board Of Health:				
Salaries and Wages	5,671.47	5,671.47		5,671.47
Other Expenses	879.10	1,125.48	488.72	636.76
Administration of Public Assistance				
Salaries and Wages	22.02	22.02		22.02
Other Expenses	20.37	20.37		20.37

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2009

	Balance Dec. 31, <u>2008</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Parks and Playgrounds				
Salaries and Wages	28.06	28.06		28.06
Other Expenses	7,087.03	7,382.94	4,738.71	2,644.23
Municipal Court				
Salaries and Wages	800.00	800.00		800.00
Other Expenses	1,873.87	1,993.85	119.98	1,873.87
Uniform Construction Code Officials				
Salaries and Wages	92.20	92.20		92.20
Other Expenses	7,015.27	27,100.00	84.73	27,015.27
Electrical Inspector				
Salaries and Wages	722.54	722.54		722.54
Fire Sub-Code Official				
Salaries and Wages	48.75	48.75		48.75
Gasoline	3,453.68	5,283.04	1,829.36	3,453.68
Telephone		1,374.30	1,374.30	
Street Lighting	11,414.92	16,713.18	16,713.18	
Celebration of Public Events				
Other Expenses	2,489.41	2,489.41		2,489.41
Contribution to:				
Social Security System (O.A.S.A.)	1,658.43	1,658.43		1,658.43
Wanaque Borough Sewerage Authority				
Service Agreement	1,444.65	1,444.65		1,444.65
Emergency Services Volunteer Length of Service Award Program	75,000.00	75,000.00	75,000.00	
	<u>349,451.83</u>	<u>565,315.79</u>	<u>373,705.47</u>	<u>191,610.32</u>
	A		A-4	A-1
		Ref.		
Appropriation Reserves		above	349,451.83	
Transfer from Reserve for Encumbrances		A-17	215,863.96	
			<u>565,315.79</u>	

Borough of Wanaque , N.J.
Schedule of Encumbrances Payable
Current Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	A	215,863.96
Increased by:		
Transfer from Current Appropriations	A-3	85,401.35
		301,265.31
Decreased by:		
Transferred to Appropriation Reserves	A-16	215,863.96
		85,401.35
Balance - December 31, 2009	A	85,401.35

Schedule of Prepaid Taxes
Current Fund
Year Ended December 31, 2009

Balance - December 31, 2008	A	98,888.26
Increased by:		
Receipts - Prepaid 2010 Taxes	A-5	89,861.84
		188,750.10
Decreased by:		
Applied to 2009 Taxes	A-8	98,888.26
		89,861.84
Balance - December 31, 2009	A	89,861.84

Borough of Wanaque , N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	A	183.00
Increased by:		
Levy Calendar Year , 2009	A-8	<u>11,614,100.00</u>
		11,614,283.00
Decreased by:		
Payments	A-4	<u>11,614,098.00</u>
Balance - December 31, 2009	A	<u><u>185.00</u></u>
2009 Liability for Local District School Tax:		
Tax Paid		11,614,098.00
Tax Payable December 31, 2009		<u>185.00</u>
		11,614,283.00
Less Tax Payable December 31, 2008		<u>183.00</u>
Amount Charged to 2009 Operations	A-1	<u><u>11,614,100.00</u></u>

Borough of Wanaque , N.J.

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2009

	<u>Ref.</u>		
Balance - December 31, 2008			
School Tax Deferred			3,394,730.00
Increased by:			
Levy School Year - July 1, 2009			
to June 30, 2010	A-8		<u>7,082,137.73</u>
			10,476,867.73
Decreased by:			
Applied from Prepaid	A-8	49,746.80	
Payments	A-4	<u>6,930,006.51</u>	
			<u>6,979,753.31</u>
Balance - December 31, 2009			
School Tax Deferred			<u><u>3,497,114.42</u></u>
2009 Liability for Regional High			
School Tax			
Tax Paid			<u>6,979,753.31</u>
Amount Charged to 2009 Operations	A-1		<u><u>6,979,753.31</u></u>

Borough of Wanaque , N.J.
Schedule of County Taxes Payable
Current Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	A	6,748.29
Increased by:		
Tax Levy -2009		
County Tax		7,044,562.38
Added and Omitted Taxes		<u>18,474.56</u>
	A-1/A-8	<u>7,063,036.94</u>
		7,069,785.23
Decreased by:		
Payments	A-4	<u>7,051,310.67</u>
Balance - December 31, 2009	A	<u><u>18,474.56</u></u>

Borough of Wanaque , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2009

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2009</u>
<u>Liabilities:</u>				
Deposits for Redemption of Tax Sale Certificates	5,482.96	639,306.88	644,789.84	
Tax Overpayments	2,015.87	50,830.12	51,509.03	1,336.96
Due to State of N.J. Marriage Surcharge	25.00	1,175.00	825.00	375.00
Due to State of N.J. Building Surcharge	701.00	3,074.00	2,843.00	932.00
Due to State of N.J. Burial Permits		810.00	660.00	150.00
<u>Reserves for:</u>				
Insurance Proceeds - Damaged Car	9,671.00		9,671.00	
Police Law Enforcement	56.64			56.64
Project D.A.R.E.	8,450.62	3,910.00	956.00	11,404.62
Garden State Trust - P.I.L.O.T.	7,055.76	6,578.16	7,055.76	6,578.16
Tax Appeals		15,000.00	15,000.00	
Fire Prevention Bureau	9,581.40	5,078.58	4,946.50	9,713.48
	<u>43,040.25</u>	<u>725,762.74</u>	<u>738,256.13</u>	<u>30,546.86</u>
	A			A
	<u>Ref.</u>			
Canceled Reserves	A-1		9,671.00	
Realized as Anticipated Revenue	A-2		7,055.76	
Appropriations Payable	A-3	15,000.00		
Receipts	A-4	20,625.74		
Disbursed	A-4		721,529.37	
Tax Overpayments	A-5	50,830.12		
Deposits for Redemption of Tax Sale Certificates	A-5	639,306.88		
		<u>725,762.74</u>	<u>738,256.13</u>	

Borough of Wanaque, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2009

<u>Grant</u>	<u>Balance, Dec. 31, 2008</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Balance, Dec. 31, 2009</u>
Drunk Driving Enforcement Fund		3,319.50	3,319.50	
Municipal Alliance Grant		54,400.00	22,631.00	31,769.00
Over the Limit Under Arrest		6,000.00	4,950.00	1,050.00
Division of Criminal Justice - Body Armor Grant		2,238.50	2,238.50	
Passaic County Tobaccō Grant	2,982.00			2,982.00
Click It or Ticket		4,000.00	4,000.00	
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
U.S. Department of Justice - Universal Hiring	25,000.00			25,000.00
Alcohol Education and Rehab Fund		374.82	374.82	
NJ Highlands Water Protection	15,000.00			15,000.00
Obey the Sings or Pay the Fines		4,000.00	4,000.00	
	<u>140,732.00</u>	<u>149,332.82</u>	<u>41,513.82</u>	<u>248,551.00</u>
	A	A-2		A
Transfer from Unappropriated Reserve for Grants	<u>Ref.</u>		9,932.82	
Interfund - Current Fund	A-25		31,581.00	
	A-26			
			<u>41,513.82</u>	

Borough of Wanaque , N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2009

<u>Grant</u>	<u>Balance, Dec. 31, 2008</u>	<u>Transfer From 2009 Budget</u>	<u>Expended</u>	<u>Balance, Dec. 31, 2009</u>
Clean Communities Program	58,183.47		1,555.00	56,628.47
Body Armor Fund	2,065.39	2,238.50	2,238.50	2,065.39
Alcohol Education and Rehabilitation Fund	5,567.20	374.82		5,942.02
Drunk Driving Enforcement Fund	11,765.72	3,319.50	3,856.45	11,228.77
Department of Transportation				
Bergen Ave	22,147.89			22,147.89
Ringwood Ave - Pedestrian Safety	3,554.00			3,554.00
Passaic County Tobacco Grant	7,202.60			7,202.60
Click It or Ticket	4,000.00	4,000.00	4,000.00	4,000.00
NJ SLA HEOP Grant	2,405.72			2,405.72
Municipal Stormwater Grant	16,547.93			16,547.93
Recycling Tonnage Grant	13,149.54			13,149.54
NJ Highlands Water Protection	15,000.00		15,000.00	
Municipal Alliance Grant		54,400.00	44,196.85	10,203.15
Obey the Signs or Pay the Fines		4,000.00	4,000.00	
Passaic County Open Space & Recreation Grant		75,000.00		75,000.00
Over the Limit or Under Arrest		6,000.00	6,000.00	
	<u>161,589.46</u>	<u>149,332.82</u>	<u>80,846.80</u>	<u>230,075.48</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, 2009

<u>Grant</u>	<u>Balance, Dec. 31, 2008</u>	<u>Transfer To 2009 Budget</u>	<u>Received</u>	<u>Balance, Dec. 31, 2009</u>
Drunk Driving Enforcement Fund	3,319.50	3,319.50	2,690.05	2,690.05
Click It or Ticket	4,000.00	4,000.00		
Body Armor Fund	2,238.50	2,238.50		
Alcohol Education and Rehabilitation Fund	374.82	374.82	14,275.14	14,275.14
Clean Communities				
	<u>9,932.82</u>	<u>9,932.82</u>	<u>16,965.19</u>	<u>16,965.19</u>
	A	A-23	A-26	A

Borough of Wanaque , N.J.

Schedule of Due from/to Current Fund

Federal and State Grant Fund

Year Ended December 31, 2009

		<u>Ref.</u>	
Balance - December 31, 2008	(Due from)	A	30,790.28
Increased by:			
Federal and State Grant Receipts		A-23	31,581.00
Unappropriated Reserves		A-25	<u>16,965.19</u>
			<u>48,546.19</u>
			79,336.47
Decreased by:			
Federal and State Grant Expenditures		A-24	<u>80,846.80</u>
Balance - December 31, 2009	(Due to)	A	<u><u>1,510.33</u></u>

Borough of Wanaque, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2009

	Ref.	Assessment Trust Fund	Animal Control Fund	Other Trust Funds	Recreation Trust Fund	Payroll Agency Fund	L.O.S.A.P.
Balance - December 31, 2008	B	235,553.74	626.18	2,985,505.12	26,779.00	132,777.76	428,864.55
Increased by Receipts:							
Assessments Receivable	B-6	2,972.79					
Interfund - Current Fund	B-7	76,169.00	60.44	132,567.07		19,760.51	
Animal Control Fees	B-11		11,786.40				
Due to State of New Jersey	B-12		1,386.60				
Other Trust Funds	B-13			242,815.62			
Municipal Open Space Tax	B-14			130,157.07			
Interfunds	B-15			115,000.00			
Recreation Trust	B-16				98,920.95		
Payroll Deductions Payable	B-17					5,866,485.78	
Interfund - Other Trust Fund	B-18					7,414.95	
Contributions Receivable	B-19						77,050.00
Net Assets Available for Benefits	B-20						118,743.78
Total Receipts		<u>79,141.79</u>	<u>13,233.44</u>	<u>620,539.76</u>	<u>98,920.95</u>	<u>5,893,661.24</u>	<u>195,793.78</u>
		<u>314,695.53</u>	<u>13,859.62</u>	<u>3,606,044.88</u>	<u>125,699.95</u>	<u>6,026,439.00</u>	<u>624,658.33</u>
Decreased by Disbursements:							
Interfund - Current Fund	B-7	30,852.68	68.53	169,732.78			
Assessment Bonds	B-9	44,000.00					
Reserve for Animal Control Trust							
Fund Expenditures	B-11		11,851.50				
Due to State of New Jersey	B-12		1,386.60				
Other Trust Funds	B-13			394,808.45			
Municipal Open Space	B-14			910.14			
Interfunds	B-15			436,164.95			
Recreation Trust	B-16				79,865.51		
Payroll Deductions Payable	B-17					5,863,891.27	
Net Assets Available for Benefits	B-20						12,317.74
Total Disbursements		<u>74,852.68</u>	<u>13,306.63</u>	<u>1,001,616.32</u>	<u>79,865.51</u>	<u>5,863,891.27</u>	<u>12,317.74</u>
Balance - December 31, 2009	B	<u>239,842.85</u>	<u>552.99</u>	<u>2,604,428.56</u>	<u>45,834.44</u>	<u>162,547.73</u>	<u>612,340.59</u>
Analysis Other Trust Funds:							
Other Trust				2,603,575.38	/		
Unemployment Insurance				853.18			
				<u>2,604,428.56</u>			

Borough of Wanaque, N.J.
Analysis of Assessment Cash
Assessment Trust Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Pledged to Assessment Serial Bonds of 2000		10,000.00
Pledged to Assessment Serial Bonds of 2004		181,024.55
Pledged to Assessment Serial Bonds of 2007		(32,000.00)
Interfund - Current Fund	B-7	76,169.00
Fund Balance	B-1	<u>4,649.30</u>
		<u>239,842.85</u>
		B

Borough of Wanaque, N.J.

Schedule of Assessments Receivable

Year Ended December 31, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Balance</u>		<u>Bonds</u>	<u>Reserve</u>	<u>Balance Pledged to</u>
			<u>Dec. 31, 2008</u>	<u>Dec. 31, 2009</u>			
2-0-97/	Improvement to the Sanitary						
5-0-98	Sewerage Collection System	7/14/2003	26,559.70	25,306.68		25,306.68	
13-0-01	Construction of Sidewalks on Ringwood Avenue	4/18/2005	12,695.22	10,975.45	10,975.45		
			<u>39,254.92</u>	<u>36,282.13</u>	<u>10,975.45</u>	<u>25,306.68</u>	
			B	B	B-4	B	

Borough of Wanaque, N.J.

Schedule of Interfund - Current Fund

Year Ended December 31, 2009

	Due to/(from)			Due to/(from)
	Balance			Balance
	<u>Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2009</u>
Animal Control Trust Fund	68.53	60.44	68.53	60.44
Assessment Trust Fund	30,852.68	76,169.00	30,852.68	76,169.00
Payroll Agency Fund	80,193.72	19,760.51		99,954.23
Other Trust Fund	<u>(27,666.47)</u>	<u>169,732.78</u>	<u>132,567.07</u>	<u>(64,832.18)</u>
	<u>83,448.46</u>	<u>265,722.73</u>	<u>163,488.28</u>	<u>111,351.49</u>
	B			B

	<u>Ref.</u>		
Cash Receipts - Assessment Trust Fund	B-4	76,169.00	
Cash Receipts - Animal Control Trust	B-4	60.44	
Cash Receipts - Other Trust Fund	B-4		132,567.07
Cash Receipts - Payroll Fund	B-4	19,760.51	
Cash Disbursements - Assessment Trust Fund	B-4		30,852.68
Cash Disbursements - Animal Control Trust	B-4		68.53
Cash Disbursements - Other Trust Fund	B-4	<u>169,732.78</u>	
		<u>265,722.73</u>	<u>163,488.28</u>

Exhibit B-8

Borough of Wanaque, N.J.

Schedule of Prospective Assessments Funded

Year Ended December 31, 2009

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

B

Borough of Wanaque, N.J.

Schedule of Assessment Serial Bonds Payable

Year Ended December 31, 2009

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2009		Interest Rate	Balance, Dec. 31, 2008	Decreased	Balance, Dec. 31, 2009
			Date	Amount				
Sewer Assessment Bonds of 2000	02/01/00	123,000.00	02/01/09-10	10,000.00	5.25%	20,000.00	10,000.00	10,000.00
Construction of Sidewalks - Ringwood Avenue	02/15/04	200,000.00	2/15/09	2,000.00				
			02/15/10	19,000.00				
			02/15/11	31,000.00				
			02/15/12	34,000.00				
			02/15/13-14	37,000.00				
			02/15/15	34,000.00	3.80%	194,000.00	2,000.00	192,000.00
Ringwood Avenue Sidewalks	8/9/2007	319,000.00	02/01/09-17	32,000.00				
			02/01/18	31,000.00	4.125%-4.20%	319,000.00	32,000.00	287,000.00
						<u>533,000.00</u>	<u>44,000.00</u>	<u>489,000.00</u>
						B	B-4	B

Borough of Wanaque, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	Collections	
		<u>Balance Dec. 31, 2008</u>	<u>to Surplus Dec. 31, 2009</u>
<u>Assessments Receivable</u>			
2-0-97/	Improvement to the Sanitary		
5-0-98	Sewerage Collection System	26,559.70	1,253.02
		<u>26,559.70</u>	<u>1,253.02</u>
<u>Prospective Assessments Funded</u>			
8-0-03	Ringwood Avenue Sidewalks	18,000.00	18,000.00
		<u>18,000.00</u>	<u>18,000.00</u>
		<u>44,559.70</u>	<u>1,253.02</u>
		<u>B</u>	<u>B-1</u>
			<u>43,306.68</u>
			<u>B</u>

Borough of Wanaque, N.J.

Schedule of Reserve for Animal Control Fund Expenditures

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	B	557.65
Increased by:		
Collections		
Dog License Fees - 2009		9,158.40
Cat License Fees - 2009		2,469.00
Late Charge Fees		130.00
Miscellaneous		29.00
	B-4	<u>11,786.40</u>
		12,344.05
Decreased by:		
Expenditures R.S. 4:19-15.11	B-4	<u>11,851.50</u>
Balance - December 31, 2009	B	<u><u>492.55</u></u>

License Fees Collected

<u>Year</u>	
2008	8,586.00
2007	<u>5,718.80</u>
	<u><u>14,304.80</u></u>

Schedule of Due to State Department of Health

Year Ended December 31, 2009

	<u>Ref.</u>	
Increased by:		
State Fees Collected	B-4	<u><u>1,386.60</u></u>
Decreased by:		
Paid to State	B-4	<u><u>1,386.60</u></u>

Borough of Wanaque, N.J.

Schedule of Other Trust Funds

Year Ended December 31, 2009

	Balance <u>Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2009</u>
Developers Escrow	166,957.66	42,631.32	132,501.22	77,087.76
Reserve for:				
Unemployment	22,272.09	22,676.79	14,865.15	30,083.73
Parking Offenses Adjudication Act	3,036.00	257.00	392.00	2,901.00
Welcome Bricks	3,820.00	200.00		4,020.00
Recycling	147,267.77	29,547.87	176,031.77	783.87
Flexible Spending Account	(258.84)	12,046.98	11,770.01	18.13
Performance Bonds	750.00			750.00
Sprint Lease	10,722.47	35.32		10,757.79
Cingular Lease	10,000.00			10,000.00
Haskell Tank Lease	5,591.34	18.43		5,609.77
Wanaque Housing Trust	1,490,313.43	48,498.43	593.30	1,538,218.56
Soil Removal Permits	5,354.90			5,354.90
Sidewalk/Road Opening	5,594.75	905.00	905.00	5,594.75
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		3,898.48	1,200.00	2,698.48
L.O.S.A.P.	27,300.00		2,050.00	25,250.00
Redevelopment	299,630.00			299,630.00
Tax Sale Premiums	149,700.00	81,800.00	54,500.00	177,000.00
Snow Removal	10,000.00			10,000.00
Storms Avenue Interconnect	14,065.00			14,065.00
	<u>2,446,991.24</u>	<u>242,815.62</u>	<u>394,808.45</u>	<u>2,294,998.41</u>
	B	B-4	B-4	B

Borough of Wanaque, N.J.

Reserve for Municipal Open Space

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	B	157,671.90
Increased by:		
2009 Tax Levy		57,715.00
2009 Added Taxes		136.04
Addice Park Improvements		70,000.00
Interest Earned		<u>2,306.03</u>
	B-4	<u>130,157.07</u>
		287,828.97
Decreased by:		
Expenditures	B-4	<u>910.14</u>
Balance - December 31, 2009	B	<u><u>286,918.83</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2009

	Due to/(from) Balance <u>Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2009</u>
General Capital Fund	428,750.00	115,000.00	428,750.00	115,000.00
Payroll Fund	<u>(20,241.55)</u>	<u>7,414.95</u>	<u> </u>	<u>(27,656.50)</u>
	<u>408,508.45</u>	<u>122,414.95</u>	<u>428,750.00</u>	<u>87,343.50</u>
	B	B-4	B-4	B
	<u>Ref.</u>			
Cash Receipts	B-4	115,000.00		
Cash Disbursements	B-4	<u>7,414.95</u>	<u>428,750.00</u>	
		<u>122,414.95</u>	<u>428,750.00</u>	

Schedule of Reserve for Recreation

Trust Funds

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	B	26,779.00
Increased by:		
Cash Receipts	B-4	<u>98,920.95</u>
		125,699.95
Decreased by:		
Cash Disbursements	B-4	<u>79,865.51</u>
Balance - December 31, 2009	B	<u>45,834.44</u>

Borough of Wanaque, N.J.
Schedule of Payroll Deductions
Payroll Fund
Year Ended December 31, 2009

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Federal Withholding		606,733.73	606,733.73	
Social Security / Medicare		488,264.60	488,264.60	
State Withholding		164,074.09	164,074.09	
Unemployment Insurance		25,568.93	25,568.93	
Union Dues		15,072.90	15,072.90	
P.E.R.S.	11,918.20	268,317.84	265,990.85	14,245.19
P.E.R.S. Contributory Insurance	949.28	11,613.97	11,645.55	917.70
P.F.R.S.	18,835.99	524,968.90	524,359.94	19,444.95
P.F.R.S. Annuity	334.02	4,188.72	4,173.68	349.06
Garnish		34,691.00	34,691.00	
Miscellaneous		2,795.24	2,795.24	
College Savings	280.00	7,280.00	7,560.00	
Payroll Savings		150.00	150.00	
Life Insurance		816.42	816.42	
Deferred Compensation	25.00	128,205.40	128,250.30	(19.90)
Flexible Spending Account		12,025.08	12,025.08	
Dental		1,932.00	1,932.00	
Long Term Disability Insurance		13,044.76	13,044.76	
Net Payroll		<u>3,556,742.20</u>	<u>3,556,742.20</u>	
	<u>32,342.49</u>	<u>5,866,485.78</u>	<u>5,863,891.27</u>	<u>34,937.00</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, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	B	20,241.55
Increased by:		
Cash Receipts	B-4	<u>7,414.95</u>
Balance - December 31, 2009	B	<u><u>27,656.50</u></u>

Borough of Wanaque, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	B	77,050.00
Increased by:		
Borough Contributions	B-20	<u>72,450.00</u>
		149,500.00
Decreased by:		
Receipts	B-4	<u>77,050.00</u>
Balance - December 31, 2009	B	<u><u>72,450.00</u></u>

Borough of Wanaque, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	B	505,914.55
Increased by:		
Borough Contributions	B-19	72,450.00
Gain or (Loss)	B-4	<u>118,743.78</u>
		<u>191,193.78</u>
Decreased by:		
Distributions	B-4	<u>12,317.74</u>
Balance - December 31, 2009	B	<u><u>684,790.59</u></u>

Borough of Wanaque , N.J.

Schedule of General Capital Cash - Treasurer

Year Ended December 31, 2009

	<u>Ref.</u>		
Balance - December 31, 2008	C		(4,155.13)
Increased by Receipts:			
Grant Receivable	C-4	62,500.00	
Bond Anticipation Notes	C-8	2,312,500.00	
Improvement Authorizations	C-12	115,000.00	
Capital Improvement Fund	C-13	185,000.00	
Various Liabilities	C-14	99,200.00	
Interfunds	C-15	<u>1,386,431.94</u>	
			<u>4,160,631.94</u>
			4,156,476.81
Decreased by Disbursements:			
Improvement Authorizations	C-12	1,977,865.87	
Interfunds	C-15	<u>1,224,587.09</u>	
			<u>3,202,452.96</u>
Balance - December 31, 2009	C		<u><u>954,023.85</u></u>

Borough of Wanaque , N.J.

Analysis of General Capital Cash

Year Ended December 31, 2009

	<u>Ref.</u>	
Fund Balance	C-1	65,103.02
Various Receivables	C-4	(1,013,000.00)
Capital Improvement Fund	C-13	259,423.00
Various Reserves	C-14	1,198,536.76
Interfund - Current Fund	C-15	(945,973.03)
Interfund - Other Trust Fund	C-15	(115,000.00)
Interfund - Water Capital Fund	C-15	150,000.00

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
14-0-98	Imp. to Borough Owned Property	6,884.70
19-0-99	Provision of Affordable Housing	(36,000.00)
7-0-03	Improvement of Ringwood Ave	199,670.64
8-0-03	Ringwood Ave Sidewalks	23,786.00
11-0-03	Refunding Tax Appeals	4,350.00
1-0-05	Improvement of the First Aid Squad Bldg	27,000.00
24-0-05	Improvement of Whistler Place	18,965.83
20-0-06	Acquisition of Land	97,002.95
24-0-06	Purchase of Emergency Generator	1,836.00
10-0-07	Improvement of Various Roads	35,094.06
11-0-07	Improvement of Laura Ave (Phase I)	79,527.75
12-0-07	Acquisition of Fire Truck	36,299.20
13-0-07	Improvement of the Haskell Firehouse	9,931.86
03-0-08	Laura Avenue Reconstruction II	17,737.09
05-0-08	Improvement of Athletic Fields	(256,709.72)
08-0-08	Acquisition of Land	110,000.00
10-0-08	Environmental Investigation	15,620.88
11-0-08	Needs Assessment of Municipal Building	2,753.54
19-0-08	Haskell Firehouse Addition	2,244.00
20-0-08	Appraisal of Property	10,700.00
22-0-08	Acquisition of Ambulance	535.00
08-0-09	Laura Avenue Reconstruction II	55,475.35
10-0-09	2009 Road Projects	113,224.47
12-0-09	Acquisition of Real Property	318,754.50
14-0-09	Purchase of Truck	180,000.00
25-0-09	Improvement of Melrose & Furnace Ave	216,250.00
28-0-09	Improvement of Memorial Field	64,000.00

954,023.85

C

Borough of Wanaque, N.J.

Schedule of Various Grants Receivable

Year Ended December 31, 2009

	<u>Balance, Dec. 31, 2008</u>	<u>Grants Approved</u>	<u>Cash Received</u>	<u>Balance, Dec. 31, 2009</u>
State of NJ - D.O.T. - 4th Ave & Decker Rd (Ord. 4-0-04)	20,000.00			20,000.00
State of NJ - D.O.T. - Whistler Place (Ord. 24-0-05)	62,500.00			62,500.00
State of NJ - D.O.T. - Laura Ave (Phase I) (Ord. 11-0-07)	250,000.00		62,500.00	187,500.00
State of NJ - D.O.T. - 1st & 2nd St (Ord. 7-0-09)		211,000.00		211,000.00
State of NJ - D.O.T. - Laura Ave (Phase II) (Ord. 8-0-09)		257,000.00		257,000.00
NJ Transportation Trust - Melrose & Furnace (Ord. 25-0-09)		200,000.00		200,000.00
Passaic County Open Space - Memorial Field (Ord 28-0-09)		75,000.00		75,000.00
	<u>332,500.00</u>	<u>743,000.00</u>	<u>62,500.00</u>	<u>1,013,000.00</u>
	C	C-12	C-2	C/C-3

Borough of Wanaque , N.J.

Schedule of Deferred Charges to Future
Taxation - Funded

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	C	9,922,373.80
Decreased by:		
Budget Appropriations		
Serial Bonds Payable	C-7	628,000.00
Loan Payable - Back Beach Phase II	C-9	23,315.36
Loan Payable - UST Remediation	C-10	11,190.00
Capital Leases Payable	C-11	<u>55,000.00</u>
		<u>717,505.36</u>
Balance - December 31, 2009	C	<u><u>9,204,868.44</u></u>

Borough of Wanaque, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

Year Ended December 31, 2009

Ordinance Number	Improvement Description	Balance, 2008	2009	Decreased by	Balance, 2009	Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization	
		Dec. 31, 2008	Authorizations		Dec. 31, 2009				
<u>General Improvements</u>									
19-0-99	Provision of Affordable Housing	46,000.00			46,000.00		36,000.00	10,000.00	
10-0-07	Improvement of Various Roads	315,000.00			315,000.00				
11-0-07	Improvement of Laura Ave (Phase I)	184,500.00			184,500.00				
12-0-07	Acquisition of Fire Truck	725,000.00			725,000.00				
13-0-07	Improvement of the Haskell Firehouse	180,000.00			180,000.00				
05-0-08	Athletic Field Improvements	1,050,000.00			1,050,000.00		256,709.72	38,290.28	
08-0-08	Acquisition of Land	2,190,000.00		2,190,000.00					
22-0-08	Acquisition of Ambulance	153,000.00			153,000.00				
25-0-09	Improvement of Melrose & Furnace Ave		108,750.00		108,750.00			108,750.00	
28-0-09	Improvement of Memorial Field		275,000.00		275,000.00			275,000.00	
<u>Local Improvements</u>									
8-0-03	Ringwood Ave Sidewalks	400.00			400.00			400.00	
		<u>4,843,900.00</u>	<u>383,750.00</u>	<u>2,190,000.00</u>	<u>3,037,650.00</u>	<u>2,312,500.00</u>	<u>292,709.72</u>	<u>432,440.28</u>	
		C	C-12, C-20	C-12	C			C-12	
		Improvement Authorizations - Unfunded							593,828.15
		Less: Unexpended Proceeds of Bond Anticipation Notes Issued - Ordinance #							
		10-0-07							35,094.06
		11-0-07							79,527.75
		12-0-07							36,299.20
		13-0-07							9,931.86
		22-0-08							535.00
									<u>161,387.87</u>
									<u>432,440.28</u>

Borough of Wanaque, N.J.

Schedule of General Serial Bonds Payable

Year Ended December 31, 2009

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2009		Interest Rate	Balance, Dec. 31, 2008	Balance, Dec. 31, 2009
			Date	Amount			
General Improvement Bonds of 2000	02/01/00	2,080,000.00	02/01/10	255,000.00	5.25%	855,000.00	355,000.00
			02/01/11	100,000.00		500,000.00	
General Improvement Bonds of 2004	02/15/04	2,747,000.00	02/15/10	261,000.00	3.80%	2,683,000.00	2,655,000.00
			02/15/11	419,000.00			
			02/15/12	466,000.00			
			02/15/13-14	513,000.00			
			02/15/15	483,000.00		28,000.00	

Borough of Wanaque, N.J.

Schedule of General Serial Bonds Payable

Year Ended December 31, 2009

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2009		Interest Rate	Balance, Dec. 31, 2008	Decreased	Balance, Dec. 31, 2009
			Date	Amount				
General Improvement Bonds of 2007	8/9/2007	5,938,000.00	02/01/10	125,000.00				
			02/01/11	150,000.00				
			02/01/12	175,000.00				
			02/01/13	200,000.00				
			02/01/14	225,000.00				
			02/01/15	250,000.00				
			02/01/16	275,000.00				
			02/01/17	300,000.00				
			2/1/18-19	375,000.00				
			02/01/20	400,000.00				
			02/01/21	425,000.00				
			02/01/22	450,000.00				
			02/01/23	475,000.00				
			02/01/24	500,000.00				
			02/01/25	525,000.00				
			02/01/26	500,000.00				
			02/01/27	113,000.00		4.125%-4.25%	5,938,000.00	100,000.00
						<u>9,476,000.00</u>		<u>8,848,000.00</u>
						C		C-5
								C

Borough of Wanaque, N.J.

Schedule of Bond Anticipation Notes

Year Ended December 31, 2009

<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>Increased</u>	<u>Balance, Dec. 31, 2009</u>
10-0-07	Improvement of Various Roads	315,000.00	06/06/09	03/05/10	2.95%	315,000.00	315,000.00
11-0-07	Improvement of Laura Ave Phase I	184,500.00	06/06/09	03/05/10	2.95%	184,500.00	184,500.00
12-0-07	Acquisition of Fire Truck	725,000.00	06/06/09	03/05/10	2.95%	725,000.00	725,000.00
13-0-07	Improvement of Haskell Firehouse	180,000.00	06/06/09	03/05/10	2.95%	180,000.00	180,000.00
05-0-08	Improvement of Athletic Fields	755,000.00	06/06/09	03/05/10	2.95%	755,000.00	755,000.00
22-0-08	Acquisition of Ambulance	153,000.00	06/06/09	03/05/10	2.95%	153,000.00	153,000.00
						<u>2,312,500.00</u>	<u>2,312,500.00</u>
						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, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	C	160,183.80
Decreased by:		
2009 Budget Appropriation	C-5	<u>23,315.36</u>
Balance - December 31, 2009	C	<u><u>136,868.44</u></u>

<u>Payment Number</u>	<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
22	03/14/10	1,368.68	11,832.83	125,035.61
23	09/14/10	1,250.36	11,951.16	113,084.45
24	03/14/11	1,130.84	12,070.67	101,013.78
25	09/14/11	1,010.14	12,191.38	88,822.40
26	03/14/12	888.22	12,313.29	76,509.11
27	09/14/12	765.09	12,436.43	64,072.68
28	03/14/13	640.73	12,560.79	51,511.89
29	09/14/13	515.12	12,686.40	38,825.49
30	03/14/14	388.25	12,813.26	26,012.23
31	09/14/14	260.12	12,941.40	13,070.83
32	03/14/15	<u>130.71</u>	<u>13,070.83</u>	(0.00)
		<u><u>8,348.26</u></u>	<u><u>136,868.44</u></u>	

Borough of Wanaque , N.J.

Schedule of Loan Payable

New Jersey Economic Development Authority

UST Remediation Program

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	C	11,190.00
Decreased by:		
2009 Budget Appropriation	C-5	<u>11,190.00</u>
Balance - December 31, 2009	C	<u><u>0.00</u></u>

Borough of Wanaque , N.J.

Schedule of Capital Leases Payable

Improvement Authority

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	C	275,000.00
Decreased by:		
2009 Budget Appropriation	C-5	<u>55,000.00</u>
Balance - December 31, 2009	C	<u><u>220,000.00</u></u>

<u>Payment Number</u>	<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
7	03/15//10	10,312.50	65,000.00	155,000.00
8	03/15/11	6,462.50	75,000.00	80,000.00
9	03/15/12	<u>2,200.00</u>	<u>80,000.00</u>	0.00
		<u><u>18,975.00</u></u>	<u><u>220,000.00</u></u>	

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Year Ended December 31, 2009

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2008		2009 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2009	
			Funded	Unfunded				Funded	Unfunded
	<u>General Improvements</u>								
27-0-97	Various Improvements	85,000.00	827.30			2,708.49	827.30	6,884.70	10,000.00
14-0-98	Imp. to Borough Owned Property	175,000.00	9,593.19						
19-0-99	Provision of Affordable Housing	490,000.00		10,000.00					
23-0-99	Acquisition of Fire Fighting Equipment	625,000.00	1,003.08				1,003.08		
4-0-00	Various Improvements	620,000.00	18,317.41				18,317.41		
12-0-01	Various Improvements								
	Improvement to Washington Dam	150,000.00	500.00				500.00		
26-0-01	Construction of Library Elevator	175,000.00	12,264.00				12,264.00		
11-0-02	Various Improvements								
	Installation of Traffic Signal	244,000.00	16,249.06				16,249.06		
	Improvement of DeBow Avenue	97,000.00	54,171.88				54,171.88		
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	
18-0-03	Repairs to Fire Siren System	14,000.00	110.00				110.00		
20-0-03	Acquisition of Land	500,000.00	650.10				650.10		
4-0-04	Improvement of 4th Ave & Decker Road	609,000.00	1,775.95						
11-0-04	Purchase of Firefighting Equipment	219,276.00	34.99						
12-0-04	Communications Study	25,000.00	5,856.52						
15-0-04	Acquisition of Land	1,575,000.00	35,318.10						
1-0-05	Improvement of the First Aid Squad Bldg	210,000.00	76,297.67			289.00	49,297.67	27,000.00	
24-0-05	Improvement of Whistler Place	436,000.00	19,254.83					18,965.83	
20-0-06	Acquisition of Land	600,000.00	97,002.95					97,002.95	
21-0-06	Reconstruction Of Rainbow Valley Dam	1,525,000.00	348,300.27				348,300.27		
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		77,413.58		42,319.52			35,094.06
11-0-07	Improvement of Laura Ave (Phase I)	455,000.00		96,702.75		17,175.00			79,527.75
12-0-07	Acquisition of Fire Truck	975,000.00	26,604.00	725,000.00		715,304.80			36,299.20
13-0-07	Improvement of the Haskell Firehouse	200,000.00		167,873.17		157,941.31			9,931.86
03-0-08	Laura Avenue Reconstruction II	118,000.00	118,000.00			100,262.91		17,737.09	38,290.28
05-0-08	Improvement of Athletic Fields	1,200,000.00		137,694.33		99,404.05			
08-0-08	Acquisition of Land	2,300,000.00	110,000.00	2,190,000.00		2,190,000.00			
10-0-08	Environmental Investigation	75,000.00	53,534.99			37,914.11			15,620.88
11-0-08	Needs Assessment of Municipal Building	18,353.54	3,533.54			780.00			2,753.54
19-0-08	Haskell Firehouse Addition	115,000.00	115,000.00			112,756.00			2,244.00

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Year Ended December 31, 2009

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2008		2009 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2009		
			Funded	Unfunded				Funded	Unfunded	
20-0-08	Appraisal of Property	21,000.00	10,700.00			169,465.00		10,700.00	535.00	
22-0-08	Acquisition of Ambulance	170,000.00	17,000.00	153,000.00		211,000.00				
07-0-09	Reconstruction of 1st & 2nd Street	211,000.00			211,000.00					
08-0-09	Laura Avenue Reconstruction II	257,000.00			257,000.00					
10-0-09	2009 Road Projects	205,000.00			205,000.00					
12-0-09	Acquisition of Real Property	325,000.00			325,000.00	6,245.50				
14-0-09	Purchase of Truck	180,000.00			180,000.00					
25-0-09	Improvement of Melrose & Furnace Ave	325,000.00			325,000.00					
28-0-09	Improvement of Memorial Field	350,000.00			350,000.00	11,000.00				
Local Improvements										
8-0-03	Ringwood Ave Sidewalks	375,000.00	23,786.00	400.00				23,786.00	400.00	
			<u>1,381,542.47</u>	<u>3,558,083.83</u>	<u>1,853,000.00</u>	<u>1,977,865.87</u>	<u>2,734,676.33</u>	<u>1,486,255.95</u>	<u>593,828.15</u>	
			C	C	C	C-2	C-4	C	C, C-6	
			Ref.							
			Fund Balance	C-1	530,000.00					
			Recycling Trust	C-2	115,000.00					
			Various Grants Receivable	C-4	743,000.00					
			Deferred Charges to Future Taxation - Unfunded	C-6	383,750.00					
			Capital Improvement Fund	C-13	81,250.00					
					<u>1,853,000.00</u>					

Ref.	
Fund Balance	C-1
Deferred Charges to Future Taxation - Unfunded	C-6
	<u>544,676.33</u>
	<u>2,190,000.00</u>
	<u>2,734,676.33</u>

Borough of Wanaque , N.J.
Schedule of Capital Improvement Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	C	155,673.00
Increased by:		
Budget Appropriation	C-2	<u>185,000.00</u>
		340,673.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-12	<u>81,250.00</u>
Balance - December 31, 2009	C/C-3	<u><u>259,423.00</u></u>

Borough of Wanaque , N.J.

Schedule of Various Liabilities

Year Ended December 31, 2009

	Balance, <u>Dec. 31, 2008</u>	Increased by <u>Receipts</u>	Balance, <u>Dec. 31, 2009</u>
Reserve for Debt Service	1,099,226.95	99,200.00	1,198,426.95
Reserve for Purchase of Public Works Equipment	<u>109.81</u>	<u> </u>	<u>109.81</u>
	<u>1,099,336.76</u>	<u>99,200.00</u>	<u>1,198,536.76</u>
	C	C-2	C,C-3

Borough of Wanaque , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2009

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2009</u>
Current Fund	C	807,681.94	945,973.03	807,681.94	945,973.03
Other Trust Fund	C	428,750.00	115,000.00	428,750.00	115,000.00
Water Capital Fund	C	<u>(163,614.06)</u>	<u>150,000.00</u>	<u>163,614.06</u>	<u>(150,000.00)</u>
		<u>1,072,817.88</u>	<u>1,210,973.03</u>	<u>1,400,046.00</u>	<u>910,973.03</u>
		<u>Ref.</u>			
Disbursements		C-2	1,060,973.03	163,614.06	
Receipts		C-2	<u>150,000.00</u>	<u>1,236,431.94</u>	
			<u>1,210,973.03</u>	<u>1,400,046.00</u>	

Borough of Wanaque, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance,</u>	<u>2009</u>	<u>Balance,</u>
		<u>Dec. 31, 2008</u>	<u>Authorizations</u>	<u>Dec. 31, 2009</u>
			<u>Decreased</u>	
	<u>General Improvements:</u>			
19-0-99	Provision of Affordable Housing	46,000.00		46,000.00
10-0-07	Improvement of Various Roads	315,000.00	315,000.00	
11-0-07	Improvement of Laura Ave (Phase I)	184,500.00	184,500.00	
12-0-07	Acquisition of Fire Truck	725,000.00	725,000.00	
13-0-07	Improvement of the Haskell Firehouse	180,000.00	180,000.00	
05-0-08	Improvement of Athletic Fields	1,050,000.00	755,000.00	295,000.00
08-0-08	Acquisition of Land	2,190,000.00	2,190,000.00	
22-0-08	Acquisition of Ambulance	153,000.00	153,000.00	
25-0-09	Improvement of Melrose & Furnace Ave		108,750.00	108,750.00
28-0-09	Improvement of Memorial Field		275,000.00	275,000.00
	<u>Local Improvements</u>			
8-0-03	Ringwood Ave Sidewalks	400.00		400.00
		<u>4,843,900.00</u>	<u>383,750.00</u>	<u>725,150.00</u>
			<u>C-6</u>	<u>Footnote C</u>

Borough of Wanaque, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2009

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2008	D	<u>562,627.78</u>	<u>423,021.35</u>
Increased by Receipts:			
Interest on Deposits	D-3	2,580.19	
Interlocal Service Agreement - WBSA	D-3	156,062.16	
Collector	D-7	1,252,633.06	
Interfunds	D-9	178,951.64	
Reserve for Water Improvements	D-18	24,278.47	
Bond Anticipation Notes	D-21		650,000.00
Interfunds	D-25		<u>164,714.13</u>
		<u>1,614,505.52</u>	<u>814,714.13</u>
		<u>2,177,133.30</u>	<u>1,237,735.48</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	1,484,644.12	
Interfunds	D-9	1,100.07	
Appropriation Reserves	D-14	23,430.16	
Interest on Bonds	D-16	109,593.00	
Reserve for Water Improvements	D-18	42,336.57	
Water Rent Overpayments	D-19	673.43	
Improvement Authorizations	D-22		906,628.48
Interfunds	D-25		<u>328,951.64</u>
		<u>1,661,777.35</u>	<u>1,235,580.12</u>
Balance - December 31, 2009	D	<u><u>515,355.95</u></u>	<u><u>2,155.36</u></u>

Borough of Wanaque, N.J.

Schedule of Change Funds

Water Utility Fund

Year Ended December 31, 2009

<u>Office</u>	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
Water Utility Collector	<u>100.00</u> D	<u>100.00</u> D

Schedule of Water Utility Collector Cash

Water Utility Fund

Year Ended December 31, 2009

	<u>Ref.</u>		
Increased by Receipts:			
Consumer Accounts Receivable	D-3,D-10	1,251,923.86	
Water Rents Overpayments	D-19	<u>709.20</u>	
			<u>1,252,633.06</u>
Decreased by Disbursements:			
Payment to Treasurer	D-5		<u>1,252,633.06</u>

Borough of Wanaque, N.J.

Schedule of Water Utility Capital Cash

Water Utility Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Fund Balance	D-2	8,699.62
Capital Improvement Fund	D-23	87,445.56
Interfund - Water Operating Fund	D-25	(162,513.99)
Interfund - General Capital Fund	D-25	(150,000.00)
<u>Improvement Authorizations</u>		
28-0-06 Improvement to the Water Supply and Distribution System		95,597.59
4-0-08 Improvement of Haskell Water Tank		1,391.50
7-0-08 Improvements to the Water Supply and Distribution System		22,500.00
9-0-09 Improvement to Laura Ave Phase II		90,000.00
11-0-09 Haskell Tank Rehabilitation		29,035.08
17-0-09 Improvements to the Water Supply and Distribution System		(20,000.00)
		<hr/>
	D	<u><u>2,155.36</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Water Utility Operating Fund

Year Ended December 31, 2009

	Due to/(from) Balance <u>Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2009</u>
Water Capital Fund	(15,337.58)	1,100.07	178,951.64	162,513.99
	<u>(15,337.58)</u>	<u>1,100.07</u>	<u>178,951.64</u>	<u>162,513.99</u>

	<u>Ref.</u>		
Cash Receipts	D-5		178,951.64
Cash Disbursements	D-5	<u>1,100.07</u>	
		<u>1,100.07</u>	<u>178,951.64</u>

Borough of Wanaque, N.J.

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	D	116,830.04
Increased by:		
Water Rents Levied		<u>1,247,787.71</u>
		1,364,617.75
Decreased by:		
Collections	D-7	<u>1,251,923.86</u>
Balance - December 31, 2009	D	<u><u>112,693.89</u></u>

Borough of Wanaque, N.J.
Schedule of Deferred Charges
Water Utility Operating Fund
Year Ended December 31, 2009

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Added in</u> <u>2009</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Operating Deficit		73,829.49	73,829.49
			-
	-	73,829.49	73,829.49
	-	73,829.49 D-1	73,829.49 D

Borough of Wanaque, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year Ended December 31, 2009

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Additions</u>		<u>Balance</u> <u>Dec. 31, 2009</u>
		<u>Capital</u> <u>Outlay</u>	<u>Ordinance</u>	
Garage and Building	14,242.56			14,242.56
Plant, Reservoir, Mains and Wells	4,157,359.77		695,723.06	4,853,082.83
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	198,108.40		39,267.00	237,375.40
Automobile	19,850.00			19,850.00
General Equipment	295,700.59	20,730.69		316,431.28
Compactor	1,188.00			1,188.00
Other	4,001.08			4,001.08
	<u>4,895,864.12</u>	<u>20,730.69</u>	<u>734,990.06</u>	<u>5,651,584.87</u>
	D	D-24	D-13	D

Borough of Wanaque, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2009

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2008	2009 Authorizations	Decreased	Balance, Dec. 31, 2009
		Date	Amount				
16-0-01	Improvements to the Water Supply and Distribution System	09/10/01	114,000.00	114,000.00		114,000.00	
5-0-04	Improvements to the Water Supply and Distribution System	04/12/04	251,000.00	251,000.00		251,000.00	
4-0-05	Improvements to Decker Road	02/14/05	25,000.00	25,000.00		25,000.00	
16-0-05	Improvements to the Water Supply and Distribution System	06/13/05	185,000.00	185,000.00		185,000.00	
25-0-05	Improvements to the Water Supply and Distribution System	12/12/05	151,000.00	151,000.00		151,000.00	
28-0-06	Improvements to the Water Supply and Distribution System	12/11/06	900,000.00	900,000.00			900,000.00
6-0-07	Purchase of a Truck	04/09/07	41,000.00	41,000.00		41,000.00	
4-0-08	Improvement of Haskell Water Tank	03/10/08	850,000.00	850,000.00			850,000.00
7-0-08	Improvements to the Water Supply and Distribution System	04/14/08	2,000,000.00	2,000,000.00			2,000,000.00
9-0-09	Improvement to Laura Ave Phase II	05/11/09			90,000.00		90,000.00
11-0-09	Haskell Tank Rehabilitation	06/08/09			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
26-0-09	Improvements to the Water Supply and Distribution System	12/14/09			120,000.00		120,000.00
				4,517,000.00	642,009.94	767,000.00	4,392,009.94
				D	D-22		D
	Costs to Fixed Capital				Ref.	734,990.06	
	Canceled				D-12	9,284.94	
	Canceled				D-24	22,725.00	
					D-26		767,000.00

Borough of Wanaque, N.J.

Schedule of 2008 Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2009

	<u>Balance Dec. 31, 2008</u>	<u>Balance After Transfers and Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	4.30	4.30		4.30
Other Expenses	<u>1,981.90</u>	<u>23,430.16</u>	<u>23,430.16</u>	
	<u>1,986.20</u>	<u>23,434.46</u>	<u>23,430.16</u>	<u>4.30</u>
	D		D-4	D-1
	<u>Ref.</u>			
Appropriation Reserves	above	1,986.20		
Transfer from Reserve for Encumbrances	D-15	<u>21,448.26</u>		
		<u>23,434.46</u>		

Schedule of Reserve for Encumbrances

Water Utility Operating Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	D	21,448.26
Increased by:		
Charges Against Current Year Appropriations	D-4	<u>25,798.50</u>
		47,246.76
Decreased by:		
Transferred to Appropriation Reserves	D-14	<u>21,448.26</u>
Balance - December 31, 2009	D	<u>25,798.50</u>

Borough of Wanaque, N.J.

Schedule of Accrued Interest on Bonds and Notes

Water Utility Operating Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	D	47,173.41
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	<u>109,593.00</u>
		156,766.41
Decreased by:		
Interest Paid	D-5	<u>109,593.00</u>
Balance - December 31, 2009	D	<u><u>47,173.41</u></u>

Borough of Wanaque, N.J.
Schedule of Security Deposits Payable
Water Utility Operating Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	D	<u>375.00</u>
Balance - December 31, 2009	D	<u>375.00</u>

Schedule of Reserve for Water Improvements
Water Utility Operating Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	D	243,017.36
Increased by:		
Receipts	D-4	<u>24,278.47</u>
		267,295.83
Decreased by:		
Disbursements	D-4	<u>42,336.57</u>
Balance - December 31, 2009	D	<u>224,959.26</u>

Schedule of Water Rent Overpayments
Water Utility Operating Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	D	673.43
Increased by:		
Receipts	D-6	<u>709.20</u>
		1,382.63
Decreased by:		
Disbursements	D-4	<u>673.43</u>
Balance - December 31, 2009	D	<u>709.20</u>

Borough of Wanaque, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2009

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2008	Paid by Budget Appropriation	Balance, Dec. 31, 2009
			Date	Amount				
Water Bonds of 2000	02/01/00	975,000.00	02/01/10	140,000.00	5.25%	380,000.00	140,000.00	240,000.00
	02/01/11		100,000.00					
Water Bonds of 2004	02/15/04	901,000.00	02/15/10	35,000.00	3.80%	831,000.00	30,000.00	801,000.00
			02/15/11	40,000.00				
			02/15/12	80,000.00				
			02/15/13	175,000.00				
			02/15/14	225,000.00				
02/15/15	246,000.00							
Water Bonds of 2007	08/09/07	1,487,000.00	02/01/10	10,000.00	4.125-4.25%	1,487,000.00		1,487,000.00
			02/01/11	20,000.00				
			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							
						<u>1,487,000.00</u>		<u>1,487,000.00</u>
						<u>2,698,000.00</u>	<u>170,000.00</u>	<u>2,528,000.00</u>
						<u>D</u>	<u>D-24</u>	<u>D</u>

Borough of Wanaque, N.J.

Schedule of Water Capital Bond Anticipation Notes

Water Utility Capital Fund

Year Ended December 31, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance, Dec. 31, 2009</u>
4-0-08	Improvement to Haskell Tank	03/06/09	03/05/10	2.95%	650,000.00	650,000.00
					650,000.00	650,000.00
					D-5	D

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2009

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2008		2009 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2009	
				Funded	Unfunded				Funded	Unfunded
16-0-01	Improvement to the Water Supply and Distribution System	09/10/01	114,000.00	993.72				993.72		
5-0-04	Improvement to the Water Supply and Distribution System	04/12/04	251,000.00	6.96				6.96		
4-0-05	Improvements to Decker Road	02/14/05	25,000.00	20,992.00				20,992.00		
16-0-05	Improvement to the Water Supply and Distribution System	06/13/05	185,000.00	5,108.74				5,108.74		
25-0-05	Improvement to the Water Supply and Distribution System	12/12/05	151,000.00	3,175.52				3,175.52		
28-0-06	Improvement to the Water Supply and Distribution System	12/11/06	900,000.00	139,895.12			44,297.53			95,597.59
6-0-07	Purchase of a Truck	04/09/07	41,000.00	1,733.00				1,733.00		
4-0-08	Improvement of Haskell Water Tank	03/10/08	850,000.00	144,406.59	650,000.00		793,015.09			1,391.50
7-0-08	Improvements to the Water Supply and Distribution System	04/14/08	2,000,000.00	68,841.00	1,904,000.00		46,341.00			22,500.00
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				29,035.08
17-0-09	Improvements to the Water Supply and Distribution System	09/14/09	400,000.00			400,000.00				380,000.00
26-0-09	Improvements to the Water Supply and Distribution System	12/14/09	120,000.00			120,000.00				120,000.00
				385,152.65	2,554,000.00	642,009.94	906,628.48	32,009.94	237,132.67	2,405,391.50
				D	D	D-13	D-5	D-2	D	D

Borough of Wanaque, N.J.
Schedule of Capital Improvement Fund
Water Utility Capital Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	D	177,445.56
Decreased by:		
Appropriated to Finance Improvement Authorizations	D-26	<u>90,000.00</u>
Balance - December 31, 2009	D, D-8	<u><u>87,445.56</u></u>

Schedule of Reserve for Amortization
Water Utility Capital Fund
Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	D	3,798,864.12
Increased by:		
Capital Outlay	D-12	20,730.69
Serial Bonds Paid by Budget	D-20	170,000.00
Transferred from Deferred Reserve	D-26	<u>43,275.00</u>
		<u>234,005.69</u>
		4,032,869.81
Decreased by		
Canceled Improvement Authorization	D-12	<u>9,284.94</u>
Balance - December 31, 2009	D	<u><u>4,023,584.87</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Water Utility Capital Fund

Year Ended December 31, 2009

	Due to/(from) Balance <u>Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2009</u>
Water Operating Fund	15,337.58	1,100.07	178,951.64	(162,513.99)
General Capital Fund	<u>(163,614.06)</u>	<u>150,000.00</u>	<u>163,614.06</u>	<u>(150,000.00)</u>
	<u>(148,276.48)</u>	<u>151,100.07</u>	<u>342,565.70</u>	<u>(312,513.99)</u>
		<u>Ref.</u>		
Cash Receipts		D-5 1,100.07	163,614.06	
Cash Disbursements		D-5 <u>150,000.00</u>	<u>178,951.64</u>	
		<u>151,100.07</u>	<u>342,565.70</u>	

Borough of Wanaque, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2008</u>	<u>Fixed Capital Authorized</u>	<u>Transferred to Reserve for Amortization</u>	<u>Balance, Dec. 31, 2009</u>
4-0-05	Improvements to Decker Road	02/14/05	25,000.00		25,000.00	
6-0-07	Purchase of a Truck	04/09/07	41,000.00		41,000.00	
4-0-08	Improvement of Haskell Water Tank	03/10/08	96,000.00			96,000.00
7-0-08	Improvements to the Water Supply and Distribution System	04/14/08	200,000.00			200,000.00
9-0-09	Improvement to Laura Ave Phase II	05/11/09		90,000.00		90,000.00
11-0-09	Haskell Tank Rehabilitation	06/08/09		32,009.94		32,009.94
			<u>362,000.00</u>	<u>122,009.94</u>	<u>66,000.00</u>	<u>418,009.94</u>
			D			D
			<u>Ref.</u>			
Fund Balance			D-2	32,009.94		
Capital Improvement Fund			D-23	<u>90,000.00</u>		
				<u>122,009.94</u>		
				<u>Ref.</u>		
			Canceled	D-13	22,725.00	
Transferred to Reserve for Amortization				D-24	<u>43,275.00</u>	
					<u>66,000.00</u>	

Borough of Wanaque, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2009

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2008</u>	<u>2009 Authorizations</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2009</u>
4-0-08	Improvement of Haskell Water Tank	650,000.00		650,000.00	
7-0-08	Improvements to the Water Supply and Distribution System	1,904,000.00			1,904,000.00
17-0-09	Improvements to the Water Supply and Distribution System		400,000.00		400,000.00
26-0-09	Improvements to the Water Supply and Distribution System		120,000.00		120,000.00
		<u>2,554,000.00</u>	<u>520,000.00</u>	<u>650,000.00</u>	<u>2,424,000.00</u>

Footnote D

Borough of Wanaque , N.J.

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2009

	Ref.	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2008	E	<u>7,989.26</u>	<u>1,518.60</u>	<u>6,470.66</u>
Increased by Receipts:				
State Aid		149,700.00		149,700.00
Other Receipts		239.55	12.95	226.60
Supplemental Security Income Reimbursement		<u>6,677.50</u>		<u>6,677.50</u>
		<u>156,617.05</u>	<u>12.95</u>	<u>156,604.10</u>
		<u>164,606.31</u>	<u>1,531.55</u>	<u>163,074.76</u>
Decreased by Disbursements:				
Public Assistance - 2009		155,265.88		155,265.88
Due Current Fund		<u>427.65</u>	<u>22.91</u>	<u>404.74</u>
		<u>155,693.53</u>	<u>22.91</u>	<u>155,670.62</u>
Balance - December 31, 2009	E	<u><u>8,912.78</u></u>	<u><u>1,508.64</u></u>	<u><u>7,404.14</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, 2009

	<u>Ref.</u>	
Balance - December 31, 2009	E-1	8,912.78
Increased by:		
Cash Receipts Record		<u>69,798.07</u>
		78,710.85
Decreased by:		
Cash Disbursements Record - 2010 Assistance		<u>59,831.50</u>
Balance - May 28, 2010		<u><u>18,879.35</u></u>

<u>Reconciliation - May 28, 2010</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	1,510.61	17,368.74	18,879.35
Less: Outstanding Checks	<u> </u>	<u> </u>	<u> </u>
Balance - May 28, 2010	<u><u>1,510.61</u></u>	<u><u>17,368.74</u></u>	<u><u>18,879.35</u></u>

Borough of Wanaque , N.J.

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2009

	<u>Ref.</u>	
Balance - December 31, 2008	E-1	7,989.26
Increased by Receipts:		
Cash Receipts Record		<u>156,617.05</u>
		164,606.31
Decreased by Disbursements:		
Cash Disbursements Record		
Public Assistance - 2009	155,265.88	
- Due Current Fund	<u>427.65</u>	
		<u>155,693.53</u>
Balance - December 31, 2009		<u><u>8,912.78</u></u>

<u>Reconciliation - December 31, 2009</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	1,508.64	13,767.14	15,275.78
Less: Outstanding Checks	<u> </u>	<u>6,363.00</u>	<u>6,363.00</u>
Balance - December 31, 2009	<u><u>1,508.64</u></u>	<u><u>7,404.14</u></u>	<u><u>8,912.78</u></u>

Borough of Wanaque , N.J.

Schedule of Revenues - Cash Basis

Public Assistance Fund

Year Ended December 31, 2009

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
State Aid Payments	149,700.00		149,700.00
Interest Earned	239.55	12.95	226.60
Supplemental Security Income State/Municipal Refund	<u>6,677.50</u>		<u>6,677.50</u>
Total Revenues (P.A.T.F.)	<u>156,617.05</u>	<u>12.95</u>	<u>156,604.10</u>
Total Receipts	<u>156,617.05</u>	<u>12.95</u>	<u>156,604.10</u>
	E-1		

Schedule of Expenditures - Cash Basis

Public Assistance Fund

Year Ended December 31, 2009

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Payments for Current Year Assistance (Reported)			
Maintenance Payments	28,209.24		28,209.24
Other:			
Miscellaneous	10,609.64		10,609.64
Temporary Rental Assistance	<u>116,447.00</u>		<u>116,447.00</u>
Total Payments Reported	155,265.88		155,265.88
Interfund - Current Fund	<u>427.65</u>	<u>22.91</u>	<u>404.74</u>
Total Disbursements (P.A.T.F.)	<u>155,693.53</u>	<u>22.91</u>	<u>155,670.62</u>
	E-1		

BOROUGH OF WANAQUE

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

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

July 1, 2010

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, 2009, and have issued our report thereon dated July 1, 2010. Our report disclosed that, as described in note 1 to the financial statements-regulatory basis, the Borough of Wanaque prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

Compliance and Other Matters

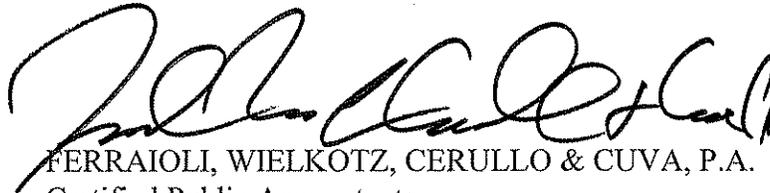
As part of obtaining reasonable assurance about whether the Borough of Wanaque's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

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

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



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



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

July 1, 2010



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 April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2005, the bid threshold was increased to \$21,000.00 and \$29,000.00 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 \$17,500.00 or \$21,000.00 after July 1, 2005, 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 within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

Yard Waste Disposal
Laura Ave Reconstruction Phase II
2009 Road Program

1st & 2nd Street Reconstruction
2010 International Truck
Memorial Field Lights

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 1, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September 30, 2009

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

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

<u>Year</u>	<u>Number of Liens</u>
2009	13
2008	13
2007	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, 2009, 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 2009. 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 school district, as of December 31, 2009, 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.

All business registration certificates were not on file for required vendors.

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 PERS were not enrolled.

Tax Collector

The cash receipts ledger was not in agreement with the amount posted to the tax records.

In one case, a tax overpayment was refunded but was not posted to the tax records.

GENERAL COMMENTS, (continued)

Other

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

Expenditures were made without an appropriation.

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

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

RECOMMENDATIONS

It is recommended:

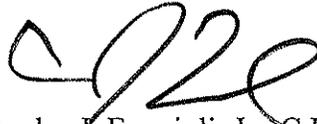
- *1. That the General Fixed Asset Accounting System be updated for additions and disposals made during the year.
- *2. That all business registration certificates be kept on file for all required vendors.
- *3. That all employees required to be enrolled in the PERS be enrolled.
- *4. That the cash receipt ledger be in agreement with the amount posted to the tax records.
- *5. That all tax appeals be recorded properly.
- *6. That all refunded tax overpayments be posted to the tax records.
- *7. That cash deficits for ordinances over 5 years old be funded.
8. That all expenditures have a legal budget appropriation before being encumbered and paid.
9. That the deficit in Assessment Fund cash be funded.
10. That old receivable balances in General Capital Fund be reviewed and proper action taken.

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

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

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

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



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