

**REPORT OF AUDIT**

**TOWNSHIP OF WEST MILFORD**

**COUNTY OF PASSAIC**

**DECEMBER 31, 2011**

**TOWNSHIP OF WEST MILFORD**

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**TOWNSHIP OF WEST MILFORD**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2011**

# **Ferraioli, Wielkotz, Cerullo & Cuva, P.A.**

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of West Milford  
West Milford, New Jersey 07480

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Township of West Milford as of and for the years ended December 31, 2011 and 2010, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2011. These financial statements are the responsibility of the Township of West Milford'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 Township'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 provides a reasonable basis for our opinion.

The Length of Service Awards Program of the Township of West Milford 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 Township'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 Township of West Milford'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 Township of West Milford, New Jersey as of December 31, 2011 and 2010 or the results of its operations for the years then ended.

We were unable to obtain sufficient information supporting the Township's investment in general fixed assets which are stated at \$31,331,193.00 at December 31, 2011 and \$31,331,193.00 at December 31, 2010 nor were we able to satisfy ourselves as to the carrying value of the general fixed assets by other auditing procedures.

However, in our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to obtain evidence regarding the general fixed assets, the financial statements referred to above, with the exception of the Length of Service Program, present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the Township of West Milford, New Jersey at December 31, 2011 and 2010, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated April 12, 2012 on our consideration of the Township of West Milford's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing results of our audit.



The Honorable Mayor and  
Members of the Township Council  
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Our audit was for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information and Schedules of Expenditures of State and Federal Awards 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, and by OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. 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

April 12, 2012

## Township of West Milford, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Current Fund:			
Cash	A-4	7,586,484.39	9,436,591.73
Due to State of NJ:			
Senior Citizens and Veterans	A-15	<u>3,920.66</u>	<u>2,726.63</u>
		<u>7,590,405.05</u>	<u>9,439,318.36</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	1,087,352.23	751,221.40
Tax Title Liens Receivable	A-8	1,417,703.54	1,353,126.64
Property Acquired for Taxes -			
Assessed Valuation	A-9	2,764,000.00	2,702,100.00
Revenue Accounts Receivable	A-12	27,466.61	19,348.74
Interfund Receivables:			
Other Trust Fund	A-13		516,669.91
Animal Control Trust Fund	A-13	13,235.72	26,015.68
Payroll Fund	A-13	<u>24,764.76</u>	<u>22,198.02</u>
		<u>5,334,522.86</u>	<u>5,390,680.39</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-10		48,200.00
Special Emergency Authorizations	A-11	<u>1,350,000.00</u>	
		<u>1,350,000.00</u>	<u>48,200.00</u>
		<u>14,274,927.91</u>	<u>14,878,198.75</u>
Federal and State Grant Fund:			
Grants Receivable	A-22	1,869,837.67	1,617,110.94
Interfund - General Capital Fund	A-25	9,940.97	9,940.97
Interfund - Current Fund	A-25	<u>512,451.65</u>	<u>637,213.34</u>
		<u>2,392,230.29</u>	<u>2,264,265.25</u>
		<u>16,667,158.20</u>	<u>17,142,464.00</u>

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

## Township of West Milford, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14	699,099.41	1,511,502.79
Encumbrances Payable	A-16	723,105.60	707,690.70
Prepaid Taxes	A-17	367,834.97	415,488.51
Interfunds Payable			
Other Trust Fund	A-13	70,811.53	
General Capital Fund	A-13	208,433.86	1,221,300.86
Assessment Trust Fund	A-13	709,560.07	692,201.62
Federal and State Grant Fund	A-13	512,451.65	637,213.34
County Taxes Payable	A-19	12,200.06	10,650.95
Due to Garbage District	A-20	518,252.60	605,425.01
Due to State of NJ:			
Marriage Surcharge	A-21	425.00	(475.00)
Building Surcharge	A-21	3,487.00	5,561.00
Accounts Payable	A-21	2,121.19	115,093.31
Special Emergency Note	A-21	1,000,000.00	
Tax Overpayments	A-21	22,603.25	1,808.20
Deposits for the Redemption of Tax Sale Cert.	A-21		103,224.71
Reserve for:			
Sale of Property	A-21	847,431.14	1,347,431.14
911	A-21	47.45	47.45
Revaluation of Real Property	A-21	386,923.79	1,053.57
FEMA	A-21	366,514.24	31,623.22
Technology Improvements	A-21	22,800.00	
Hurricane Damage	A-21	210,006.08	
Salary Negotiations	A-21	182,150.71	
Senior Housing	A-21	6,130.09	6,130.09
Garden State Trust	A-21	81,090.00	81,090.00
Wetlands Study	A-21	15,583.00	15,583.00
Housing Standards	A-21	12,383.25	21,283.25
		<u>6,981,445.94</u>	<u>7,530,927.72</u>
Reserve for Receivables	Contra	5,334,522.86	5,390,680.39
Fund Balance	A-1	<u>1,958,959.11</u>	<u>1,956,590.64</u>
		<u>14,274,927.91</u>	<u>14,878,198.75</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-23	2,136,202.87	2,116,607.32
Unappropriated Reserve for Grants	A-24	124,715.88	16,346.39
Interfund - Garbage District	A-25	<u>131,311.54</u>	<u>131,311.54</u>
		<u>2,392,230.29</u>	<u>2,264,265.25</u>
		<u>16,667,158.20</u>	<u>17,142,464.00</u>

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

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

## Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	1,900,000.00	2,010,000.00
Miscellaneous Revenue Anticipated	A-2	7,111,459.80	7,146,637.04
Receipts from Delinquent Taxes	A-2	769,115.59	1,051,269.16
Receipts from Current Taxes	A-2	91,365,226.00	90,370,447.42
Non-Budget Revenue	A-2	283,385.23	150,196.27
Other Credits to Income:			
Interfunds Returned	A-13	564,883.61	507,157.24
Unexpended Balance of Appropriation Reserves	A-14	932,306.61	1,206,558.67
Unexpended Balance of Accounts Payable	A-21	114,259.11	110,911.91
Total Revenues and Other Income		<u>103,040,635.95</u>	<u>102,553,177.71</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	12,275,615.87	12,856,741.00
Other Expenses	A-3	12,335,169.18	11,654,275.21
Capital Improvement Fund	A-3		189,495.00
Municipal Debt Service	A-3	2,445,886.55	2,426,971.25
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,847,530.00	1,729,642.82
Judgments			24,360.00
Refund of Prior Years Revenue	A-4	68,949.83	
Interfund Advances	A-13	543,000.48	1,057,598.77
Municipal Open Space Tax	A-13	149,385.57	150,011.29
Local District School Tax	A-18	50,396,165.00	49,030,641.00
County Taxes including Added Taxes	A-19	19,725,071.05	19,651,456.53
Garbage District Taxes	A-20	1,701,493.95	1,907,410.36
Total Expenditures		<u>102,488,267.48</u>	<u>100,678,603.23</u>

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

**Current Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Excess (Deficit) Revenue Over Expenditures		552,368.47	1,874,574.48
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-11	<u>1,350,000.00</u>	<u>48,200.00</u>
Statutory Excess to Fund Balance		1,902,368.47	1,922,774.48
Fund Balance, January 1,	A	<u>1,956,590.64</u>	<u>2,043,816.16</u>
		3,858,959.11	3,966,590.64
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-2	<u>1,900,000.00</u>	<u>2,010,000.00</u>
Fund Balance, December 31,	A	<u><u>1,958,959.11</u></u>	<u><u>1,956,590.64</u></u>

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

## Township of West Milford, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	A-1	<u>1,900,000.00</u>	<u>1,900,000.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-12	16,000.00	16,000.00	
Other	A-2	48,000.00	45,556.83	(2,443.17)
Fees and Permits	A-2	125,000.00	109,048.71	(15,951.29)
Fines and Costs:				
Municipal Court	A-12	260,000.00	248,497.24	(11,502.76)
Interest and Costs on Taxes	A-12	285,000.00	299,507.01	14,507.01
Interest and Costs on Assessments	A-12	31,000.00	34,262.00	3,262.00
Interest on Investments	A-12	392,000.00	359,764.83	(32,235.17)
Recreation Fees	A-12	556,000.00	526,949.79	(29,050.21)
Uniform Fire Safety Act (Local Fees)	A-12	38,000.00	43,876.00	5,876.00
Sequential Multiple Analysis Fees	A-12	34,000.00	26,114.18	(7,885.82)
Energy Receipts Tax	A-12	2,149,170.00	2,149,170.00	
Consolidated Municipal Property Tax Relief Aid	A-12	173,768.00	173,768.00	
Garden State Trust PILOT Funds	A-21	81,090.00	81,090.00	
Watershed Moratorium Aid	A-12	757,687.00	757,687.00	
Uniform Construction Code Fees	A-12	310,000.00	313,654.00	3,654.00
Drunk Driving Enforcement Fund	A-22	9,845.07	9,845.07	
Handicapped Recreation Opportunities Grant	A-22	20,000.00	20,000.00	
F T A				
State Share	A-22	66,908.50	66,908.50	
Federal Share	A-22	133,817.00	133,817.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-22	36,095.00	36,095.00	
Passaic County Cultural Heritage Grant	A-22	1,250.00	1,250.00	
Drive Sober or Get Pulled Over	A-22	5,000.00	5,000.00	
Over the Limit Under Arrest	A-22	2,476.10	2,476.10	
CDBG Road Resurfacing	A-22	100,000.00	100,000.00	
Hepatitis B Grant	A-22	4,025.22	4,025.22	
Recycling Tonnage Grant	A-22	63,305.54	63,305.54	
NJ Highlands Water Protection	A-22	178,700.00	178,700.00	
NJ Health Officers Grant	A-22	30,438.00	30,438.00	
NJDEP Waste Water Management	A-22	15,000.00	15,000.00	
Uniform Fire Safety Act	A-12	33,000.00	36,121.13	3,121.13
General Capital Surplus	A-12	247,000.00	247,000.00	
Assessment Trust Fund Surplus	A-12	25,000.00	25,000.00	
Interfund Other Trust Fund	A-13	500,000.00	500,000.00	
Interfund Animal Control Trust Fund	A-13	5,000.00	5,000.00	
Cable TV Franchise Fees	A-12	99,000.00	103,748.05	4,748.05

## Township of West Milford, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

## Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Cell Tower Lease Agreement	A-12	65,000.00	70,784.60	5,784.60
Police Athletic League Debt Service Contributions	A-12	72,000.00	72,000.00	
Reserve for Debt Service	A-12	<u>200,000.00</u>	<u>200,000.00</u>	
Total Miscellaneous Revenues	A-1	7,169,575.43	7,111,459.80	(58,115.63)
Receipts from Delinquent Taxes	A-1/A-2	1,160,000.27	769,115.59	(390,884.68)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>20,214,627.00</u>	<u>20,795,538.43</u>	<u>580,911.43</u>
Budget Totals		30,444,202.70	30,576,113.82	131,911.12
Non-Budget Revenue	A-1/A-2		<u>283,385.23</u>	<u>283,385.23</u>
		<u>30,444,202.70</u>	<u>30,859,499.05</u>	<u>415,296.35</u>
Adopted Budget	A-3	29,831,033.66		
Appropriated by N.J.S. 40A:4-87	A-3	<u>613,169.04</u>		
		<u>30,444,202.70</u>		

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

## Township of West Milford, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-7	91,365,226.00
Allocated to School and County Taxes	A-7	<u>72,459,687.57</u>
Balance for Support of Municipal Budget Appropriations		18,905,538.43
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>1,890,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>20,795,538.43</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-7	707,290.86
Tax Title Liens	A-8	<u>61,824.73</u>
	A-2	<u><u>769,115.59</u></u>
Licenses - Other:		
Clerk	A-12	10,755.00
Sanitary Inspector	A-12	21,079.83
Registrar	A-12	270.00
Cat Licenses	A-12	<u>13,452.00</u>
	A-2	<u><u>45,556.83</u></u>
Fees and Permits:		
Clerk	A-12	1,000.00
Police	A-12	8,525.51
Registrar	A-12	15,191.00
Sanitary Inspector	A-12	55,385.00
Board of Adjustment	A-12	3,685.00
Planning Board	A-12	22,057.20
Assessor	A-12	630.00
Building Inspector	A-12	<u>2,575.00</u>
	A-2	<u><u>109,048.71</u></u>



## Township of West Milford, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Revenues Accounts Receivable:			
Clerk	A-12	4,763.64	
Sanitary Inspector	A-12	552.70	
Planning Board	A-12	119.17	
			5,435.51
Treasurer			
Convenience Fee			
NSF Check Fee		510.00	
Insurance Dividend		154,090.00	
Sale of Assets		2,174.62	
DMV Fines		3,214.00	
Tax Collector		16,760.32	
Administration Fee		6,321.89	
Refunds / Miscellaneous Reimbursements		94,878.89	
	A-4		<u>277,949.72</u>
	A-2		<u>283,385.23</u>

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

## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
Office of Township Manager						
Salaries and Wages		312,613.00	316,813.00	316,778.17	34.83	
Other Expenses		83,950.00	83,950.00	53,325.19	30,624.81	
Mayor and Council						
Salaries and Wages		34,000.00	34,000.00	33,871.44	128.56	
Other Expenses		850.00	850.00	685.83	164.17	
Office of Township Clerk						
Salaries and Wages		238,433.00	238,433.00	238,285.91	147.09	
Other Expenses		23,530.00	23,530.00	15,979.16	7,550.84	
Elections						
Salaries and Wages		1,200.00	1,200.00	531.64	668.36	
Other Expenses		16,400.00	16,400.00	9,317.95	7,082.05	
Division of Treasury						
Salaries and Wages		159,281.00	120,781.00	119,290.19	1,490.81	
Other Expenses		4,670.00	4,670.00	4,530.28	139.72	
Audit Services and Costs						
Annual Audit		40,000.00	40,000.00	40,000.00		
Additional Services		10,000.00	29,500.00	29,490.00	10.00	
Computerized Data Processing						
Salaries and Wages		80,430.65	80,889.65	80,889.43	0.22	
Other Expenses		65,725.00	65,725.00	52,647.85	13,077.15	
Division of Tax Collections						
Salaries and Wages		152,881.00	173,481.00	173,451.30	29.70	
Other Expenses		13,990.00	13,990.00	10,303.95	3,686.05	

## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Division of Assessment						
Salaries and Wages		270,912.00	280,212.00	279,819.70	392.30	
Other Expenses		5,200.00	5,200.00	4,440.28	759.72	
Revaluation of Real Property			1,000,000.00	1,000,000.00		
Office of Township Attorney						
Other Expenses		209,000.00	186,000.00	184,856.50	1,143.50	
Division of General Services						
Salaries and Wages		30,000.00				
Other Expenses		74,000.00	74,000.00	71,523.19	2,476.81	
Division of Engineering						
Salaries and Wages		277,592.00	294,792.00	292,993.76	1,798.24	
Other Expenses		40,400.00	40,400.00	27,778.46	12,621.54	
Autumn Lights Festival						
Other Expenses		3,000.00	3,000.00	2,136.31	863.69	
Veterans Bureau						
Salaries and Wages		1,500.00	1,500.00	1,500.00		
Historical Preservation Commission						
Salaries and Wages		1,600.00	1,600.00	910.00	690.00	
Other Expenses		800.00	800.00	7.99	792.01	
Planning Board						
Other Expenses		36,900.00	36,900.00	34,992.32	1,907.68	
Division of Comprehensive Planning						
Salaries and Wages		174,026.00	178,326.00	178,161.57	164.43	
Other Expenses		23,300.00	23,300.00	20,640.75	2,659.25	

## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Division of Zoning Administration						
Salaries and Wages		74,333.00	74,333.00	74,047.08	285.92	
Board of Adjustment						
Other Expenses		30,400.00	30,400.00	28,964.88	1,435.12	
Department of Police						
Division of Patrol						
Salaries and Wages		4,326,724.00	4,200,724.00	4,159,510.98	41,213.02	
Other Expenses		94,193.00	94,193.00	83,429.09	10,763.91	
Purchase of Police Cars		50,000.00	50,000.00	49,789.40	210.60	
Detective Division						
Salaries and Wages		515,828.00	580,828.00	578,862.97	1,965.03	
Division of Administration						
Salaries and Wages		484,521.00	452,021.00	447,976.80	4,044.20	
Special Police & Special Police Matrons						
Salaries and Wages		33,000.00	37,100.00	34,518.06	2,581.94	
Other Expenses		8,000.00	8,000.00	2,943.75	5,056.25	
Division of Communications						
Salaries and Wages		245,826.00	297,826.00	297,147.27	678.73	
Other Expenses		8,000.00	8,000.00	8,000.00		
Office of Municipal Disaster - Control Director						
Salaries and Wages		5,000.00	5,000.00	2,500.00	2,500.00	
Other Expenses		26,500.00	26,500.00	16,669.44	9,830.56	
Hurricane Damage			350,000.00	350,000.00		
Aid to Volunteer Fire Companies (6)		90,000.00	90,000.00	88,087.68	1,912.32	
First Aid Organization Contribution		101,150.00	101,150.00	74,740.00	26,410.00	

## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

Current Fund					
Year Ended December 31, 2011					
	Ref.	Budget	Budget After Modification	Paid or Charged	Unexpended Balance Cancelled
					Reserved
<u>General Appropriations</u>					
Fire Prevention Bureau					
Salaries and Wages		177,610.00	181,620.00	178,838.52	2,781.48
Other Expenses		15,830.00	15,830.00	12,607.00	3,223.00
Department of Fire					
Salaries and Wages		9,089.00	9,089.00	9,089.00	
Other Expenses		255,150.00	255,150.00	199,669.34	55,480.66
Municipal Prosecutor					
Other Expenses		26,000.00	26,000.00	22,608.25	3,391.75
Division of Streets and Roads					
Salaries and Wages		1,598,185.00	1,609,785.00	1,609,735.00	50.00
Other Expenses		408,900.00	408,900.00	402,001.20	6,898.80
Division of Public Property					
Salaries and Wages		91,072.00	91,772.00	91,605.26	166.74
Other Expenses		37,600.00	37,600.00	27,420.00	10,180.00
Division of Snow Removal					
Salaries and Wages		235,000.00	255,000.00	249,941.80	5,058.20
Other Expenses		1,161,385.00	1,085,385.00	1,083,715.51	1,669.49
Fleet Maintenance					
Salaries and Wages		258,155.00	281,355.00	281,254.07	100.93
Other Expenses		278,500.00	278,500.00	247,215.27	31,284.73
Division of Health					
Salaries and Wages		306,373.00	289,373.00	289,335.78	37.22
Other Expenses		47,738.00	59,238.00	46,677.36	12,560.64

## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Bureau of Vital Statistics						
Salaries and Wages		9,000.00	9,000.00	8,359.78	640.22	
Other Expenses		18,640.00	18,640.00	18,213.20	426.80	
Housing Standards Bureau						
Other Expenses		25,000.00	9,500.00	9,326.03	173.97	
Division of Environmental Health						
Salaries and Wages		193,156.00	194,056.00	192,404.15	1,651.85	
Other Expenses		69,150.00	69,150.00	62,372.90	6,777.10	
Environmental Commission						
Salaries and Wages		1,600.00	1,600.00	1,430.00	170.00	
Other Expenses		880.00	880.00	380.00	500.00	
Division of Pound Keeper						
Salaries and Wages		85,000.00	94,500.00	94,409.76	90.24	
Recreation Programs						
Salaries and Wages		410,500.00	352,500.00	352,500.00		
Other Expenses		132,000.00	132,000.00	131,032.32	967.68	
Department of Recreation						
Salaries and Wages		175,323.00	162,323.00	160,760.63	1,562.37	
Other Expenses		14,400.00	14,400.00	11,083.31	3,316.69	
Hillcrest Community Center						
Salaries and Wages		117,471.00	120,071.00	119,972.46	98.54	
Other Expenses		20,350.00	20,350.00	19,923.74	426.26	
Senior Services						
Salaries and Wages		88,838.00	88,838.00	84,324.51	4,513.49	
Other Expenses		12,125.00	12,125.00	11,564.43	560.57	

## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

	Current Fund			Unexpended Balance Cancelled
	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Year Ended December 31, 2011				
<u>General Appropriations</u>				<u>Reserved</u>
Division of Parks Maintenance				
Salaries and Wages		256,212.00	281,212.00	272.32
Other Expenses		117,350.00	117,350.00	826.84
Bubbling Springs Recreation				
Salaries and Wages		167,000.00	139,600.00	7.34
Other Expenses		50,000.00	50,000.00	1,554.03
Municipal Court				
Salaries and Wages		286,157.00	316,257.00	1,770.37
Other Expenses		13,100.00	13,100.00	5,315.88
Insurance:				
Other Insurance Premiums		822,260.00	840,061.00	16,950.31
Group Insurance Plan for Employees		3,483,216.00	3,480,235.00	179,317.89
Department of Building Safety				
Salaries and Wages		365,644.22	373,044.22	307.14
Other Expenses		6,530.00	6,530.00	2,193.34
Celebration of Public Events				
Other Expenses		6,500.00	6,500.00	23.03
Mass Transportation				
Other Expenses		85,000.00	50,817.00	37,895.70
Accumulated Absences		100,000.00	54,761.00	438.76
Street Lighting		49,000.00	49,000.00	10.61
Electric		160,200.00	160,200.00	27,895.65
Telephone		120,000.00	156,000.00	62.65
Natural Gas		117,500.00	117,500.00	40,154.61

## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Gasoline		410,000.00	410,000.00	385,164.09	24,835.91	
Total Operations within "CAPS"		21,375,347.87	22,583,014.87	21,888,431.94	694,582.93	
Detail:						
Salaries and Wages	A-1	12,351,085.87	12,275,615.87	12,197,085.28	78,530.59	
Other Expenses	A-1	9,024,262.00	10,307,399.00	9,691,346.66	616,052.34	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges:						
Overexpenditure of Appropriation		48,200.00	48,200.00	48,200.00		
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		749,756.00	794,236.00	794,037.03	198.97	
Social Security System (O.A.S.I.)		617,293.00	647,293.00	643,054.95	4,238.05	
Police and Firemen's Retirement System		1,301,632.00	1,301,632.00	1,301,632.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	2,716,881.00	2,791,361.00	2,786,923.98	4,437.02	
Total General Appropriations for Municipal Purposes within "CAPS"		24,092,228.87	25,374,375.87	24,675,355.92	699,019.95	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		1,147,727.00	1,147,727.00	1,147,648.04	78.96	
Reserve for Tax Appeals		20,000.00	20,000.00	20,000.00		



## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

Current Fund						
Year Ended December 31, 2011						
	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
General Appropriations						
Emergency Services Volunteer Length of Service Award Program (P.L. 1997,c388)		90,000.00	112,000.00	112,000.00		
Public and Private Programs Offset by Revenues						
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		36,095.00	36,095.00	36,095.00		
Local Share		9,023.75	9,023.75	9,023.75		
Handicapped Person's Recreational Opportunities Act						
State Share		20,000.00	20,000.00	20,000.00		
Local Share						
Recycling Tonnage Grant		63,305.54	63,305.54	63,305.54		
Drive Sober or Get Pulled Over		5,000.00	5,000.00	5,000.00		
NJDEP - Wastewater Management		15,000.00	15,000.00	15,000.00		
Over the Limit Under Arrest Grant		2,476.10	2,476.10	2,476.10		
Hepatitis B Grant		4,025.22	4,025.22	4,025.22		
NJ Highlands Water Protection		178,700.00	178,700.00	178,700.00		
F T A						
State Share		66,908.50	66,908.50	66,908.50		
Federal Share		133,817.00	133,817.00	133,817.00		
Drunk Driving Enforcement Fund		9,845.07	9,845.07	9,845.07		
CDBG - Road Resurfacing		100,000.00	100,000.00	100,000.00		
NJ Health Officers Grant		30,438.00	30,438.00	30,438.00		
Passaic County Cultural Heritage Grant						
County Share		1,250.00	1,250.00	1,250.00		
Local Share		1,250.00	1,250.00	1,250.00		

## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Matching Funds for Grants		36,726.00	70,909.00	70,908.50	0.50	
Total Operations - Excluded from "CAPS"		1,971,587.18	2,027,770.18	2,027,690.72	79.46	
Detail:						
Other Expenses	A-1	1,971,587.18	2,027,770.18	2,027,690.72	79.46	
Municipal Debt Service:						
Payment of Bond Principal		1,610,000.00	1,610,000.00	1,610,000.00		0.50
Interest on Bonds		651,832.50	651,832.50	651,832.00		0.02
Interest on Notes		144,877.85	144,877.85	144,877.83		0.58
NJDEP Loan Interest		27,507.30	39,177.30	39,176.72		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	2,434,217.65	2,445,887.65	2,445,886.55		1.10
Deferred Charges:						
Deferred Charges to Future Taxation Unfunded:						
Ord. #92-14 Improvements to Municipal Property		39,000.00	39,000.00	39,000.00		
Cash Deficit in 2004 Assessment Bonds		17,169.00	17,169.00	17,169.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	56,169.00	56,169.00	56,169.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		4,461,973.83	4,529,826.83	4,529,746.27	79.46	1.10
Subtotal General Appropriations		28,554,202.70	29,904,202.70	29,205,102.19	699,099.41	1.10

## Township of West Milford, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2011

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Reserve for Uncollected Taxes		1,890,000.00	1,890,000.00	1,890,000.00		
Total General Appropriations		30,444,202.70	31,794,202.70	31,095,102.19	699,099.41	1.10
					A	
Adopted Budget A-2			29,831,033.66			
Appropriated by (N.J.S.A. 40A:4-87) A-2			613,169.04			
Appropriated by (N.J.S.A. 40A:4-55) A-11			1,350,000.00			
			31,794,202.70			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			1,890,000.00		
Cash Disbursed	A-4			26,234,785.45		
Deferred Charges						
Overexpenditure of Appropriation	A-10			48,200.00		
Encumbrances Payable	A-16			723,105.60		
Reserve for Revaluation of Real Property	A-21			1,000,000.00		
Reserve for Hurricane Damage	A-21			350,000.00		
Reserve for Salary Negotiations	A-21			182,150.71		
Reserve for Grants	A-23			666,860.43		
				31,095,102.19		

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

## Township of West Milford, N.J.

Page 1 of 2

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31,

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Assessment Fund:			
Cash - Treasurer	B-4/B-5	165,711.37	168,824.05
Assessments Receivable	B-7	1,728,662.46	2,024,810.75
Assessment Liens	B-8	51,818.69	56,403.64
Assessment Liens Interest and Costs	B-9	2,865.50	5,094.07
Prospective Assessments Funded	B-10	65,123.75	82,292.75
Interfund - Current Fund	B-11	709,560.07	692,201.62
Amount to be Raised by Taxation			
Canceled and Foreclosed Assessments	B-13	12,547.95	
		<u>2,736,289.79</u>	<u>3,029,626.88</u>
Animal Control Trust Fund:			
Cash - Treasurer	B-4	65,719.92	68,249.20
		<u>65,719.92</u>	<u>68,249.20</u>
Other Trust Funds:			
Cash - Treasurer	B-4	2,268,648.80	3,128,237.60
Interfund - Current Fund	B-11	70,811.53	
Interfund - General Capital Fund	B-12	14,961.25	14,961.25
Due from Vendors - Police Outside Service	B-23	66,054.33	62,974.73
		<u>2,420,475.91</u>	<u>3,206,173.58</u>
Payroll Fund:			
Cash	B-4	132,157.03	138,730.61
		<u>132,157.03</u>	<u>138,730.61</u>
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Cash in Plan	B-4	1,167,750.97	1,072,651.57
Contributions Receivable	B-26	105,000.00	182,100.00
		<u>1,272,750.97</u>	<u>1,254,751.57</u>
		<u>6,627,393.62</u>	<u>7,697,531.84</u>

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

## Township of West Milford, N.J.

Page 2 of 2

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31,

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Assessment Fund:			
Interfund - General Capital Fund	B-12	170,218.34	800,000.00
Assessment Bonds	B-14	154,000.00	299,000.00
Bond Anticipation Notes	B-15	90,700.00	260,918.34
Loan Payable - NJDEP - Pinecliff Lake	B-16	1,154,543.16	1,247,504.29
Loan Payable - NJDEP - Lindy Lake	B-17	125,987.37	137,261.48
Loan Payable - NJDEP - Gordon Lake	B-18	783,126.72	
Reserve for Assessments and Liens	B-19	188,092.99	236,489.84
Reserve for Assess. Liens Interest and Costs	Contra	2,865.50	5,094.07
Fund Balance	B-1	66,755.71	43,358.86
		<u>2,736,289.79</u>	<u>3,029,626.88</u>
Animal Control Trust Fund:			
Interfund - Current Fund	B-11	13,235.72	26,015.68
Reserve for Dog Fund Expenditures	B-20	52,472.20	42,233.52
Due to State Department of Health	B-21	12.00	
		<u>65,719.92</u>	<u>68,249.20</u>
Other Trust Fund:			
Interfund - Current Fund	B-11		516,669.91
Municipal Open Space Tax	B-22	241,007.66	628,018.64
Various Deposits Payable	B-24	551,517.51	580,466.97
Various Reserves	B-24	1,627,950.74	1,481,018.06
		<u>2,420,475.91</u>	<u>3,206,173.58</u>
Payroll Fund:			
Interfund - Current Fund	B-11	24,764.76	22,198.02
Payroll Deductions Payable	B-25	107,392.27	116,532.59
		<u>132,157.03</u>	<u>138,730.61</u>
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Net Assets Available for Benefits	B-27	1,272,750.97	1,254,751.57
		<u>1,272,750.97</u>	<u>1,254,751.57</u>
		<u>6,627,393.62</u>	<u>7,697,531.84</u>

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

## Township of West Milford, N.J.

## Schedule of Fund Balance - Regulatory Basis

## Assessment Trust Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	43,358.86
Increased by:		
Collection of Unpledged Assessments	B-19	<u>48,396.85</u>
		91,755.71
Decreased by:		
Payment to Current Fund as Anticipated Revenue	B-4	<u>25,000.00</u>
Balance - December 31, 2011	B	<u><u>66,755.71</u></u>

## Exhibit B-2

## Schedule of Revenues - Regulatory Basis

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash		<u>145,000.00</u>	<u>145,000.00</u>
		B-3	

## Exhibit B-3

## Schedule of Expenditures - Regulatory Basis

	<u>Ref.</u>	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	B-14	<u>145,000.00</u>	<u>145,000.00</u>
		B-2	

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

## Township of West Milford , N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31,

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Cash	C-2/C-3	3,343,424.31	2,339,801.85
Various Receivables	C-4	931,437.45	1,230,930.39
Prospective Assessments Raised by Taxation	C-5	500.00	500.00
Deferred Charges to Future Taxation:			
Funded	C-6	17,645,000.00	19,255,000.00
Deferred Charges to Future Taxation:			
Unfunded	C-7	12,375,248.38	11,134,030.04
Interfund - Assessment Trust	C-13	170,218.34	800,000.00
Interfund - Current Fund	C-13	208,433.86	1,221,300.86
		<u>34,674,262.34</u>	<u>35,981,563.14</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	17,645,000.00	19,255,000.00
Bond Anticipation Notes	C-9	11,706,823.00	9,397,604.66
Improvement Authorizations:			
Funded	C-10	1,690,496.27	2,884,183.66
Unfunded	C-10	2,716,698.70	3,141,216.04
Capital Improvement Fund	C-11	72,531.00	144,531.00
Various Reserves	C-12	295,100.96	547,772.64
Interfund - Other Trust Fund	C-13	14,961.25	14,961.25
Interfund - Federal and State Grant Fund	C-13	9,940.97	9,940.97
Reserve for:			
Prospective Assessments - Raised by Taxation	Contra	500.00	500.00
Receivables	Contra	50,000.00	
Fund Balance	C-1	472,210.19	585,852.92
		<u>34,674,262.34</u>	<u>35,981,563.14</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on  
December 31, 2011 of \$705,425.38 as shown on Exhibit C-14.

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

## Township of West Milford , N.J.

## Statement of Fund Balance - Regulatory Basis

## General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	C		585,852.92
Increased by:			
Premium on Bonds and Bond Anticipation Notes	C-2	88,007.47	
Funded Improvement Authorizations Canceled	C-10	<u>363,349.80</u>	
			<u>451,357.27</u>
			1,037,210.19
Decreased by:			
Anticipated as 2011 Revenue	C-2	247,000.00	
Appropriated to Finance Improvement Auth.	C-10	<u>318,000.00</u>	
			<u>565,000.00</u>
Balance - December 31, 2011	C,C-3		<u><u>472,210.19</u></u>

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



**Exhibit F****Township of West Milford , N.J.****Statement of General Fixed Assets - Regulatory Basis****December 31,**

	<u>2011</u>	<u>2010</u>
<u>General Fixed Assets:</u>		
Land	11,779,300.00	11,779,300.00
Buildings	5,563,400.00	5,563,400.00
Machinery and Equipment	<u>13,988,493.00</u>	<u>13,988,493.00</u>
	<u>31,331,193.00</u>	<u>31,331,193.00</u>
 Investment in Fixed Assets	 <u>31,331,193.00</u>	 <u>31,331,193.00</u>

See accompanying notes to financial statements.

**Exhibit G****Township of West Milford , N.J.****Comparative Balance Sheet - Regulatory Basis****Garbage District****December 31,**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Due from Current Fund	G-5	518,252.60	605,425.01
Due from Federal and State Grant Fund	G-6	<u>131,311.54</u>	<u>131,311.54</u>
		<u>649,564.14</u>	<u>736,736.55</u>
<u>Liabilities and Reserves</u>			
Fund Balance	G-1	142,463.27	248,275.97
Commitments Payable	G-4	210,534.44	203,162.62
Reserve for Recycling	G-7	225,872.69	214,604.22
Reserve for Recycling Tonnage Grant	G-8	<u>70,693.74</u>	<u>70,693.74</u>
		<u>649,564.14</u>	<u>736,736.55</u>

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

## Township of West Milford , N.J.

## Schedule of Fund Balance - Regulatory Basis

## Garbage District

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	G		248,275.97
Increased by:			
Excess in Operating Revenues	G-2	1,493.95	
Unexpended Balance of Appropriations	G-3	36,319.33	
Canceled Encumbrances	G-4	<u>6,374.02</u>	
			<u>44,187.30</u>
			292,463.27
Decreased by:			
Operating Surplus Anticipated	G -2		<u>150,000.00</u>
Balance - December 31, 2011	G		<u><u>142,463.27</u></u>

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

## Township of West Milford , N.J.

## Statement of Revenues - Regulatory Basis

## Garbage District

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Operating Surplus Anticipated	G-1	<u>150,000.00</u>	<u>150,000.00</u>	<u>                    </u>
Reserve for Recycling	G-7	<u>215,000.00</u>	<u>215,000.00</u>	<u>                    </u>
Amount to be Raised by Taxation	G-5	<u>1,700,000.00</u>	<u>1,701,493.95</u>	<u>1,493.95</u>
Total Garbage District Revenues		<u><u>2,065,000.00</u></u>	<u><u>2,066,493.95</u></u>	<u><u>1,493.95</u></u>
				G-1

## Statement of Expenditures - Regulatory Basis

## Garbage District

Year Ended December 31, 2011

	<u>Budget</u>	<u>Modified by Transfers</u>	<u>Paid or Charged</u>	<u>Unexpended Balance to Surplus</u>
Salaries and Wages	136,000.00	136,000.00	127,286.57	8,713.43
Other Expenses	93,250.00	93,250.00	65,644.10	27,605.90
Contractual Services	1,085,750.00	1,133,484.00	1,133,484.00	
Disposal Fees	750,000.00	702,266.00	702,266.00	
Total Garbage District Expenditures	<u><u>2,065,000.00</u></u>	<u><u>2,065,000.00</u></u>	<u><u>2,028,680.67</u></u>	<u><u>36,319.33</u></u>
				G-1

	<u>Ref.</u>	
Encumbrances	G-4	165,078.65
Interfund Current Fund	G-5	<u>1,863,602.02</u>
		<u><u>2,028,680.67</u></u>

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

**TOWNSHIP OF WEST MILFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements of the Township of West Milford 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 Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Township of West Milford (the "Township") operates under a Mayor and Council administrative plan created by N.J.S.A. 40:69A-149.1 et.seq. The Township'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 Township do not include the 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.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

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

The Township 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 Township 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 Township has the following funds:

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 Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust - This fund deals with the handling of special assessment levies against property for the cost of an improvement, the whole or a part of which costs are levied against the property receiving the benefit.

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

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

Payroll Fund - Receipts and disbursements of payroll withholding that the Township collects on the 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.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes. Effective October 1, 2005, the Township transferred administration of the general assistance program to the Passaic County Board of Social Services.

Garbage District Fund - This fund is used to account for resources and expenditures for the collection and disposal of solid waste in the Township.

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

**Basis of Accounting**

A modified accrual basis of accounting is followed by the Township of West Milford. 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 Township. 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.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

Property Tax Revenues, (continued) - Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current 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 Township'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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

- General Capital Fund
- Trust Fund
- Public Assistance 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.



**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

**Basis of Accounting, (continued)**

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2011, the Township Council increased the original budget by \$1,963,169.04. This increase was funded by \$613,169.04 in additional aid allotted the Township and \$1,350,000.00 in special emergency appropriations. In addition, several budget transfers were approved by the governing body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

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.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

**Basis of Accounting, (continued)**

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

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

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

General Fixed Assets - The Township of West Milford has developed a fixed assets 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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

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.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

**Basis of Accounting, (continued)**

Use of Estimates - The preparation of financial statements requires management of the Township 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 Township'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 Township 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 Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2011, \$-0- of the Township's bank balance of \$14,432,433.33 was exposed to custodial credit risk.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

**Investments**

**Investment Rate Risk**

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

**Unaudited Investments**

As more fully described in Note 16, the Township 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 Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by AIG, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2011 and 2010 amounted to \$1,167,750.97 and \$1,072,651.57, respectively.

The following investments represent 5% or more of the total invested with AIG on December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Money Market Funds	\$91,306.50	\$91,921.22
Fixed Income	269,286.45	240,146.86
Growth and Income	270,654.22	255,194.07
Value Funds	145,152.15	146,042.71
Bond Funds	106,044.08	98,179.68
All Others	<u>285,307.57</u>	<u>241,167.03</u>
	<u>\$1,167,750.97</u>	<u>\$1,072,651.57</u>

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

**NOTE 3. LONG TERM DEBT**

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

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$19,255,000.00	\$	\$1,610,000.00	\$17,645,000.00	\$1,194,000.00
Trust Assessment	299,000.00		145,000.00	154,000.00	124,000.00
Other Liabilities:					
NJDEP Loan	1,384,765.77	800,000.00	121,108.52	2,063,657.25	140,584.81
Deferred Pension Obligation	890,136.00			890,136.00	38,645.00
Compensated Absences Payable	<u>1,287,197.93</u>	<u>142,393.27</u>	<u>273,472.34</u>	<u>1,156,118.86</u>	
	<u>\$23,116,099.70</u>	<u>\$942,393.27</u>	<u>\$2,149,580.86</u>	<u>\$21,908,912.11</u>	<u>\$1,497,229.81</u>

**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Issued:			
General:			
Bonds, Loans and Notes	\$29,351,823.00	\$28,652,604.66	\$27,850,882.00
Assessment:			
Bonds, Loans and Notes	<u>2,308,357.25</u>	<u>1,944,684.11</u>	<u>2,034,947.16</u>
Total Issued	<u>31,660,180.25</u>	<u>30,597,288.77</u>	<u>29,885,829.16</u>
Authorized But Not Issued			
General:			
Bonds and Notes	<u>705,425.38</u>	<u>2,596,425.38</u>	<u>4,405,293.01</u>
Total Authorized But Not Issued	<u>705,425.38</u>	<u>2,596,425.38</u>	<u>4,405,293.01</u>
Net Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$32,365,605.63</u>	<u>\$33,193,714.15</u>	<u>\$34,291,122.17</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statements and indicates a statutory net debt of .91%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$2,802,914.12	\$2,802,914.12	\$0.00
General Debt	<u>32,365,605.63</u>	<u>817,984.53</u>	<u>31,547,621.10</u>
	<u>\$35,168,519.75</u>	<u>\$3,620,898.65</u>	<u>\$31,547,621.10</u>

Net Debt \$31,547,621.10 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$3,484,282,585.00 = .91%.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

**NOTE 3. LONG TERM DEBT, (continued)**

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

3 ½% of Equalized Valuation Basis (Municipal)	\$121,949,890.48
Net Debt	<u>31,547,621.10</u>
Remaining Borrowing Power	<u><u>\$90,402,269.38</u></u>

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

**Paid by Assessment Fund:**

Assessment Bonds - Assessment Bonds of 2002 with an interest rate of 4.40% issued January 1, 2002, due through January 1, 2012	\$104,000.00
Assessment Bonds - Assessment Bonds of 2004 with an interest rate of 3%-3.45% issued February 15, 2004 due through February 15, 2014	50,000.00
Loan Payable - NJDEP - dated November 1, 2004 with an interest rate of 2% payable in installments through 2030	2,063,657.25

**Paid by Current Fund:**

General Bonds - General Bonds of 2002 with an interest rate of 4.40% issued January 1, 2002 due through January 1, 2012	209,000.00
General Bonds - General Bonds of 2004 with a variable interest rate issued February 15, 2004 due through February 15, 2014	2,390,000.00
General Bonds - General Bonds of 2006 with a variable interest rate issued January 15, 2006 due through January 15, 2017	5,166,000.00
General Bonds - General Bonds of 2010 with a variable interest rate issued April 1, 2010 due through April 1, 2021	<u>9,880,000.00</u>
	<u><u>\$19,862,657.25</u></u>

General capital and assessment serial bonds are direct obligations of the Township which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township and/or assessment revenues.

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

General Capital	<u><u>\$705,425.38</u></u>
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**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

**NOTE 3. LONG TERM DEBT, (continued)**

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

General Bonds			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$1,194,000.00	\$588,623.50	\$1,782,623.50
2013	1,560,000.00	542,475.50	2,102,475.50
2014	1,620,000.00	486,521.75	2,106,521.75
2015	1,700,000.00	433,120.50	2,133,120.50
2016	1,775,000.00	376,433.00	2,151,433.00
2017-2021	<u>9,796,000.00</u>	<u>874,191.50</u>	<u>10,670,191.50</u>
	<u>\$17,645,000.00</u>	<u>\$3,301,365.75</u>	<u>\$20,946,365.75</u>

Assessment Bonds			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$124,000.00	\$6,363.00	\$130,363.00
2013	20,000.00	675.00	20,675.00
2014	<u>10,000.00</u>	<u>172.50</u>	<u>10,172.50</u>
	<u>\$154,000.00</u>	<u>\$7,210.50</u>	<u>\$161,210.50</u>

**NOTE 4. BOND ANTICIPATION NOTES**

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year 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.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

On December 31, 2011, the Township had \$11,706,823.00 in outstanding general capital bond anticipation notes, \$9,144,823.00 maturing on April 13, 2012 at an interest rate of 1.50%, \$2,562,000.00 maturing on October 5, 2012 at an interest rate of 1.00% and \$90,700.00 in outstanding assessment trust bond anticipation notes maturing on April 13, 2012 at an interest rate of 1.50%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2011.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Janney Montgomery LLC	\$9,658,523.00	\$	\$9,658,523.00	\$0.00
TD Securities		9,235,523.00		9,235,523.00
Jefferies & Co.		<u>2,562,000.00</u>		<u>2,562,000.00</u>
	<u>\$9,658,523.00</u>	<u>\$11,797,523.00</u>	<u>\$9,658,523.00</u>	<u>\$11,797,523.00</u>

**NOTE 5. LOAN AGREEMENTS**

The Township of West Milford has entered into loan agreements with the State of New Jersey Department of Environmental Protection. The loans are payable over 26 years from November 1, 2004, the date of the final drawdown payment, through November 1, 2030. The loans of \$2,702,000.00 are at an interest rate of 2.00%.

Following are the remaining maturities and debt schedules for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$140,584.82	\$40,965.75	\$181,550.57
2013	143,410.56	38,202.68	181,613.24
2014	146,293.12	35,384.09	181,677.21
2015	149,233.61	32,508.85	181,742.46
2016	152,233.20	29,585.79	181,818.99
2017-2021	808,313.12	101,767.48	910,080.60
2022-2026	333,266.51	33,993.62	367,260.13
2027-2030	<u>190,322.29</u>	<u>8,663.91</u>	<u>198,986.20</u>
	<u>\$2,063,657.23</u>	<u>\$321,072.17</u>	<u>\$2,384,729.40</u>



**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

**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, 2011 the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, <u>2011</u>	2012 Budget Appropriation	Balance to Succeeding Budget
Current Fund:			
Special Emergency Appropriations	<u>\$1,350,000.00</u>	<u>\$270,000.00</u>	<u>\$1,080,000.00</u>
Assessment Trust Fund:			
Cash Deficit in 2004 Bonds	<u>\$17,406.95</u>	<u>\$17,406.95</u>	<u>\$ -0-</u>

The appropriations in the Budget are not less than that required by statute.

**NOTE 7. LOCAL DISTRICT 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 Township has elected to defer school taxes.

The calculation of the Local District School Tax balances and deferrals are as follows:

	Balance	
	<u>2011</u>	<u>2010</u>
Balance of Tax	\$25,441,863.00	\$24,954,291.00
Deferred	<u>25,441,863.00</u>	<u>24,954,291.00</u>
Taxes Payable	<u>\$0.00</u>	<u>\$0.00</u>

**NOTE 8. PENSION PLANS**

Description of Systems:

Substantially all of the Township'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 a 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.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

Description of Systems, (continued)

*Public Employees' Retirement System (PERS)*

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 certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. 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 1/55th 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. 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.

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

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

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

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

Description of Systems, (continued)

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

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

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

*Police and Firemens' Retirement System (PFRS)*

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

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

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

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

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

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

<u>Year Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$837,116.00	\$1,301,632.00
2010	605,686.00	1,159,055.00
2009	423,470.00	555,555.50

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

Defined Contribution Retirement Program, (continued)

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

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

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

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

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

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

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 7, the Township provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost, to all Township retirees who (1) have retired on disability pension, and (2) employees who have retired after twenty-five (25) years or more of service in a State or locally administered retirement system.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During 2011, there were one hundred and eight (108) retired employees who received this benefit at a cost of \$1,104,684.00.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

**Annual OPEB Cost**

For 2011, the Township's annual OPEB cost (expense) of \$5,229,600.00 (based on actuarial valuation as of January 1, 2008) was equal to the ARC (Annual Required Contribution). The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011, 2010 and 2009 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	\$810,876.00	\$5,229,600.00	15.50%	\$8,950,424.00
2010	973,920.00	5,229,600.00	18.62	13,206,104.00
2011	1,104,684.00	5,229,600.00	21.12	17,331,020.00

**Funding Status and Funding Progress**

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

Actuarial Accrued Liability (AAL)	\$5,349,840.00
Actuarial Value of Plan Assets	-0-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$5,349,840.00</u>
Funded Ratio (Actuarial Value of Plan Assets (AAL))	0.00%
Cover Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A

N/A - Not Available

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

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

**Funding Status and Funding Progress, (continued)**

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.

**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.

The actuarial valuation as of January 1, 2011 was not available at the time of this audit report. If there are material differences in the January 1, 2011 report from the actuary, we will make note in a separate report.

**NOTE 10. FUND BALANCES**

Fund balances as of December 31, 2011 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2012 were as follows:

Current Fund	<u>Not Available</u>
Garbage District	<u>Not Available</u>

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

**NOTE 11. FIXED ASSETS**

The Township did not update their fixed assets for additions and deletions for the year. The balance as of December 31, 2011 and December 31, 2010 are as follows:

	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
Land	\$11,779,300.00	\$11,779,300.00
Buildings	5,563,400.00	5,563,400.00
Machinery and Equipment	<u>13,988,493.00</u>	<u>13,988,493.00</u>
	<u>\$31,331,193.00</u>	<u>\$31,331,193.00</u>

**NOTE 12. ACCRUED SICK AND VACATION BENEFITS**

The Township has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. This amounted to \$1,156,118.86 as of December 31, 2011. It is expected that the payments will be budgeted as the amounts are used.

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

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

\$13,235.72	Due to Current Fund from Animal Control Trust Fund for interest earned on deposits, anticipated revenue and to reimburse expenditures.
24,764.76	Due to Current Fund from Payroll Fund for Current Fund receipts deposited in Payroll Fund.
70,811.53	Due to Other Trust Fund from Current Fund for Other Trust Fund receipts deposited in Current Fund.
14,961.25	Due to Other Trust Fund from General Capital Fund for Other Trust Fund receipts deposited in General Capital Fund.
208,433.86	Due to General Capital Fund from Current Fund for General Capital receipts deposited in Current Fund.
170,218.34	Due to General Capital Fund from Assessment Trust Fund for General Capital receipts deposited in Assessment Trust Fund.
512,451.65	Due to Federal and State Grant Fund from Current Fund for grant receipts deposited in Current Fund.
9,940.97	Due to Federal and State Grant Fund from General Capital Fund for grant receipts deposited in Other Trust Fund.
709,560.07	Due to Assessment Trust Fund from Current Fund for assessments collected by Current Fund.
518,252.60	Due to Garbage Fund from Current Fund for garbage tax levy.
<u>131,311.54</u>	Due to Garbage Fund from Federal and State Grant Fund for anticipated revenue.
<u>\$2,383,942.29</u>	

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



**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

**NOTE 14. LEASES**

The Township has not entered into any long-term agreements for any equipment purchases.

**NOTE 15. RISK MANAGEMENT**

The Township 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 Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2011 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township of West Milford is currently a member of the North Jersey Intergovernmental Insurance Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund is elected.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Fund is available at the office of the Fund's Administrator, Inservco, Inc.

The Township, along with eight (8) other municipalities, is enrolled in the North Jersey Municipal Employee Benefits Fund. The Plan, which is administered by the Insurance Design Administrators, had a limit of liability of \$125,000.00 per employee with an aggregate stop loss of \$5,000,000.00 per individual lifetime.

Financial statements of the Fund are available at the office of the Executive Director, PERMA, Inc.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

**NOTE 16. TAXES COLLECTED IN ADVANCE**

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

	<u>Balance</u> <u>Dec 31, 2011</u>	<u>Balance</u> <u>Dec 31, 2010</u>
Prepaid Taxes	<u>\$367,834.97</u>	<u>\$415,488.51</u>
Cash Liability for Taxes Collected in Advance	<u>\$367,834.97</u>	<u>\$415,488.51</u>

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

On September 24, 2001, the Division of Local Government Services approved the Township's LOSAP plan, provided by Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Township'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. The Township's contribution shall be included in the current year's budget.

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

We have reviewed the plan for the year ended December 31, 2011 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**TOWNSHIP OF WEST MILFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(continued)**

**NOTE 18. SPECIAL EMERGENCY NOTE**

On October 7, 2011, the Township issued a \$1,000,000.00 special emergency note for municipal revaluation. The note with an interest rate of 1.00% will mature on October 5, 2012.

**NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the Township Counsel that the Township is involved in several legal suits that are either covered by the Township's insurance carrier or normal for a Township this size. We are also advised of the following:

"Tax Appeals - The Township has a number of tax appeals that are presently pending. The most notable appeal is City of Newark v. West Milford and involves claims demanding that the assessment be reduced on almost 16 square miles of land within the Township. The plaintiff is seeking a reduction of their assessed value which could result in a refund of taxes in excess of \$1,000,000. The matter is presently pending and it is expected that the matter will proceed to trial in mid 2012."

**NOTE 20. OTHER MATTERS**

In 2002, the Township held an election to change the form of government. Effective January 1, 2004, the Township of West Milford changed its form of Government to the Mayor and Council administrator plan, created by N.J.S.A. 40:69A-149.1 et seq. Under this plan, the Mayor and six Councilmen are elected at partisan elections for terms of four years and three years, respectively. Council terms are staggered; therefore, an election is held annually in the Township.

Also, the Township entered into a lease agreement with the West Milford Township Board of Education for the transfer of property to the Township and the lease of the Hillcrest School. The Township must make a \$500,000 capital contribution and annual lease payments of \$68,000 per year.

## **SUPPLEMENTARY DATA**

## COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate:	<u>6.232</u>	<u>6.117</u>	<u>5.859</u>
Apportionment of Tax Rate:			
Municipal	1.27757	1.34112	1.2397
Municipal Library	0.07690		
Municipal Open Space	0.01000	0.01000	0.0100
County	1.32043	1.31003	1.2786
Local School	3.40870	3.32870	3.1714
Garbage District	0.13840	0.12715	0.1593

### Assessed Valuations:

2011	\$1,492,786,795.00		
2010		\$1,499,382,315.00	
2009			\$1,518,364,717.00

## COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$93,097,493.64	\$91,365,226.00	98.14%
2010	91,766,909.97	90,370,447.42	98.48
2009	89,061,147.19	87,119,548.64	97.82

## DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Dec. 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$1,417,703.54	\$1,087,352.23	\$2,505,055.77	2.69%
2010	1,353,126.64	751,221.40	2,104,348.04	2.29
2009	1,147,395.81	1,128,275.47	2,275,671.28	2.56

### **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

Properties have been acquired in 2011 by foreclosure or deed, or as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2011	\$2,764,000.00
2010	2,702,100.00
2009	2,951,400.00

### **COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$1,958,959.11	Not Available
2010	1,956,590.64	\$1,900,000.00
2009	2,043,816.16	2,010,000.00
2008	2,426,293.96	2,402,000.00
2007	3,526,279.39	3,495,000.00

## **OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>
Bettina Bieri	Mayor
Joseph Smolinski	Council President
Daniel Jurkovic	Councilman
Michael Ramaglia	Councilman
Edward Rosone	Councilman
Luciano Signorino	Councilman
Philip Weisbecker, Jr.	Councilman
Kevin Boyle	Township Administrator
Monica Goscicki	Chief Financial Officer
Antionette Battaglia	Township Clerk
Rita DeNivo	Tax Collector and Tax Search Officer
Joseph Perconti	Judge
Vincent Stampone	Prosecutor
Michelle Rosenkrantz	Municipal Court Administrator
Gene Chiosie	Chief of Police
Fred Semrau	Township Attorney
Brian Townsend	Assessor
Charles J. Ferraioli, C.P.A.	Auditor

All employees are covered under a \$1,000,000.00 Blanket Bond under the AIG Crime Policy in the NJIIF.

Adequacy of insurance coverage is the responsibility of the Township.

## Township of West Milford, N.J.

## Schedule of Cash - Treasurer

## Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2010	A		9,436,591.73
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	277,949.72	
Change Funds	A-5	1,530.00	
Collector	A-6	93,135,130.21	
Revenue Accounts Receivable	A-12	5,564,437.87	
Interfunds	A-13	2,514,513.15	
Due From State - Senior Citizen and Veteran Deductions	A-15	316,094.54	
Various Cash Liabilities and Reserves	A-21	<u>1,527,796.46</u>	
			<u>103,337,451.95</u>
			112,774,043.68
Decreased by Disbursements:			
Refund Prior Year Revenue	A-1	68,949.83	
Current Year Budget Appropriations	A-3	26,234,785.45	
Change Funds	A-5	1,530.00	
Interfunds	A-13	3,186,474.30	
Appropriation Reserves	A-14	1,284,765.69	
Local District School Taxes	A-18	50,396,165.00	
County Taxes Payable	A-19	19,723,521.94	
Garbage District Taxes	A-20	1,788,666.36	
Various Cash Liabilities and Reserves	A-21	<u>2,502,700.72</u>	
			<u>105,187,559.29</u>
Balance - December 31, 2011	A		<u><u>7,586,484.39</u></u>



**Township of West Milford, N.J.**

**Schedule of Change Funds**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Increased by:		
Cash Disbursements	A-4	<u>1,530.00</u>
Decreased by:		
Cash Receipts	A-4	<u>1,530.00</u>

## Township of West Milford, N.J.

## Schedule of Cash - Collector

Year Ended December 31, 2011

	<u>Ref.</u>		
Increased by Receipts:			
Taxes Receivable	A-7	91,339,739.78	
Tax Title Liens	A-8	61,824.73	
Interest and Costs on Taxes	A-12	299,507.01	
2012 Taxes Prepaid	A-17	367,834.97	
Tax Overpayments	A-21	218,465.44	
Deposits for Redemption of Tax Sale Certificates	A-21	<u>847,758.28</u>	
			<u>93,135,130.21</u>
Decreased by Disbursements:			
Receipts Turned Over to Treasurer	A-4		<u>93,135,130.21</u>

## Township of West Milford, N.J.

## Schedule of Taxes Receivable and Analysis of Property Tax Levy

## Current Fund

Year Ended December 31, 2011

Year	Balance, Dec. 31, 2010	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2011
				2010	2011				
prior	6,394.60				3,208.75				3,185.85
2010	744,826.80				718,857.10	(14,774.99)	11,664.67	22,903.68	6,176.34
	<u>751,221.40</u>				<u>722,065.85</u>	<u>(14,774.99)</u>	<u>11,664.67</u>	<u>22,903.68</u>	<u>9,362.19</u>
2011		93,030,479.54	67,014.10	415,488.51	90,617,673.93	332,063.56	177,206.94	477,070.66	1,077,990.04
	<u>751,221.40</u>	<u>93,030,479.54</u>	<u>67,014.10</u>	<u>415,488.51</u>	<u>91,339,739.78</u>	<u>317,288.57</u>	<u>188,871.61</u>	<u>499,974.34</u>	<u>1,087,352.23</u>
	A			A-2/A-17	A-2/A-6	A-2/A-15	A-8		A

## Analysis of Tax Levy

## Tax yield:

General Property Tax	Ref.	91,091,932.80
Public Utility Tax		238,546.74
Garbage Tax		1,700,000.00
Added Tax (R.S. 54:4-63.1 et seq.)		<u>67,014.10</u>
		<u>93,097,493.64</u>

## Tax Levy:

Municipal Open Space Tax		149,278.00
Added Municipal Open Space Tax		<u>107.57</u>
Local District School Tax	A-13	149,385.57
County Tax	A-18	50,883,737.00
Added County Taxes		<u>19,725,071.05</u>
Garbage District Taxes	A-19	1,700,000.00
Added Garbage District Taxes		<u>1,493.95</u>
Local Tax for Municipal Purposes	A-20	1,701,493.95
Additional Taxes	A-2	72,459,687.57
	A-2	<u>20,214,627.00</u>
		<u>423,179.07</u>
		<u>20,637,806.07</u>
		<u>93,097,493.64</u>

**Township of West Milford, N.J.**

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	<u>Ref.</u> A		1,353,126.64
Increased by:			
Transfer from Taxes Receivable	A-7	188,871.61	
Interest and Costs Accrued by Sale		<u>5,392.13</u>	
			<u>194,263.74</u>
			1,547,390.38
Decreased by:			
Cancelled		5,312.19	
Collections	A-6	61,824.73	
Transferred To Property Acquired for Taxes	A-9	<u>62,549.92</u>	
			<u>129,686.84</u>
Balance - December 31, 2011	A		<u><u>1,417,703.54</u></u>

## Township of West Milford, N.J.

## Schedule of Property Acquired for Taxes

( At Assessed Valuation )

## Current Fund

Year Ended December 31, 2011

Balance - December 31, 2010	<u>Ref.</u> A		2,702,100.00
Increased by:			
Transfer from Tax Title Liens	A-8	62,549.92	
Assessment Liens		12,547.95	
Assessment Liens Interest & Costs		2,228.57	
Add: Adjustment to Assessed Valuation		<u>(15,426.44)</u>	
			<u>61,900.00</u>
Balance - December 31, 2011	A		<u><u>2,764,000.00</u></u>

Township of West Milford, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, 2010	Amount in 2011 Budget	Balance, Dec. 31, 2011
Overexpenditure of Appropriations	48,200.00	48,200.00	
	48,200.00	48,200.00	
	A	A-3	A

## Township of West Milford, N.J.

## Schedule of Deferred Charges N.J.S.A. 40A:4-55 - Special Emergency

## Current Fund

Year Ended December 31, 2011

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of net</u> <u>Amount</u> <u>Authorized</u>	<u>Added</u> <u>in 2011</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2011</u>
3/16/2011	Revaluation of Real Property	1,000,000.00	200,000.00	1,000,000.00	1,000,000.00
12/7/2011	Hurricane Damage	350,000.00	70,000.00	350,000.00	350,000.00
		<u>1,350,000.00</u>	<u>270,000.00</u>	<u>1,350,000.00</u>	<u>1,350,000.00</u>
				<u>A-3</u>	<u>A</u>

## Township of West Milford, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

## Year Ended December 31, 2011

	Ref.	Balance Dec. 31, 2010	Accrued	Collected	Balance Dec. 31, 2011
Clerk:					
Licenses					
Alcoholic Beverages	A-2		16,000.00	16,000.00	
Other	A-2		10,755.00	10,755.00	
Fees and Permits	A-2		1,000.00	1,000.00	
Miscellaneous Revenue not Anticipated	A-2		4,763.64	4,763.64	
Construction Code Official - Fees	A-2		313,654.00	313,654.00	
Sanitarian					
Licenses	A-2		21,079.83	21,079.83	
Fees and Permits	A-2		55,385.00	55,385.00	
Miscellaneous Revenue not Anticipated	A-2		552.70	552.70	
Registrar					
Licenses	A-2		270.00	270.00	
Fees and Permits	A-2		15,191.00	15,191.00	
Planning Board					
Fees and Permits	A-2		22,227.40	22,057.20	170.20
Miscellaneous Revenue not Anticipated	A-2		119.17	119.17	
Board of Adjustment					
Fees and Permits	A-2		3,685.00	3,685.00	
Police Department:					
Fees and Permits	A-2	537.65	8,593.71	8,525.51	605.85
Building Inspector					
Fees and Permits	A-2		2,575.00	2,575.00	
Assessor					
Fees and Permits	A-2		630.00	630.00	
Uniform Fire Safety Act: Local Fees	A-2		44,131.00	43,876.00	255.00
Municipal Court					
Fines and Costs	A-2	12,992.81	255,965.13	248,497.24	20,460.70
Interest and Costs on Taxes	A-2		299,507.01	299,507.01	
Interest and Costs on Assessments	A-2		34,262.00	34,262.00	
Interest on Investments	A-2		359,764.83	359,764.83	
Recreation Fees	A-2		526,949.79	526,949.79	
Cat Licenses	A-2		13,452.00	13,452.00	
Sequential Multiple Analysis Fees	A-2		26,114.18	26,114.18	
Energy Receipts Tax	A-2		2,149,170.00	2,149,170.00	
Consolidated Municipal Property Tax Relief Aid	A-2		173,768.00	173,768.00	
Watershed Moratorium Aid	A-2		757,687.00	757,687.00	
Cell Tower Lease	A-2	5,818.28	70,941.18	70,784.60	5,974.86
Assessment Trust Fund Surplus	A-2		25,000.00	25,000.00	
General Capital Surplus	A-2		247,000.00	247,000.00	
Cable TV Franchise Fee	A-2		103,748.05	103,748.05	
Police Athletic League Debt Service Contributions	A-2		72,000.00	72,000.00	
Reserve for Debt Service	A-2		200,000.00	200,000.00	
Life Hazard Use Fees	A-2		36,121.13	36,121.13	
		<u>19,348.74</u>	<u>5,872,062.75</u>	<u>5,863,944.88</u>	<u>27,466.61</u>
		A			A
Receipts	A-4			5,564,437.87	
Collector	A-6			299,507.01	
				<u>5,863,944.88</u>	



## Township of West Milford, N.J.

## Schedule of Interfunds

## Current Fund

Year Ended December 31, 2011

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2011</u>
Payroll Fund	A	22,198.02	6,111.23	3,544.49	24,764.76
Animal Control Trust Fund	A	26,015.68	2,359.75	15,139.71	13,235.72
Other Trust Fund	A	516,669.91	826,354.27	1,413,835.71	(70,811.53)
Assessment Trust Fund	A	(692,201.62)	288,694.36	271,335.91	(709,560.07)
General Capital Fund	A	(1,221,300.86)		1,012,867.00	(208,433.86)
State and Federal Grant Fund	A	(637,213.34)	942,684.45	1,067,446.14	(512,451.65)
		<u>(1,985,832.21)</u>	<u>2,066,204.06</u>	<u>3,784,168.96</u>	<u>(1,463,256.63)</u>
Due to Current Fund	A/A-1	564,883.61			543,000.48
2011 Anticipated Revenue	A-2				(505,000.00)
Due From Current Fund	A	<u>(2,550,715.82)</u>			<u>(1,501,257.11)</u>
		<u>(1,985,832.21)</u>			<u>(1,463,256.63)</u>
Cash Receipts	A-4		1,231,378.81	1,283,134.34	
Cash Disbursements	A-4		834,825.25	2,351,649.05	
Municipal Open Space Tax	A-1,A-7			<u>149,385.57</u>	
			<u>2,066,204.06</u>	<u>3,784,168.96</u>	

## Township of West Milford, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Township Manager	9,080.14	9,080.14	9,080.14	
Mayor and Council	128.56	128.56	128.56	
Township Clerk	4,628.93	4,628.93	4,628.93	
Elections	263.19	263.19	263.19	
Division of Treasury	1,771.96	1,771.96	1,771.96	
Computerized Data Processing	46.70	46.70	46.70	
Division of Tax Collection	7,445.53	7,445.53	7,445.53	
Division of Assessment	440.86	640.86	640.86	
Division of General Services	29.00	29.00	29.00	
Division of Engineering	2,722.67	722.67	722.67	
Historical Preservation Commission	560.00	560.00	560.00	
Division of Comprehensive Planning	545.17	1,545.17	1,545.17	
Division of Zoning Administration	1,067.68	1,067.68	1,067.68	
Division of Patrol	136,789.05	62,389.05	62,389.05	
Detective Division	12,792.38	17,792.38	17,792.38	
Division of Police Administration	1,631.70	46,431.70	46,431.70	
Special Police & Special Police Matrons	1,425.70	1,425.70	1,425.70	
Division of Communications	782.18	3,582.18	3,582.18	
Office of Municipal Disaster	2,488.75	2,488.75	2,488.75	
Fire Prevention Bureau	4,973.00	7,073.00	7,073.00	
Department of Fire	10.80	10.80	10.80	
Municipal Prosecutor	2,487.42	2,487.42	904.33	1,583.09
Division of Streets and Roads	23,977.61	23,977.61	23,977.61	
Division of Public Property	6,160.87	6,160.87	6,160.87	
Division of Snow Removal	5,449.17	49,449.17	49,449.17	
Fleet Maintenance	5,614.45	5,614.45	5,614.45	
Division of Health		3,700.00	3,700.00	
Bureau of Vital Statistics	640.22	640.22	640.22	
Division of Environmental Health	8,133.01	8,133.01	8,133.01	
Environmental Commission	49.62	49.62	49.62	
Division of Pound Keeper		800.00	800.00	
Recreation Programs	51,596.87	51,596.87	51,596.87	
Department of Recreation	5,286.72	5,286.72	5,286.72	
Hillcrest Community Center	12,972.21	12,972.21	12,972.21	
Senior Services	30,654.43	30,654.43	30,654.43	
Division of Parks Maintenance	5,032.46	5,032.46	5,032.46	
Bubbling Springs	21,830.15	7,730.15	7,730.15	
Municipal Court	6,376.98	6,376.98	6,376.98	

## Township of West Milford, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Department of Building Safety	375.87	3,475.87	3,475.87	
Accumulated Absences	120,000.00	120,000.00	120,000.00	
Total Salaries and Wages Within "CAPS"	496,262.01	513,262.01	511,678.92	1,583.09
Other Expenses Within "CAPS":				
Township Manager	336.75	23,501.73	21,935.26	1,566.47
Mayor and Council	65.79	137.39	39.60	97.79
Township Clerk	7,680.74	17,865.02	7,107.34	10,757.68
Elections	5,406.45	5,406.45		5,406.45
Division of Treasury	645.21	721.41	76.20	645.21
Audit Services and Costs				
Annual Audit	5,385.00	5,552.50	5,552.50	
Additional Audit Services	10,000.00	12,000.00	11,407.50	592.50
Computerized Data Processing	46.86	7,858.11	7,822.50	35.61
Division of Tax Collection	483.55	799.77	166.22	633.55
Division of Assessments	430.26	917.76		917.76
Township Attorney	37,915.64	66,057.08	16,583.02	49,474.06
Division of General Services	4,579.78	5,858.71		5,858.71
Division of Engineering	1,097.81	8,627.03	8,233.86	393.17
Autumn Lights Festival	67.78	2,887.78	1,080.00	1,807.78
Historical Preservation Commission	800.00	800.00		800.00
Planning Board	6,822.27	20,833.27	1,150.12	19,683.15
Division of Comprehensive Planning	2,321.75	14,063.29	5,881.54	8,181.75
Board of Adjustment	1,877.36	19,200.36	89.49	19,110.87
Division of Patrol	24,742.26	41,272.35	22,071.33	19,201.02
Purchase of Police Cars	1,865.32	2,272.67		2,272.67
Special Police & Matrons	1,273.48	1,273.48	592.50	680.98
Division of Communications	1,439.18	3,056.23	2,694.38	361.85
Municipal Disaster - Control Director	598.41	12,336.94	12,000.24	336.70
Aid to Volunteer Fire Co.	6,912.32	6,912.32		6,912.32
First Aid Organization Contribution	14,179.35	14,179.35	13,046.94	1,132.41
Bureau of Fire Prevention	4,594.18	6,019.14	5,738.15	280.99
Department of Fire	49,062.73	64,218.10	59,737.04	4,481.06
Division of Streets and Roads	18,600.60	82,075.07	30,909.69	51,165.38
Division of Public Property	8,343.58	15,061.61	6,679.76	8,381.85
Division of Snow Removal	113,307.06	328,891.55	202,379.83	126,511.72
Fleet Maintenance	34,560.09	98,263.18	47,873.29	50,389.89
Division of Health	4,117.92	5,278.75	725.19	4,553.56

## Township of West Milford, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Bureau of Vital Statistics	642.05	642.05		642.05
Housing Standards Bureau	10,357.19	10,357.19	490.00	9,867.19
Division of Environmental Health	14,680.91	30,846.32	1,553.41	29,292.91
Environmental Commission	500.00	500.00		500.00
Recreation Programs	2,070.77	14,665.42	12,016.42	2,649.00
Department of Recreation	3,315.86	5,182.26	1,858.34	3,323.92
Hillcrest Community Center	1,934.12	9,385.26	7,152.84	2,232.42
Senior Services	2,739.04	3,032.04	66.02	2,966.02
Division of Park Maintenance	338.08	22,350.46	22,044.06	306.40
Bubbling Springs Recreation	4,716.27	5,121.62	5,055.25	66.37
Municipal Court	2,825.42	3,575.42	120.00	3,455.42
Group Insurance Plan for Employees	151,742.41	151,742.41	20,907.00	130,835.41
Other Insurance Premiums	21,929.78	21,929.78	1,120.00	20,809.78
Department of Building Safety	939.34	1,089.34	150.00	939.34
Celebration of Public Events	2.92	1,702.92	1,700.00	2.92
Mass Transportation	86,129.92	86,129.92		86,129.92
Street Lighting	764.02	764.02	732.90	31.12
Electric	12,850.58	12,850.58	11,725.55	1,125.03
Telephone	59.76	59.76	48.01	11.75
Natural Gas	31,126.54	31,770.19	7,671.01	24,099.18
Gasoline	20,707.04	122,726.84	35,827.15	86,899.69
Total Other expenses Within "CAPS"	<u>739,931.50</u>	<u>1,430,622.20</u>	<u>621,811.45</u>	<u>808,810.75</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security	<u>433.77</u>	<u>433.77</u>		<u>433.77</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>433.77</u>	<u>433.77</u>		<u>433.77</u>
Total Reserves Within "CAPS"	<u>1,236,627.28</u>	<u>1,944,317.98</u>	<u>1,133,490.37</u>	<u>810,827.61</u>

## Township of West Milford, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Reserve for Tax Appeals	9.00	9.00		9.00
Group Insurance Plan for Employees	121,470.00	121,470.00		121,470.00
Maintenance of Public Library	<u>153,396.51</u>	<u>153,396.51</u>	<u>153,396.51</u>	
Total Other Expenses Excluded from "CAPS"	<u>274,875.51</u>	<u>274,875.51</u>	<u>153,396.51</u>	<u>121,479.00</u>
Total Reserves Excluded from "CAPS"	<u>274,875.51</u>	<u>274,875.51</u>	<u>153,396.51</u>	<u>121,479.00</u>
Total Reserves	<u>1,511,502.79</u>	<u>2,219,193.49</u>	<u>1,286,886.88</u>	<u>932,306.61</u>
	A			A-1
	Ref.			
Appropriation Reserves	above	1,511,502.79		
Transfer from Reserve for Encumbrances	A-16	<u>707,690.70</u>		
		<u>2,219,193.49</u>		
Cash Disbursements	A-4		1,284,765.69	
Transferred to Accounts Payable	A-21		<u>2,121.19</u>	
			<u>1,286,886.88</u>	

## Township of West Milford, N.J.

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

## Current Fund

## Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	A	2,726.63
Increased by:		
Senior Citizens' and Veterans' Deductions		
Per Tax Billings	332,862.17	
Senior Citizens' and Veterans' Deductions		
Allowed by Tax Collector	8,250.00	
Decreased by:		
Senior Citizens' and Veterans' Deductions		
Disallowed by Tax Collector	<u>23,823.60</u>	
	A-7	<u>317,288.57</u>
		320,015.20
Cash Receipts	A-4	<u>316,094.54</u>
Balance - December 31, 2011	A	<u><u>3,920.66</u></u>

**Township of West Milford, N.J.**  
**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A	707,690.70
Increased by:		
Transfer from Current Appropriations	A-3	<u>723,105.60</u>
		1,430,796.30
Decreased by:		
Transferred to Appropriation Reserves	A-14	<u>707,690.70</u>
Balance - December 31, 2011	A	<u><u>723,105.60</u></u>

**Township of West Milford, N.J.**  
**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A	415,488.51
Increased by:		
Receipts - Prepaid 2012 Taxes	A-6	<u>367,834.97</u>
		783,323.48
Decreased by:		
Applied to 2011 Taxes	A-7	<u>415,488.51</u>
Balance - December 31, 2011	A	<u><u>367,834.97</u></u>

**Township of West Milford, N.J.**  
**Schedule of Local District School Tax**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010		
School Tax Deferred	<u>24,954,291.00</u>	24,954,291.00
Increased by:		
Levy School Year - July 1, 2011		
to June 30, 2012	A-7	<u>50,883,737.00</u>
		75,838,028.00
Decreased by:		
Payments	A-4	<u>50,396,165.00</u>
Balance - December 31, 2011		
School Tax Deferred	<u>25,441,863.00</u>	<u>25,441,863.00</u>
2011 Liability for Local		
District School Tax:		
Tax Paid		<u>50,396,165.00</u>
Amount Charged to 2011 Operations	A-1	<u>50,396,165.00</u>



## Township of West Milford, N.J.

## Schedule of County Taxes Payable

## Current Fund

## Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	A		10,650.95
Increased by:			
Tax Levy -2011	A-1/A-7	19,710,870.98	
Added and Omitted Taxes	A-1/A-7	<u>14,200.07</u>	
			<u>19,725,071.05</u>
			19,735,722.00
Decreased by:			
Payments	A-4		<u>19,723,521.94</u>
Balance - December 31, 2011	A		<u><u>12,200.06</u></u>

## Schedule of Due to Garbage District

## Current Fund

## Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	A		605,425.01
Increased by:			
Tax Levy -2011	A-1/A-7	1,700,000.00	
Added and Omitted Taxes	A-1/A-7	<u>1,493.95</u>	
			<u>1,701,493.95</u>
			2,306,918.96
Decreased by:			
Disbursements	A-4		<u>1,788,666.36</u>
Balance - December 31, 2011	A		<u><u>518,252.60</u></u>

## Township of West Milford, N.J.

## Schedule of Various Cash Liabilities and Reserves

## Current Fund

Year Ended December 31, 2011

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
<u>Liabilities:</u>				
Tax Overpayments	1,808.20	218,465.44	197,670.39	22,603.25
Deposits for Redemption of Tax Sale Certificates	103,224.71	847,758.28	950,982.99	
Due to State of N.J. Marriage Surcharge	(475.00)	2,250.00	1,350.00	425.00
Due to State of N.J. Building Surcharge	5,561.00	13,521.00	15,595.00	3,487.00
Due to State of N.J. Burial Permits		10.00	10.00	
Accounts Payable	115,093.31	2,121.19	115,093.31	2,121.19
Special Emergency Note		1,000,000.00		1,000,000.00
<u>Reserves for:</u>				
FEMA	31,623.22	408,125.46	73,234.44	366,514.24
Sale of Property	1,347,431.14		500,000.00	847,431.14
911	47.45			47.45
Revaluation of Real Property	1,053.57	1,000,000.00	614,129.78	386,923.79
Technology Improvements		22,800.00		22,800.00
Hurricane Damage		350,000.00	139,993.92	210,006.08
Salary Negotiations		182,150.71		182,150.71
Senior Housing	6,130.09			6,130.09
Wetlands Study	15,583.00			15,583.00
Housing Standards	21,283.25		8,900.00	12,383.25
Garden State Trust	81,090.00	81,090.00	81,090.00	81,090.00
	<u>1,729,453.94</u>	<u>4,128,292.08</u>	<u>2,698,049.83</u>	<u>3,159,696.19</u>
	A			A
	<u>Ref.</u>			
Lapsed to Fund Balance	A-1		114,259.11	
2011 Anticipated Revenue	A-2		81,090.00	
Transfer from Current Year Appropriations	A-3	1,532,150.71		
Receipts	A-4	1,527,796.46		
Disbursed	A-4		2,502,700.72	
Collector	A-6	1,066,223.72		
Transferred from Appropriation Reserves	A-14	2,121.19		
		<u>4,128,292.08</u>	<u>2,698,049.83</u>	

## Township of West Milford, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

## Year Ended December 31, 2011

<u>Grant</u>	<u>Balance, Dec. 31, 2010</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Audit Adjustment</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2011</u>
Local Grants:						
NJ Health Officers Grant		30,438.00	30,328.17		109.83	
Open Space and Farmland Trust	60,000.00					60,000.00
	60,000.00	30,438.00	30,328.17		109.83	60,000.00
Federal Grants:						
F T A	40,680.21	133,817.00	49,522.90			124,974.31
Greenwood Lake Anti-Phosphorous Grant	913,600.00		18,506.02	(103,022.77)		792,071.21
Greenwood Lake Characterization & Restoration				64,055.64		64,055.64
Passaic County Hewitt Brook Study	35,486.59					35,486.59
Drive Sober or Get Pulled Over		5,000.00				5,000.00
Juvenile Account Incentive Block Grant	5,381.00					5,381.00
Justice Assistance Grant	15,051.30					15,051.30
Buffer Zone Protection Program	109,700.00		18,985.00			90,715.00
Pandemic Influenza Preparedness	27,425.75					27,425.75
Police Speeding/Aggressive Driving	1,311.80					1,311.80
Obeys the Signs or Pay the Fines	5,216.77					5,216.77
Over the Limit Under Arrest		2,476.10	2,476.10			
CDBG - Road Resurfacing		100,000.00				100,000.00
Bullet Proof Vest Program						
Water Quality Management Grant	57,994.12					57,994.12
	1,211,847.54	241,293.10	89,490.02	(38,967.13)		1,324,683.49
State Grants:						
Public Health Priority Funding - 1977	2,524.00					2,524.00
NJDEP Belchers Creek Fecal Testing	2,500.00					2,500.00
Drunk Driving Enforcement Fund		9,845.07	9,845.07			
Handicapped Recreation Opportunities Grant	6,653.93	20,000.00	20,603.43			6,050.50
F T A	20,653.07	66,908.50	24,391.89			63,169.68
NJDEP Greenwood Lake Phase II	63,172.37		36,593.95	38,967.13		65,545.55
Municipal Alliance on Alcoholism and Drug Abuse	9,237.23	36,095.00	31,559.73		6,083.31	7,689.19
Passaic County Urban Forestry Grant						
Town Center Landscaping	2,602.00					2,602.00
Interpretive Trail Network	6,635.00					6,635.00
Passaic County / NJDEP Grant	6,120.00					6,120.00
Wonder Lake Water System Improvements	15,000.00					15,000.00
Passaic County Hewitt Brook Study	2,500.00					2,500.00
Passaic County Tire Disposal Grant	11,600.00					11,600.00
Passaic County NJ EASE	16,000.00					16,000.00
Open Space	5,230.97					5,230.97
NJDEP Grant - Recreation Trails	55,000.00					55,000.00
NJDEP - Storm Drain Infrastructure Inventory	2,500.00					2,500.00
NJDEP ESP Mapping	7,500.00					7,500.00
NJDEP Waste Water Management	10,000.00	15,000.00	15,000.00			10,000.00
NJ Highlands Water Protection	12,908.48	178,700.00	73,547.54			118,060.94

## Township of West Milford, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	<u>Balance, Dec. 31, 2010</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Audit Adjustment</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2011</u>
State Grants: (cont.)						
PARIS Grant	18,500.00				9,250.00	9,250.00
Passaic County Cultural Heritage Grant	20.00	1,250.00				1,270.00
Division of Criminal Justice - Stop Grant	5,000.00					5,000.00
Hepatitis B Grant		4,025.22	4,025.22			
Recreation Program Trails Grant	20,000.00					20,000.00
Recycling Tonnage Grant		63,305.54	63,305.54			
Highland Council 2009 Planned Conf.	43,406.35					43,406.35
	<u>345,263.40</u>	<u>395,129.33</u>	<u>278,872.37</u>	<u>38,967.13</u>	<u>15,333.31</u>	<u>485,154.18</u>
	<u>1,617,110.94</u>	<u>666,860.43</u>	<u>398,690.56</u>		<u>15,443.14</u>	<u>1,869,837.67</u>
	A	A-2			A-23	A
		<u>Ref.</u>				
Transfer from Unappropriated Reserve for Grants		A-24	16,346.39			
Receipts		A-25	<u>382,344.17</u>			
			<u>398,690.56</u>			

## Township of West Milford, N.J.

## Schedule of Appropriated Reserves Grants

## Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	<u>Balance, Dec. 31, 2010</u>	<u>Transfer From 2011 Budget</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2011</u>
Local Grants:					
Handicapped Recreation Opportunities Grant		4,000.00	4,000.00		
F T A	61,701.70	66,908.50	30,646.18		97,964.02
Municipal Alliance on Alcoholism and Drug Abuse	62,547.49	9,023.75	8,993.14		62,578.10
Open Space Grant	7,500.00				7,500.00
NJDEP ESP Mapping Grant	7,500.00				7,500.00
NJDEP Greenwood Lake Phase II	48,760.00				48,760.00
Passaic County / NJ EASE	4,000.00				4,000.00
NJDEP Grant - Recreation Trails	16,250.00				16,250.00
Recreation Trails Program Grant	10,000.00				10,000.00
NJDEP Grant - Storm Drain Infrastructure Invento	2,500.00				2,500.00
NJ Health Officers Grant	2,488.48	30,438.00	30,328.17	109.83	2,488.48
West Milford Lake Infrastructure Study	1,040.00				1,040.00
Wonder Lake Water System	5,000.00				5,000.00
Passaic County Cultural Heritage Grant	4,409.00	1,250.00			5,659.00
Passaic County Hewitt Brook Study	2,500.00				2,500.00
Juvenile Acct. Incentive Block Grant	1,197.00				1,197.00
Open Space and Farmland Trust	60,000.00				60,000.00
	<u>297,393.67</u>	<u>111,620.25</u>	<u>73,967.49</u>	<u>109.83</u>	<u>334,936.60</u>
Federal Grants:					
F T A	18,304.00	133,817.00	89,391.87		62,729.13
Pollution Control and Management	34,256.31				34,256.31
Passaic County Hewitt Brook Study	21,889.29				21,889.29
Greenwood Lake Characterization & Restoration	55,868.67		47,863.76		8,004.91
Juvenile Acct. Incentive Block Grant	4,564.31				4,564.31
Justice Assistance Grant	15,051.00				15,051.00
Water Quality Management Grant	46,404.24		4,929.71		41,474.53
Stormwater Grant	9,019.00		640.00		8,379.00
Fire Grant	47,955.83				47,955.83
Click It or Ticket	2,679.20		1,681.36		997.84
Over the Limit Under Arrest	8,082.10	2,476.10			10,558.20
Obey the Signs or Pay the Fines	8,377.20				8,377.20
Drive Sober or Get Pulled Over		5,000.00			5,000.00
Greenwood Lake Anti-Phosphorous Grant	788,824.58		162,285.35		626,539.23
CDBG - Road Resurfacing		100,000.00	100,000.00		
Bullet Proof Vest Program	28,477.88		12,480.00		15,997.88
Buffer Zone Protection Grant	109,700.00		44,729.96		64,970.04
Pandemic Influenza Preparedness	21,340.91		40.00		21,300.91
	<u>1,220,794.52</u>	<u>241,293.10</u>	<u>464,042.01</u>		<u>998,045.61</u>
State Grants:					
Public Health Priority Funding - 1977	11,788.52				11,788.52
Hepatitis B Grant	11,426.25	4,025.22	3,125.00		12,326.47
Drunk Driving Enforcement Fund	27,877.87	9,845.07	18,909.02		18,813.92
Clean Communities Program	83,634.10		17,946.94		65,687.16
Handicapped Recreation Opportunities Grant		20,000.00	20,000.00		
Highlands Redevelopment & Tourism Grant	30,000.00				30,000.00
Highlands COAH Grant	6,852.00				6,852.00

## Township of West Milford, N.J.

## Schedule of Appropriated Reserves Grants

## Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	<u>Balance, Dec. 31, 2010</u>	<u>Transfer From 2011 Budget</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2011</u>
State Grants: (cont.)					
Highlands Water Protection	1,562.70	178,700.00	33,129.88		147,132.82
Highland Council 2009 Planned Conformance	5,568.49		5,240.50		327.99
Polling Place Accessibility Grant	34,167.00				34,167.00
Tobacco Age of Sale Grant	1,080.00				1,080.00
F T A	28,553.00	66,908.50	18,698.35		76,763.15
Municipal Alliance on Alcoholism and Drug Abuse	844.79	36,095.00	24,043.44	6,083.31	6,813.04
Open Space Grant	5,104.00				5,104.00
NJDEP - Bear Proof Garbage Can Study	2,386.25				2,386.25
N.J. Alcohol and Rehab	1,679.08				1,679.08
NJDOT Smart Growth Grant	1,862.33				1,862.33
NJDEP ESP Mapping Grant	7,500.00				7,500.00
NJDEP - Postbrook S.W. Study	12,333.50				12,333.50
Passaic County Urban Forestry Grant					
Town Center Landscaping	2,162.00				2,162.00
Interpretive Trail Network	275.00				275.00
NJDEP Greenwood Lake Phase II	125,879.91				125,879.91
Body Armor Replacement Fund	4,745.86				4,745.86
Passaic County / NJ EASE	16,000.00				16,000.00
PARIS Grant	29,310.58		17,100.00	9,250.00	2,960.58
NJDEP Grant - Recreation Trails	52,260.00				52,260.00
Recreation Trails Program Grant	5,000.00				5,000.00
NJDEP Waste Water Management	19,987.50	15,000.00	12,899.00		22,088.50
NJDEP Grant - Storm Drain Infrastructure Invento	2,500.00				2,500.00
Small Cities	2,380.00				2,380.00
Domestic Violence	11,070.61				11,070.61
ANJEC	11,200.00				11,200.00
Tobacco Age of Sale Grant	18,436.52				18,436.52
Recycling Tonnage Grant		63,305.54	3,902.36		59,403.18
Wonder Lake Water System	15,000.00				15,000.00
Passaic County Cultural Heritage Grant	491.27	1,250.00			1,741.27
Division of Criminal Justice - Stop Grant	5,000.00				5,000.00
Passaic County Hewitt Brook Study	2,500.00				2,500.00
	<u>598,419.13</u>	<u>395,129.33</u>	<u>174,994.49</u>	<u>15,333.31</u>	<u>803,220.66</u>
	<u>2,116,607.32</u>	<u>748,042.68</u>	<u>713,003.99</u>	<u>15,443.14</u>	<u>2,136,202.87</u>
	A		A-25	A-22	A
	Ref.				
Federal and State Grants	A-3	666,860.43			
Matching Funds for Grants	A-25	81,182.25			
		<u>748,042.68</u>			

## Township of West Milford, N.J.

## Schedule of Unappropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	<u>Balance, Dec. 31, 2010</u>	<u>Transfer To 2011 Budget</u>	<u>Received</u>	<u>Balance, Dec. 31, 2011</u>
Federal Grants:				
Over the Limit Under Arrest	2,476.10	2,476.10		
Bulletproof Vest Grant			5,407.88	5,407.88
	<u>2,476.10</u>	<u>2,476.10</u>	<u>5,407.88</u>	<u>5,407.88</u>
State Grants:				
Recycling Tonnage Grant			55,133.54	55,133.54
Hepatitis B Grant	4,025.22	4,025.22	591.00	591.00
Clean Communities			55,639.94	55,639.94
Drunk Driving Enforcement Fund	9,845.07	9,845.07	7,943.52	7,943.52
	<u>13,870.29</u>	<u>13,870.29</u>	<u>119,308.00</u>	<u>119,308.00</u>
	<u>16,346.39</u>	<u>16,346.39</u>	<u>124,715.88</u>	<u>124,715.88</u>
	A	A-22	A-25	A

## Township of West Milford, N.J.

## Schedule of Interfunds

## Federal and State Grant Fund

Year Ended December 31, 2011

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2011</u>
Current Fund	A	637,213.34	588,242.30	713,003.99	512,451.65
General Capital Fund	A	9,940.97			9,940.97
Garbage District	A	(131,311.54)			(131,311.54)
		<u>515,842.77</u>	<u>588,242.30</u>	<u>713,003.99</u>	<u>391,081.08</u>
Grant Receipts	A-22		382,344.17		
Matching Funds Grants	A-23		81,182.25		
Grant Expenditures	A-23			713,003.99	
Unappropriated Reserves	A-24		<u>124,715.88</u>		
			<u>588,242.30</u>	<u>713,003.99</u>	



## Township of West Milford, N.J.

## Schedule of Cash

## Trust Funds

## Year Ended December 31, 2011

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Payroll Fund</u>	<u>L.O.S.A.P.</u>
Balance - December 31, 2010	B	168,824.05	68,249.20	3,128,237.60	138,730.61	1,072,651.57
Increase by Receipts:						
Prospective Assessments	B-10	17,169.00				
Interfund - Current Fund	B-11	270,826.84	2,359.75	246,338.04	6,111.23	
Interfund - General Capital	B-12	170,218.34				
Bond Anticipation Notes	B-15	90,700.00				
Serial Bonds	B-14					
NJDEP Loan - Gordon Lakes	B-18	800,000.00				
Dog License Fees	B-20		45,195.00			
Due to State of NJ	B-21		6,777.00			
Municipal Open Space Tax	B-22			155,788.04		
Due from Vendors - Police Service	B-23			164,454.82		
Other Trust Funds	B-24			861,805.09		
Payroll Deductions Payable	B-25				16,483,074.10	
Contributions Receivable	B-26					200,200.00
Net Assets Available for Benefits	B-27					(9,709.34)
Total Receipts		<u>1,348,914.18</u>	<u>54,331.75</u>	<u>1,428,385.99</u>	<u>16,489,185.33</u>	<u>190,490.66</u>
		<u>1,517,738.23</u>	<u>122,580.95</u>	<u>4,556,623.59</u>	<u>16,627,915.94</u>	<u>1,263,142.23</u>
Decreased by Disbursements:						
Payment to Current Fund -						
Anticipated Revenue	B-1	25,000.00				
Interfund - Current Fund	B-11		15,139.71	833,819.48	3,544.49	
Interfund - General Capital	B-12	800,000.00				
Assessment Bonds	B-14	145,000.00				
Bond Anticipation Notes	B-15	260,918.34				
NJDEP Loan - Pinecliff Lake	B-16	92,961.13				
NJDEP Loan - Lindy Lake	B-17	11,274.11				
NJDEP Loan - Gordon Lakes	B-18	16,873.28				
Reserve for Dog Expenditures	B-20		34,956.32			
Due to State of NJ	B-21		6,765.00			
Municipal Open Space Tax	B-22			542,799.02		
Other Trust Funds	B-24			911,356.29		
Payroll Deductions Payable	B-25				16,492,214.42	
Net Assets Available for Benefits	B-27					95,391.26
Total Disbursements		<u>1,352,026.86</u>	<u>56,861.03</u>	<u>2,287,974.79</u>	<u>16,495,758.91</u>	<u>95,391.26</u>
Balance - December 31, 2011	B	<u>165,711.37</u>	<u>65,719.92</u>	<u>2,268,648.80</u>	<u>132,157.03</u>	<u>1,167,750.97</u>

**Exhibit B-5****Township of West Milford, N.J.****Analysis of Assessment Cash****Assessment Trust Fund****Year Ended December 31, 2011**

	<u>Ref.</u>	
Due from Current Fund	B-11	(709,560.07)
Due to General Capital	B-12	170,218.34
Pledged to Assessment Serial Bonds of 2002		104,000.00
Pledged to Assessment Serial Bonds of 2004		(17,406.95)
Pledged to Bond Anticipation Notes		40,717.18
Pledged to NJDEP Loan Payable		510,987.16
Fund Balance	B-1	<u>66,755.71</u>
		<u>165,711.37</u>
		B

**Exhibit B-6****Schedule of Assessment Trust Cash - Collector**

	<u>Ref.</u>	
Received:		
Assessments Receivable	B-7	288,098.29
Assessment Liens	B-8	<u>87.00</u>
		<u>288,185.29</u>
Decreased by:		
Interfund Current	B-11	<u>288,185.29</u>

## Township of West Milford, N.J.

## Schedule of Assessments Receivable

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Confir- mation	Balance Dec. 31, 2010	Collected	Transferred to Lien	Balance Dec. 31, 2011	Balance Pledged to			
							Bonds	BANs	NJ DEP Loan	Reserve
2001-32	Improvements to Forest Hill Park	6/18/2003	63,704.80	48,396.85		15,307.95				15,307.95
2001-34	Improvements to Greenwich Road	10/9/2003	5,375.99	2,592.79		2,783.20	2,783.20			
2002-20	Pinecliff Lake Dam Rehabilitation	11/10/2004	740,050.99	94,190.19		645,860.80			645,860.80	
2002-34	Lindy Lake Dam	2008	63,646.03	10,103.23		53,542.80			53,542.80	
2003-20/										
2008-49	Improvements to Gordon Lakes Dam	11/10/2010	1,005,852.94	96,618.05	6,050.00	903,184.89			843,184.89	60,000.00
2008-45	Improvements to Magnolia Road	11/10/2010	146,180.00	36,197.18	2,000.00	107,982.82		47,982.82		60,000.00
			<u>2,024,810.75</u>	<u>288,098.29</u>	<u>8,050.00</u>	<u>1,728,662.46</u>	<u>2,783.20</u>	<u>47,982.82</u>	<u>1,542,588.49</u>	<u>135,307.95</u>
			B	B-6	B-8	B				

## Township of West Milford, N.J.

## Schedule of Assessments Liens

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Transferred From Assessment Receivable	Collected	Foreclosed	Balance Dec. 31, 2011	Balance Pledged to	
							NJ DEP Loan	Reserve
1972-04	Mt. Glen Lakes Road Improvement	3,529.20				3,529.20		3,529.20
1976-25	Wonder Lakes Road Improvement	2,051.25			2,051.25			
1980-20	Improv. to Pinecliff Lake	694.50				694.50		694.50
1981-11	Improv. to Streets - Gordon Lakes	450.00				450.00		450.00
1985-20	Improv. to Papscoe, Riverside Streets	11,295.00			3,622.50	7,672.50		7,672.50
1987-27	Improv. to Wayside/Shadyside	299.00				299.00		299.00
1998-07	Improv. to Paterson / Hewitt	26,307.20			6,479.20	19,828.00		19,828.00
2001-32	Improv. To Forest Hill Park	7,658.89				7,658.89		7,658.89
2002-20	Pinecliff Lake Dam Rehabilitation	4,031.60			395.00	3,636.60	3,636.60	
2002-34	Lindy Lake Dam	87.00		87.00				
2008-45	Magnolia Road		2,000.00			2,000.00		2,000.00
2003-20/								
2008-49	Gordon Lakes Dam		6,050.00			6,050.00	6,050.00	
		56,403.64	8,050.00	87.00	12,547.95	51,818.69	9,686.60	40,132.09
		B	B-7	B-6	B-13	B		

**Exhibit B-9**

**Township of West Milford, N.J.**

**Schedule of Assessment Liens - Interest and Costs**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	5,094.07
Decreased by:		
Foreclosed		<u>2,228.57</u>
Balance - December 31, 2011	B	<u><u>2,865.50</u></u>

Township of West Milford, N.J.

Schedule of Prospective Assessments Funded

Year Ended December 31, 2011

<u>Improvement Description</u>	Ord. Number	Balance Dec. 31, 2010	Budget Appropriation	Balance Dec. 31, 2011	Balance Pledged to	
					<u>Bonds</u>	<u>Reserve</u>
Construction of Sidewalks	1992-39	500.00		500.00		500.00
Improvement to Greenwich Rd	2001-34	81,792.75	17,169.00	64,623.75	64,623.75	
		<u>82,292.75</u>	<u>17,169.00</u>	<u>65,123.75</u>	<u>64,623.75</u>	<u>500.00</u>
		B	B-4	B		

## Township of West Milford, N.J.

## Schedule of Interfund - Current Fund

## Trust Funds

## Year Ended December 31, 2011

	Due to/(from) Balance Dec. 31, 2010	Increased	Decreased	Due to/(from) Balance Dec. 31, 2011
Assessment Trust	(692,201.62)	288,185.29	270,826.84	(709,560.07)
Animal Control Trust	26,015.68	2,359.75	15,139.71	13,235.72
Other Trust	516,669.91	246,338.04	833,819.48	(70,811.53)
Payroll Fund	22,198.02	6,111.23	3,544.49	24,764.76
	<u>(127,318.01)</u>	<u>542,994.31</u>	<u>1,123,330.52</u>	<u>(742,371.12)</u>
	B			B
	<u>Ref.</u>			
Receipts - Assessment Trust	B-4		270,826.84	
Receipts - Other Trust Fund	B-4	246,338.04		
Receipts - Animal Control Trust Fund	B-4	2,359.75		
Receipts - Payroll Fund	B-4	6,111.23		
Disbursed - Animal Control Trust Fund	B-4		15,139.71	
Disbursed - Other Trust Fund	B-4		833,819.48	
Disbursed - Payroll Fund	B-4		3,544.49	
Assessment Receipts Deposited in Current	B-6	288,185.29		
		<u>542,994.31</u>	<u>1,123,330.52</u>	

## Township of West Milford, N.J.

## Schedule of Interfunds - General Capital

## Trust Funds

## Year Ended December 31, 2011

	Due to/(from) Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2011</u>
Other Trust Fund	(14,961.25)			(14,961.25)
Assessment Trust Fund	<u>800,000.00</u>	<u>170,218.34</u>	<u>800,000.00</u>	<u>170,218.34</u>
	<u>785,038.75</u>	<u>170,218.34</u>	<u>800,000.00</u>	<u>155,257.09</u>
	B			B
	<u>Ref.</u>			
Disbursements - Assessment Trust Fund	B-4		800,000.00	
Receipts - Assessment Trust Fund	B-4	170,218.34		
		<u>170,218.34</u>	<u>800,000.00</u>	



## Township of West Milford, N.J.

## Schedule of Amount to be Raised By Taxation

## For Canceled and Foreclosed Assessments

## Year Ended December 31, 2011

Ordinance Number	Improvement Description	Assessment		Balance		Balance	
		Liens	Foreclosed	Dec. 31, 2011		Loan	Reserves
1976-25	Wonder Lakes Road Improvement	2,051.25		2,051.25			2,051.25
1985-20	Improv. to Papscoe, Riverside Streets	3,622.50		3,622.50			3,622.50
1998-07	Improv. to Paterson / Hewitt	6,479.20		6,479.20			6,479.20
2002-20	Pinecliff Lake Dam Rehabilitation	395.00		395.00		395.00	
		12,547.95		12,547.95		395.00	12,152.95
		B-8		B			

## Township of West Milford, N.J.

## Schedule of Assessment Bonds

Year Ended December 31, 2011

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding</u> <u>Dec. 31, 2011</u>	<u>Interest Rate</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Assessment Bonds of 2002	01/01/02	1,229,000.00	01/01/12	4.40%	229,000.00	125,000.00	104,000.00
Assessment Bonds of 2004	02/15/04	190,000.00	02/15/12-2013 02/15/14	3%-3.45%	70,000.00	20,000.00	50,000.00
					<u>299,000.00</u>	<u>145,000.00</u>	<u>154,000.00</u>
					B	B-4	B

## Township of West Milford, N.J.

## Schedule of Bond Anticipation Notes Payable

## Assessment Trust Fund

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2010	Increased	Decreased	Balance, Dec. 31, 2011
2008-45	Impr to Magnolia Road	04/17/09	04/13/12	1.50%	90,700.00	90,700.00	90,700.00	90,700.00
2008-49	Impr to Gordon Lakes Dam	04/17/09			170,218.34		170,218.34	
					<u>260,918.34</u>	<u>90,700.00</u>	<u>260,918.34</u>	<u>90,700.00</u>
					B	B-4	B-4	B

## Township of West Milford, N.J.

## Schedule of NJ DEP Loan Payable - Pinecliff Lake

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	1,247,504.29
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>92,961.13</u>
Balance - December 31, 2011	B	<u><u>1,154,543.16</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
05/03/12	11,545.43	47,178.93	1,107,364.23
11/03/12	11,073.64	47,650.72	1,059,713.51
05/03/13	10,597.14	48,127.22	1,011,586.29
11/03/13	10,115.86	48,608.50	962,977.79
05/03/14	9,629.78	49,094.58	913,883.21
11/03/14	9,138.83	49,585.53	864,297.68
05/03/15	8,642.98	50,081.38	814,216.30
11/03/15	8,142.16	50,582.20	763,634.10
05/03/16	7,636.34	51,088.02	712,546.08
11/03/16	7,125.46	51,598.90	660,947.18
05/03/17	6,609.47	52,114.89	608,832.29
11/03/17	6,088.32	52,636.04	556,196.25
05/03/18	5,561.96	53,162.40	503,033.85
11/03/18	5,030.34	53,694.02	449,339.83
05/03/19	4,493.40	54,230.96	395,108.87
11/03/19	3,951.09	54,773.27	340,335.60
05/03/20	3,403.36	55,321.00	285,014.60
11/03/20	2,850.15	55,874.21	229,140.39
05/03/21	2,291.40	56,432.96	172,707.43
11/03/21	1,727.07	56,997.29	115,710.14
05/03/22	1,157.10	57,567.26	58,142.88
11/03/22	581.43	58,142.88	0.00
	<u>137,392.71</u>	<u>1,154,543.16</u>	

## Township of West Milford, N.J.

## Schedule of NJ DEP Loan Payable - Lindy Lake

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	137,261.48
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>11,274.11</u>
Balance - December 31, 2011	B	<u><u>125,987.37</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
04/30/12	1,259.87	5,721.75	120,265.62
10/30/12	1,202.66	5,778.97	114,486.65
04/30/13	1,144.87	5,836.76	108,649.89
10/30/13	1,086.50	5,895.13	102,754.76
04/30/14	1,027.55	5,954.08	96,800.68
10/30/14	968.01	6,013.62	90,787.06
04/30/15	907.87	6,073.76	84,713.30
10/30/15	847.13	6,134.50	78,578.80
04/30/16	785.79	6,195.84	72,382.96
10/30/16	723.83	6,257.80	66,125.16
04/30/17	661.25	6,320.38	59,804.78
10/30/17	598.05	6,383.58	53,421.20
04/30/18	534.21	6,447.42	46,973.78
10/30/18	469.74	6,511.89	40,461.89
04/30/19	404.62	6,577.01	33,884.88
10/30/19	338.85	6,642.78	27,242.10
04/30/20	272.42	6,709.21	20,532.89
10/30/20	205.33	6,776.30	13,756.59
04/30/21	137.57	6,844.06	6,912.53
10/30/21	69.13	6,912.53	0.00
	<u>13,645.25</u>	<u>125,987.37</u>	

## Township of West Milford, N.J.

## Schedule of NJ DEP Loan Payable - Gordon Lake

Year Ended December 31, 2011

	<u>Ref.</u>	
Increased by:		
Loan Proceeds	B-4	800,000.00
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>16,873.28</u>
Balance - December 31, 2011	B	<u><u>783,126.72</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
04/10/12	7,831.27	17,042.01	766,084.71
10/10/12	7,660.85	17,212.43	748,872.28
04/10/13	7,488.72	17,384.55	731,487.73
10/10/13	7,314.88	17,558.40	713,929.33
04/10/14	7,139.29	17,733.98	696,195.35
10/10/14	6,961.95	17,911.32	678,284.03
04/10/15	6,782.84	18,090.44	660,193.59
10/10/15	6,601.94	18,271.34	641,922.25
04/10/16	6,419.22	18,454.05	623,468.20
10/10/16	6,234.68	18,638.59	604,829.61
04/10/17	6,048.30	18,824.98	586,004.63
10/10/17	5,860.05	19,013.23	566,991.40
04/10/18	5,669.91	19,203.36	547,788.04
10/10/18	5,477.88	19,395.40	528,392.64
04/10/19	5,283.93	19,589.35	508,803.29
10/10/19	5,088.03	19,785.24	489,018.05
04/10/20	4,890.18	19,983.10	469,034.95
10/10/20	4,690.35	20,182.93	448,852.02
04/10/21	4,488.52	20,384.76	428,467.26
10/10/21	4,284.67	20,588.60	407,878.66
04/10/22	4,078.79	20,794.49	387,084.17
10/10/22	3,870.84	21,002.43	366,081.74
04/10/23	3,660.82	21,212.46	344,869.28
10/10/23	3,448.69	21,424.58	323,444.70
04/10/24	3,234.45	21,638.83	301,805.87
10/10/24	3,018.06	21,855.22	279,950.65
04/10/25	2,799.51	22,073.77	257,876.88
10/10/25	2,578.77	22,294.51	235,582.37
04/10/26	2,355.82	22,517.45	213,064.92
10/10/26	2,130.65	22,742.63	190,322.29
04/10/27	1,903.22	22,970.05	167,352.24
10/10/27	1,673.52	23,199.75	144,152.49
04/10/28	1,441.52	23,431.75	120,720.74
10/10/28	1,207.21	23,666.07	97,054.67
04/10/29	970.55	23,902.73	73,151.94
10/10/29	731.52	24,141.76	49,010.18
04/10/30	490.10	24,383.17	24,627.01
10/10/30	246.27	24,627.01	0.00
	<u>162,057.77</u>	<u>783,126.72</u>	

## Township of West Milford, N.J.

## Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Collections to Surplus	Transfers From	To	Balance Dec. 31, 2011
<u>Assessments Receivable</u>						
2001-32	Forest Hill Park	63,704.80	48,396.85			15,307.95
2003-20/						
2008-49	Gordon Lakes Dam	60,000.00				60,000.00
2008-45	Magnolia Road	60,000.00				60,000.00
		<u>183,704.80</u>	<u>48,396.85</u>			<u>135,307.95</u>
<u>Foreclosed/Canceled Assessments</u>						
1976-25	Wonder Lakes Road				2,051.25	2,051.25
1985-20	Papscoe / River				3,622.50	3,622.50
1998-07	Paterson / Hewitt Roads				6,479.20	6,479.20
					<u>12,152.95</u>	<u>12,152.95</u>
<u>Assessment Liens</u>						
1972-04	Mt Glen Lakes Road	3,529.20				3,529.20
1976-25	Wonder Lakes Road	2,051.25		2,051.25		
1980-20	Mt Laurel Lakes	694.50				694.50
1981-11	Gordon Lakes	450.00				450.00
1985-20	Papscoe / River	11,295.00		3,622.50		7,672.50
1987-27	Wayside / Shadyside	299.00				299.00
1998-07	Paterson / Hewitt Roads	26,307.20		6,479.20		19,828.00
2001-32	Forest Hill Park	7,658.89				7,658.89
		<u>52,285.04</u>		<u>12,152.95</u>		<u>40,132.09</u>
<u>Prospective Assessments Funded</u>						
1992-39	Construction of Sidewalks	500.00				500.00
		<u>500.00</u>				<u>500.00</u>
		<u>236,489.84</u>	<u>48,396.85</u>	<u>12,152.95</u>	<u>12,152.95</u>	<u>188,092.99</u>
		B	B-1			B

## Township of West Milford, N.J.

## Reserve for Animal Control Trust Fund Expenditures

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	42,233.52
Increased by:		
Collections		
Dog License Fees -2011		39,633.00
Late Charge Fees		5,408.00
Miscellaneous		<u>154.00</u>
	B-4	<u>45,195.00</u>
		87,428.52
Decreased by:		
Expenditures R.S. 4:19-1511	B-4	<u>34,956.32</u>
Balance - December 31, 2011	B	<u><u>52,472.20</u></u>

License Fees Collected

<u>Year</u>	
2010	40,159.20
2009	<u>41,945.20</u>
	<u><u>82,104.40</u></u>

## Schedule of Due to State Department of Health

	<u>Ref.</u>	
Increased by:		
State Fees Collected	B-4	6,777.00
Decreased by:		
Paid to State	B-4	<u>6,765.00</u>
Balance - December 31, 2011	B	<u><u>12.00</u></u>



**Township of West Milford, N.J.**  
**Reserve for Municipal Open Space**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	628,018.64
Increased by:		
2011 Tax Levy		149,278.00
2011 Added Taxes		107.57
Interest Earned		<u>6,402.47</u>
	B-4	<u>155,788.04</u>
		783,806.68
Decreased by:		
Expenditures	B-4	<u>542,799.02</u>
Balance - December 31, 2011	B	<u><u>241,007.66</u></u>

**Exhibit B-23**

**Township of West Milford, N.J.**

**Schedule of Due from Vendors - Outside Police Duty**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	62,974.73
Increased by:		
Charges to Vendors	B-24	<u>167,534.42</u>
		230,509.15
Decreased by:		
Cash Receipts	B-4	<u>164,454.82</u>
Balance - December 31, 2011	B	<u><u>66,054.33</u></u>

## Township of West Milford, N.J.

## Schedule of Various Reserves and Other Trust Funds

Year Ended December 31, 2011

	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
Improvement Guarantees	580,466.97	13,996.24	42,945.70	551,517.51
Reserve for:				
Unemployment	382,300.96	26,672.84	12,190.25	396,783.55
Environmental Commission	1,035.85			1,035.85
Development Application Review Escrow	163,561.92	73,748.89	79,077.90	158,232.91
Developers Contributions	12,082.75			12,082.75
Heritage Committee	46,721.49	6,746.12	6,756.82	46,710.79
Premium on Tax Sale	408,750.00	676,200.00	566,500.00	518,450.00
Beautification Committee	1,876.92	40.00	616.40	1,300.52
Forest Hill Park Project	30,657.35			30,657.35
Parking Offenses Adjudication Act	752.00	72.00		824.00
Creative Playground	768.60			768.60
D.A.R.E.	7,629.49	5,748.23		13,377.72
Recreation	75,567.80	27,909.73	20,955.95	82,521.58
Tennis Association Fund Raiser	311.89			311.89
NJ Shares	2,139.60		1,685.60	454.00
Police Outside Services	54,605.95	167,534.42	160,703.56	61,436.81
Damaged Property	680.32	4,229.00		4,909.32
Public Defender	20,464.50	24,931.50	19,900.00	25,496.00
Tree Planting	14,950.00			14,950.00
Forfeited Funds	2,660.04			2,660.04
Snow Removal	16,789.55			16,789.55
Fire Tower	16,127.17			16,127.17
Sunny Blue	33,220.00			33,220.00
COAH	65,988.58	1,510.54	24.11	67,475.01
Future Liabilities	121,375.33			121,375.33
	<u>2,061,485.03</u>	<u>1,029,339.51</u>	<u>911,356.29</u>	<u>2,179,468.25</u>
	B		B-4	B
	Ref.			
Cash Receipts	B-4	861,805.09		
Due from Vendors - Police Outside Service	B-23	<u>167,534.42</u>		
		<u>1,029,339.51</u>		

## Township of West Milford, N.J.

## Schedule of Payroll Deductions

## Payroll Fund

## Year Ended December 31, 2011

	Balance <u>Dec. 31, 2010</u>	<u>Receipts</u>	<u>Disbursed</u>	Balance <u>Dec. 31, 2011</u>
Federal Withholding		1,940,543.98	1,940,543.98	
Social Security / Medicare		1,216,630.44	1,216,630.44	
State Withholding		504,708.77	504,708.77	
Unemployment Insurance	1,549.06	42,478.05	42,221.04	1,806.07
Union Dues	3,819.00	59,337.22	62,031.22	1,125.00
P.E.R.S.	46,668.72	1,351,225.89	1,345,054.93	52,839.68
P.E.R.S. Contributory Insurance	2,945.03	34,300.13	34,213.90	3,031.26
P.F.R.S.	37,387.14	1,849,994.69	1,839,040.37	48,341.46
D.C.R.P.	43.58	1,947.38	1,990.96	
Credit Union		70,651.78	70,651.78	
Insurance	4,135.16	51,724.83	55,859.99	
Miscellaneous	1,200.00	4,975.00	6,175.00	
Garnishment		29,551.89	29,303.09	248.80
VALIC	9,784.16	278,374.55	288,158.71	
Employee Share of Medical Ins.	7,750.74	131,160.07	138,910.81	
Lincoln National	1,250.00	29,800.00	31,050.00	
Net Payroll		8,885,669.43	8,885,669.43	
	<u>116,532.59</u>	<u>16,483,074.10</u>	<u>16,492,214.42</u>	<u>107,392.27</u>
	B	B-4	B-4	B

## Township of West Milford, N.J.

## Statement of Contributions Receivable

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	182,100.00
Increased by:		
Adjustment		18,100.00
Borough Contributions		<u>105,000.00</u>
	B-27	<u>123,100.00</u>
		305,200.00
Decreased by:		
Receipts	B-4	<u>200,200.00</u>
Balance - December 31, 2011	B	<u><u>105,000.00</u></u>

## Township of West Milford, N.J.

## Statement of Net Assets Available for Benefits

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	B		1,254,751.57
Increased by:			
Township Contributions	B-26	123,100.00	
Gain/(Loss)	B-4	<u>(9,709.34)</u>	
			<u>113,390.66</u>
			1,368,142.23
Decreased by:			
Distributions		89,672.19	
Administrative Charges		<u>5,719.07</u>	
	B-4		<u>95,391.26</u>
Balance - December 31, 2011	B		<u><u>1,272,750.97</u></u>

## Township of West Milford , N.J.

## Schedule of General Capital Cash - Treasurer

## General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	C		2,339,801.85
Increased by Receipts:			
Premium on Sale of BANs	C-1	88,007.47	
Various Receivables	C-4	349,492.94	
Deferred Charges Unfunded	C-7	189,000.00	
Bond Anticipation Notes	C-9	11,706,823.00	
Interfunds	C-13	<u>1,812,867.00</u>	
			<u>14,146,190.41</u>
			16,485,992.26
Decreased by Disbursements:			
Fund Balance	C-1	247,000.00	
Bond Anticipation Notes	C-9	9,397,604.66	
Improvement Authorizations	C-10	3,075,073.27	
Various Reserves	C-12	252,671.68	
Interfunds	C-13	<u>170,218.34</u>	
			<u>13,142,567.95</u>
Balance - December 31, 2011	C		<u><u>3,343,424.31</u></u>

## Township of West Milford , N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Fund Balance	C-1	472,210.19
Various Receivables	C-4	(931,437.45)
Capital Improvement Fund	C-11	72,531.00
Various Reserves	C-12	295,100.96
Interfund Current Fund	C-13	(208,433.86)
Interfund Other Trust Fund	C-13	14,961.25
Interfund - Assessment Trust Fund	C-13	(170,218.34)
Interfund Federal and State Grant Fund	C-13	9,940.97
Reserve for Receivables	contra	50,000.00
Cash on Hand		37,000.00

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1992-14	Improvement of Municipal Property	(999.95)
1992-39	Construction of Sidewalks	(2,838.97)
1996-27	Acquisition of Land	(121,206.70)
2000-08	Various Improvements	36,325.32
2000-09	Construction of Recreation Facility	(34,909.55)
2001-21	Various Improvements	139,779.88
2002-27	Various Improvements	2,892.00
2004-07	Various Improvements	65,852.99
2005-12	Various Improvements	292,584.00
2006-17	Various Improvements	12,421.92
2007-06	Various Road Improvements	(312,597.41)
2007-18	Various Improvements	298,789.87
2008-25	Streetscape Improvements	221,838.41
2008-26	Various Facilities Improvements	216,972.43
2008-40	Various Improvements	216,903.11
2008-41	Various Improvements	4,425.63
2009-17	Various Improvements	981,390.38
2009-18	Various Improvements	32,647.43
2010-16/		
2011-04	Various Improvements	294,454.35
2010-17	Acquisition of Vehicles	44,750.00
2011-07	Improvement ot Otterhole Road	36,124.45
2011-15	Various Improvements	1,111,870.00
2011-19	Various Improvements	164,300.00

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C,C-2 3,343,424.31



## Township of West Milford, N.J.

## Schedule of Various Receivables

## General Capital Fund

Year Ended December 31, 2011

	Balance, Dec. 31, 2010	Increased by Grant Awards	Cash Received	Balance, Dec. 31, 2011
Due from State of NJ ADA (Ord #2002-27)	52,500.00			52,500.00
Wonder Lake Water System Improvements Grant	19,000.00			19,000.00
Due from HUD - EDI Grant (Ord #2008-25)	350,000.00			350,000.00
Due from State of NJ Transportation Trust Fund				
Bikeway	59,180.39			59,180.39
Marshall Hill Road Sidewalks (Ord #2005-12)	200,000.00			200,000.00
Cahill Cross Road (Ord #2009-17)	75,250.00		75,250.00	
Bike Path (Ord #2010-16)	200,000.00		150,000.00	50,000.00
Traffic Signal (Ord #2010-16)	275,000.00		124,242.94	150,757.06
Otterhole Road (Ord #2011-07)		200,000.00	150,000.00	50,000.00
	<u>1,230,930.39</u>	<u>200,000.00</u>	<u>499,492.94</u>	<u>931,437.45</u>
	C	contra		C, C-3
Reserve for Receivables		Ref. contra	150,000.00	
Cash Receipts		C-2	349,492.94	
			<u>499,492.94</u>	

**Exhibit C-5**

**Township of West Milford , N.J.**

**Schedule of Prospective Assessments**

**Raised by Taxation**

**General Capital Fund**

**Year Ended December 31, 2011**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2010</u>	<u>Balance, Dec. 31, 2011</u>
1992-39	Construction of Sidewalks	500.00	500.00
		<hr/>	<hr/>
		500.00	500.00
		<hr/> <hr/>	<hr/> <hr/>
		C	C

**Township of West Milford , N.J.**

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

**General Capital Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	19,255,000.00
Decreased by:		
2011 Budget Appropriation		
General Serial Bonds	C-8	<u>1,610,000.00</u>
Balance - December 31, 2011	C	<u><u>17,645,000.00</u></u>



Township of West Milford, N.J.  
Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance, Dec. 31, 2010	Decreased	Balance, Dec. 31, 2011
			Bonds Outstanding, December 31, 2011					
			Date	Amount				
General Bonds of 2002	01/01/02	7,409,000.00	01/01/12	209,000.00	4.40%	1,709,000.00	1,500,000.00	209,000.00
General Bonds of 2004	02/15/04	2,860,000.00	02/15/12	785,000.00				
			02/15/13	810,000.00				
			02/15/14	795,000.00	3%-3.45%	2,500,000.00	110,000.00	2,390,000.00
General Bonds of 2006	01/15/06	5,166,000.00	01/15/13	700,000.00				
			01/15/14	800,000.00				
			01/15/15	850,000.00				
			01/15/16	1,500,000.00				
			01/15/17	1,316,000.00	3.75%-3.80%	5,166,000.00		5,166,000.00
General Bonds of 2010	04/01/10	9,880,000.00	04/01/12	200,000.00				
			04/01/13	50,000.00				
			04/01/14	25,000.00				
			04/01/15	850,000.00				
			04/01/16	275,000.00				
			04/01/17	525,000.00				
			04/01/18	1,900,000.00				
			04/01/19	2,005,000.00				
			04/01/20	2,050,000.00				
			04/01/21	2,000,000.00	2%-3.50%	9,880,000.00		9,880,000.00
						<u>19,255,000.00</u>	<u>1,610,000.00</u>	<u>17,645,000.00</u>
						<u>C</u>	<u>C-6</u>	<u>C</u>

## Township of West Milford, N.J.

## Schedule of Bond Anticipation Notes Payable

## General Capital Fund

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2010	Increased	Decreased	Balance, Dec. 31, 2011
2007-06	Various Improvements	04/17/09	04/13/12	1.50%	3,888,673.00	3,888,673.00	3,888,673.00	3,888,673.00
2008-40	Various Improvements	04/17/09	04/13/12	1.50%	2,331,300.00	2,331,300.00	2,331,300.00	2,331,300.00
2008-45	Impr to Magnolia Road	04/17/09	04/13/12	1.50%	84,300.00	61,300.00	84,300.00	61,300.00
2008-49	Impr to Gordon Lakes Dam	04/17/09	04/13/12	1.50%	229,781.66		229,781.66	
2009-17	Various Improvements	04/15/10	04/13/12	1.50%	2,863,550.00	2,863,550.00	2,863,550.00	2,863,550.00
2010-16/								
2011-04	Various Improvements	10/07/11	10/05/12	1.00%		1,142,000.00		1,142,000.00
2011-07	Improvement to Otterhole Rd	10/07/11	10/05/12	1.00%		347,000.00		347,000.00
2011-15	Various Improvements	10/07/11	10/05/12	1.00%		1,073,000.00		1,073,000.00
					<u>9,397,604.66</u>	<u>11,706,823.00</u>	<u>9,397,604.66</u>	<u>11,706,823.00</u>
					C	C-2	C-2	C

## Township of West Milford, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

## Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2010		2011 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2011		
		Date	Amount	Funded	Unfunded				Funded	Unfunded	
<u>General Improvements:</u>											
2000-08	Various Improvements	06/21/00	1,176,200.00	38,325.32			2,000.00		36,325.32	42,667.18	
2000-09	Construction of Recreation Facility	06/21/00	120,000.00		42,667.18						
2001-21	Various Improvements	09/05/01	1,578,000.00	163,248.73			23,468.85		139,779.88		
2002-27	Various Improvements	08/21/02	1,604,000.00	2,892.00					2,892.00		
2004-07	Various Improvements	09/01/04	3,655,000.00	70,757.10			4,904.11		65,852.99		
2005-12	Various Improvements	09/07/05	3,783,225.00	336,369.69			12,916.00	30,869.69	292,584.00		
2006-17	Various Improvements	10/11/06	3,459,500.00	116,365.15			1,495.00	102,448.23	12,421.92		
2007-06	Improvement of Various Roads	03/28/07	4,688,250.00		6,354.19					6,354.19	
2007-18	Various Improvements	07/25/07	3,861,238.00	959,729.12			448,889.25	212,050.00	298,789.87		
2008-25	Streetscape Improvements	05/28/08	234,705.41	234,705.41			12,867.00		221,838.41		
2008-26	Various Facilities Improvements	05/28/08	320,980.80	270,520.97			53,548.54		216,972.43		
2008-40	Various Improvements	07/30/08	3,342,360.00		410,754.86		60,000.32			350,754.54	
2008-41	Various Improvements	07/30/08	89,413.00	10,506.08			4,195.00	1,885.45	4,425.63		
2009-17	Various Improvements	08/26/09	3,322,778.00								
	Acquisition of Vehicles				89,034.35					89,034.35	
	Purchase of Equipment				20,858.58		6,927.00			13,931.58	
	Improvement of Facilities				160,191.65		11,523.85			148,667.80	
	Improvement of Various Streets				990,299.72		361,543.07			628,756.65	
	Streetscaping			1,000.00	100,000.00				1,000.00	100,000.00	
				116,951.33			84,303.90		32,647.43		
2009-18	Various Improvements	12/15/10									
2010-16/	Various Improvements										
2011-04	Acquisition of Vehicles		33,000.00	1,900.00	31,100.00				1,900.00	31,100.00	
	Construction of Bike Path		847,000.00	231,000.00	616,000.00		799,462.04			47,537.96	
	Installation of Traffic Signal		388,000.00	280,500.00	107,500.00		175,483.61		105,016.39	107,500.00	
	Improvement of Facilities		27,000.00	1,500.00	25,500.00		25,600.00			1,400.00	
	Purchase of Fire Department Equipment		380,000.00		338,240.18		338,240.18				
2010-17	Acquisition of Vehicles	12/15/10	44,750.00	44,750.00					44,750.00		
2011-07	Improvement to Otterhole Road	05/18/11	565,000.00			565,000.00	478,875.55			86,124.45	
2011-15	Various Improvements	07/20/11									
	Acquisition of Vehicles		486,000.00			486,000.00			23,300.00	462,700.00	
	Purchase of Equipment		104,000.00			104,000.00	15,130.00			88,870.00	
	Purchase of Communication Equipment		25,000.00			25,000.00			1,200.00	23,800.00	
	Improvement of Facilities		73,000.00			73,000.00			3,500.00	69,500.00	
	Purchase of Fire Department Equipment		439,000.00			439,000.00			21,000.00	418,000.00	

## Township of West Milford, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

## Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2010		2011 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2011	
				Funded	Unfunded				Funded	Unfunded
2011-19	Various Improvements	11/09/11	318,000.00			318,000.00	153,700.00		164,300.00	
<u>Local Improvements</u>										
2003-20	Improvement of Gordon Lakes Dam	05/21/03	800,000.00	3,162.76				3,162.76		
2008-49	Improvement of Gordon Lake Dam	09/24/08	420,000.00		202,715.33			202,715.33		
				<u>2,884,183.66</u>	<u>3,141,216.04</u>	<u>2,010,000.00</u>	<u>3,075,073.27</u>	<u>553,131.46</u>	<u>1,690,496.27</u>	<u>2,716,698.70</u>
				C	C		C-2		C	C
				Fund Balance						
				Deferred Charges to Future Taxation - Unfunded						
				Capital Improvement Fund						
					Ref	318,000.00				
					C-1	1,620,000.00				
					C-7	72,000.00				
					C-11	<u>2,010,000.00</u>				
				Fund Balance						
				Deferred Charges Unfunded						
					Ref	363,349.80				
					C-1	189,781.66				
					C-7	<u>553,131.46</u>				



**Township of West Milford , N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	144,531.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>72,000.00</u>
Balance - December 31, 2011	C, C-3	<u><u>72,531.00</u></u>

## Township of West Milford , N.J.

## Schedule of Various Reserves

## General Capital Fund

Year Ended December 31, 2011

	Balance, <u>Dec. 31, 2010</u>	<u>Decreased</u>	Balance, <u>Dec. 31, 2011</u>
Debt Service	342,687.14	200,000.00	142,687.14
Various Recreation Improvements	3,500.00		3,500.00
First Aid Equipment	3,913.00		3,913.00
Fire Emergency Equipment	77,702.96	43,368.84	34,334.12
Computer Equipment	32,229.90	5,126.74	27,103.16
Police Equipment	8,559.25		8,559.25
Fire Equipment	20,000.00	4,176.10	15,823.90
NJ Transportation Trust Fund Bikeway	<u>59,180.39</u>	<u></u>	<u>59,180.39</u>
	<u>547,772.64</u>	<u>252,671.68</u>	<u>295,100.96</u>
	C		C, C-3
	<u>Ref.</u>		
Cash Disbursements	C-2	<u>252,671.68</u>	

## Township of West Milford , N.J.

## Schedule of Interfunds

## General Capital Fund

## Year Ended December 31, 2011

		Due From/(To)			Due From/(To)
		Balance			Balance
	<u>Ref.</u>	<u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2011</u>
Current Fund	C	1,221,300.86		1,012,867.00	208,433.86
Other Trust Fund	C	(14,961.25)			(14,961.25)
Assessment Trust Fund	C	800,000.00	170,218.34	800,000.00	170,218.34
State and Federal Grant Fund	C	(9,940.97)			(9,940.97)
		<u>1,996,398.64</u>	<u>170,218.34</u>	<u>1,812,867.00</u>	<u>353,749.98</u>
Cash Receipts	C-2			1,812,867.00	
Cash Disbursements	C-2		<u>170,218.34</u>		
			<u>170,218.34</u>	<u>1,812,867.00</u>	

## Township of West Milford, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

## Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, <u>Dec. 31, 2010</u>	2011 <u>Authorizations</u>	<u>Canceled</u>	<u>Decreased</u>	Balance, Dec. 31, 2011 <u>Capital Fund</u>
<u>General Improvements:</u>						
1992-14	Improvement to Municipal Property	39,999.95			39,000.00	999.95
1996-27	Acquisition of Land	121,206.70				121,206.70
2000-09	Construction of Recreation Facility	77,576.73				77,576.73
2007-06	Improvement of Various Roads	318,951.60				318,951.60
2008-40	Various Improvements	133,851.43				133,851.43
2010-16/						
2011-04	Various Improvements	1,142,000.00			1,142,000.00	
2011-07	Improvement to Otterhole Rd		547,000.00		497,000.00	50,000.00
2011-15	Various Improvements		1,073,000.00		1,073,000.00	
<u>Local Improvements:</u>						
1992-39	Construction of Sidewalks	2,838.97				2,838.97
2003-20	Improvement of Gordon Lakes Dam	760,000.00		760,000.00		
		<u>2,596,425.38</u>	<u>1,620,000.00</u>	<u>760,000.00</u>	<u>2,751,000.00</u>	<u>705,425.38</u>
		<u>C-7</u>				Footnote C

## Township of West Milford , N.J.

## Schedule of Commitments Payable

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	G		203,162.62
Increased by:			
Encumbrances	G-3		<u>165,078.65</u>
			368,241.27
Decreased by:			
Lapse to Fund Balance	G-1	6,374.02	
Expenditures	G-5	<u>151,332.81</u>	
			<u>157,706.83</u>
Balance - December 31, 2011	G		<u><u>210,534.44</u></u>

## Schedule of Due from Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	G		605,425.01
Increased by:			
Tax Levy	G-2	1,701,493.95	
Recycling Receipts	G-7	<u>226,268.47</u>	
			<u>1,927,762.42</u>
			2,533,187.43
Decreased by:			
Expenditures	G-3	1,863,602.02	
Commitments Payable	G-4	<u>151,332.81</u>	
			<u>2,014,934.83</u>
Balance - December 31, 2011	G		<u><u>518,252.60</u></u>

## Township of West Milford , N.J.

## Schedule of Due from Federal and State Grant Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	G	<u>131,311.54</u>
Balance - December 31, 2011	G	<u>131,311.54</u>

## Schedule of Reserve for Recycling

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	G	214,604.22
Increased by:		
Recycling Receipts	G -5	<u>226,268.47</u>
		440,872.69
Decreased by:		
2011 Anticipated Revenue	G -2	<u>215,000.00</u>
Balance - December 31, 2011	G	<u>225,872.69</u>

**Township of West Milford , N.J.**

**Schedule of Reserve for Recycling Tonnage Grant**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	G	<u>70,693.74</u>
Balance - December 31, 2011	G	<u>70,693.74</u>

**TOWNSHIP OF WEST MILFORD**

**\* \* \* \* \***

**PART II**

**LETTER ON COMPLIANCE AND INTERNAL CONTROL**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2011**



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

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## **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**

Honorable Mayor and  
Members of the Township Council  
Township of West Milford  
County of Passaic, New Jersey

We have audited the financial statements-regulatory basis of the Township of West Milford in the County of Passaic as of and for the year ended December 31, 2011, and have issued our report thereon dated April 12, 2012 disclosed that, as described in Note 1 to the financial statements-regulatory basis, the Township of West Milford 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. In addition, the Statement of General Fixed Assets has not been updated. 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 Township of West Milford'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 Township of West Milford's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of West Milford'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.




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

#### Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Township of West Milford'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 Township of West Milford in the accompanying comments and recommendations section of this report.

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



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



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

April 12, 2012

# **Ferraioli, Wielkotz, Cerullo & Cuva, P.A.**

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

Page 1 of 2

## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04 AS AMENDED**

The Honorable Mayor and  
Members of the Township Council  
Township of West Milford  
West Milford, New Jersey 07480

### **Compliance**

We have audited the compliance of the Township of West Milford in the County of Passaic with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that are applicable to each of its major state programs for the year ended December 31, 2011. The Township of West Milford's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Township of West Milford's management. Our responsibility is to express an opinion on the Township of West Milford's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of West Milford's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township of West Milford's compliance with those requirements.



In our opinion, the Township of West Milford complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2011.

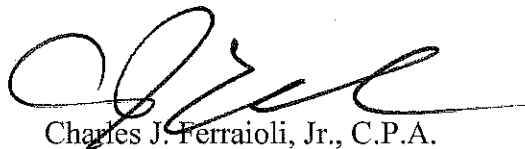
Internal Control Over Compliance

The management of the Township of West Milford is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Township of West Milford's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of West Milford's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information of the 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 the specified parties.



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



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

April 12, 2012



**TOWNSHIP OF WEST MILFORD  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Township of West Milford. The Township is defined in Note 1A to the Township's financial statements. All federal and state financial assistance received directly from federal and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal and state awards.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Notes 1(B) to the Township's financial statements.

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Financial assistance awards are reported in the Township's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Grant Fund	\$464,042.01	\$174,994.49	\$639,036.50
General Capital Fund	<u>12,867.00</u>	<u>650,733.61</u>	<u>663,600.61</u>
Total Financial Awards	<u>\$476,909.01</u>	<u>\$825,728.10</u>	<u>\$1,302,637.11</u>

## Township of West Milford

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2011

<u>Federal Grantor Department</u>	<u>Program Title</u>	<u>Federal Account Number</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2011</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2011</u>	<u>Cumulative Expenditures</u>
Department of Transportation	F T A	20.509	69,421.00			6,691.87		(6,691.87)	6,691.87
			64,396.00		8,842.69	64,396.00		(55,553.31)	64,396.00
			64,029.00	(22,376.21)	40,680.21	18,304.00			64,029.00
Department of Housing and Urban Development (2)	Community Development Block Grant	14.218	100,000.00			100,000.00		(100,000.00)	
H.U.D. (3)	Small Cities EDI	14.219 14.251	250,600.00						231,600.00
			350,000.00			12,867.00		(12,867.00)	12,867.00
Department of Law & Public Safety	Drive Sober or Get Pulled Over	20.601	5,000.00						
	Click It or Ticket	20.602	2,679.20	2,679.20		1,681.36		997.84	1,681.36
	Speed/Aggressive Driving	20.605	7,500.00	(1,311.80)				(1,311.80)	7,500.00
	Obey the Signs or Pay the Fines	20.600	4,000.00	2,783.23				2,783.23	1,216.77
			4,000.00	377.20				377.20	3,622.80
	Over the Limit Under Arrest	20.601	2,476.10	2,476.10				2,476.10	
			8,082.10	8,082.10				8,082.10	

## Township of West Milford

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2011

Federal Grantor Department	Program Title	Federal Account Number	Program Amount	Balance Jan. 1, 2011	Receipts/ Revenues	Expended	Audit Adjustment	Balance Dec. 31, 2011	Cumulative Expenditures
Department of (1) Environmental Protection	Pollution Control & Management	66.460	90,000.00	34,256.31				34,256.31	55,743.69
	Pollution Control & Management	66.460	144,872.00	(13,597.30)				(13,597.30)	122,982.71
	Pollution Control & Management	66.460	152,330.00	55,868.67		47,863.76	(64,055.64)	(56,050.73)	144,325.09
	Water Quality Management	66.460	108,217.00	(11,589.88)		4,929.71		(16,519.59)	66,742.47
Municipal Stormwater Regulation	Greenwood Lake Anti-Phosphorous	66.460	913,600.00	(124,775.42)	18,506.02	162,285.35	103,022.77	(165,531.98)	287,060.77
		66.605	20,619.00	9,019.00		640.00		8,379.00	12,240.00
Department of Homeland Security	Assistance to Firefighters Grant	97.044	124,200.00	47,955.83				47,955.83	76,244.17
	Buffer Zone Protection Program	97.078	109,700.00		18,985.00	44,729.96		(25,744.96)	44,729.96
U.S. Department of Justice	Juvenile Acct. Incentive Block Grant	16.523	5,381.00	(816.69)				(816.69)	816.69
	Justice Assistance	16.804	15,051.00 15,051.00	(0.30)				(0.30)	15,051.00

## Township of West Milford

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2011

<u>Federal Grantor Department</u>	<u>Program Title</u>	<u>Federal Account Number</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2011</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2011</u>	<u>Cumulative Expenditures</u>
U.S. Department of Justice	Bulletproof Vest Partnership Program	16.607	5,407.88		5,407.88			5,407.88	
			2,585.00	2,585.00				2,585.00	
			25,892.88	25,892.88		12,480.00		13,412.88	12,480.00
Health and Human Services	Pandemic Influenza Preparedness	93.069	91,044.00	(6,084.84)		40.00		(6,124.84)	69,703.09
				11,423.08	92,421.80	476,909.01	38,967.13	(334,097.00)	1,301,724.44

(1) Pass-Thru Grant - State of New Jersey

(2) Pass-Thru Grant - County of Passaic

(3) Accounted for in General Capital Fund

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.



**Schedule B**

**Township of West Milford**

Page 1 of 5

**Schedule of Expenditures of State Awards**

**For the Year Ended December 31, 2011**

<u>State Grantor Department</u>	<u>Program Title</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2011</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2011</u>	<u>Cumulative Expenditures</u>
Department of Environmental Protection and Energy	Clean Communities Grant	55,639.94	57,145.32	55,639.94	17,946.94		55,639.94 57,145.32 8,541.84	34,473.16
	Open Space Management	2,500.00 2,500.00 2,500.00	(126.97)				(126.97)	2,396.00
	Greenwood Lake Phase II	336,000.00	62,707.54	36,593.95		(38,967.13)	60,334.36	210,120.09
	NJDEP ESP Mapping Grant	2,500.00 2,500.00 2,500.00						
	Recreation Trails	5,000.00 15,000.00 15,000.00 25,000.00 25,000.00	(15,000.00)				(15,000.00)	15,000.00
	NJDEP Storm Drain Infrastructure	2,500.00	(2,740.00)				(2,740.00)	12,740.00
	Recycling Grant	55,133.54 63,305.54 14,843.26 44,176.22 21,731.73		55,133.54 63,305.54	3,902.36		55,133.54 59,403.18 14,843.26 44,176.22 11,674.26	3,902.36
	(3)							
	(3)							
	(3)							10,057.47

**Schedule B**

**Township of West Milford**

Page 2 of 5

**Schedule of Expenditures of State Awards**

**For the Year Ended December 31, 2011**

<u>State Grantor Department</u>	<u>Program Title</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2011</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2011</u>	<u>Cumulative Expenditures</u>
Department of Environmental Protection and Energy	NJDEP/Passaic County	6,120.00	(6,120.00)				(6,120.00)	6,120.00
	ANJEC Water Study	11,200.00	11,200.00				11,200.00	
	Waste Water Management	15,000.00		5,000.00			5,000.00	
		10,000.00		10,000.00	2,911.50		7,088.50	2,911.50
		10,000.00	9,987.50		9,987.50			10,000.00
	Stormwater Management	41,238.00	12,333.50				12,333.50	28,904.50
	Black Bear-Proof Garbage Can Pilot Program	200,000.00	2,386.25				2,386.25	197,613.75
	Belcher Creek Fecal Testing	2,500.00	(2,500.00)				(2,500.00)	2,500.00
Division of Motor Vehicles	Drunk Driving Enforcement Fund	7,943.52		7,943.52			7,943.52	
		9,845.15	9,845.15				9,845.15	
		12,932.16	12,932.16		3,963.39		8,968.77	3,963.39
		13,083.00	11,696.23		11,696.23			13,083.00
		15,616.00	3,249.40		3,249.40			15,616.00
Department of Community Affairs	Handicapped Person	20,000.00		13,949.50	20,000.00		(6,050.50)	20,000.00
	Rec. Opportunities	20,000.00	(6,653.93)	6,653.93				20,000.00

**Schedule B**

**Township of West Milford**

Page 3 of 5

**Schedule of Expenditures of State Awards**

**For the Year Ended December 31, 2011**

<u>State Grantor Department</u>	<u>Program Title</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2011</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2011</u>	<u>Cumulative Expenditures</u>
Department of Community Affairs	Alcohol Education & Rehab	563.80	563.80				563.80	
		686.55	326.03				326.03	360.52
		107.09	107.09				107.09	
		682.16	682.16				682.16	
	Small Cities	2,380.00	2,380.00				2,380.00	
	Smart Growth	125,000.00	1,862.33				1,862.33	123,137.67
	PARIS Grant	37,000.00	10,810.58		17,100.00		(6,289.42)	34,039.42
NJ Division of Criminal Justice	Body Armor Replacement Fund	4,652.00	4,652.00				4,652.00	
		5,288.00	70.86				70.86	5,217.14
		983.20	23.00				23.00	960.20
	Domestic Violence	11,070.61	11,070.61				11,070.61	
	STOP Grant	5,000.00						
Department of Transportation	F T A	34,710.50		3,738.82			3,738.82	
		32,198.00		20,653.07	18,698.35		9,854.65	22,159.85
		32,014.50	7,899.93					
Department of Transportation (2)	N.J. Transportation Trust Fund	200,000.00		150,000.00	200,000.00		(50,000.00)	200,000.00
		200,000.00		150,000.00	200,000.00		(50,000.00)	200,000.00
		275,000.00		124,242.94	175,483.61		(51,240.67)	175,483.61
		301,000.00		75,250.00	75,250.00			301,000.00
		200,000.00						
		300,000.00						240,819.61

**Schedule B**

**Township of West Milford**

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**Schedule of Expenditures of State Awards**

**For the Year Ended December 31, 2011**

<u>State Grantor Department</u>	<u>Program Title</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2011</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2011</u>	<u>Cumulative Expenditures</u>
Department of Health	Public Health Priority Funding	8,615.00	6,091.00				6,091.00	
		11,954.00	3,173.52				3,173.52	8,780.48
	Hepatitis B Grant	591.00		591.00			591.00	
		4,025.22	4,025.22				4,025.22	
		5,000.00	2,617.75				2,617.75	2,382.25
		5,000.00	5,000.00				5,000.00	
		5,000.00	3,808.50		3,125.00		683.50	4,316.50
	NJ Health Officers	2,488.48	2,488.48				2,488.48	
	Tobacco Age-of-Sale Enforcement	1,080.00	1,080.00				1,080.00	
		5,520.00	5,520.00				5,520.00	
		2,100.00	2,100.00				2,100.00	
		1,980.00	1,980.00				1,980.00	
		2,557.50	2,557.50				2,557.50	
		8,433.02	6,279.02				6,279.02	2,154.03
Highlands Council	Planning Assistance Pilot Grant	30,000.00	30,000.00				30,000.00	
	Planning Assistance COAH Third Round	7,500.00	6,852.00				6,852.00	648.00
Highlands Council	Water Protection	178,700.00		60,639.06	31,567.18		29,071.88	
		15,000.00	(11,345.78)	12,908.48	1,562.70			15,000.00
	Planned Conformance	50,000.00	(37,837.86)		5,240.50		(43,078.36)	49,672.01
Passaic County (1)	Municipal Drug Alliance	30,011.69		22,322.50	23,198.65		(876.15)	23,198.65
		43,392.07	(8,392.44)	9,237.23	844.79			43,392.07

**Schedule B**

**Township of West Milford**

Page 5 of 5

**Schedule of Expenditures of State Awards**

**For the Year Ended December 31, 2011**

<u>State Grantor Department</u>	<u>Program Title</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2011</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2011</u>	<u>Cumulative Expenditures</u>
Passaic County								
(1)	Tire Disposal Grant	11,600.00	(11,600.00)				(11,600.00)	11,600.00
	Urban Forestry	13,500.00	(6,360.00)				(6,360.00)	13,225.00
(1)	Grant Program	12,700.00	(440.00)				(440.00)	10,538.00
(1)	Hewitt Brook Study	2,500.00						
(1)	Polling Place Accessibility Grant	34,167.00	34,167.00				34,167.00	
(1)	Open Space and Farmland Trust	60,000.00						
(1)	Passaic County Cultural Heritage	1,250.00 1,000.00	471.27				471.27	508.73
<hr/>								
(1) Pass-Thru Grant - County of Passaic			340,208.24	883,803.02	825,728.10	(38,967.13)	359,316.03	2,097,994.96

(2) Accounted for in General Capital Fund

(3) Accounted for in Garbage District

**TOWNSHIP OF WEST MILFORD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: Qualified

Internal control over financial reporting:

1. Significant deficiencies identified that are  
not considered to be material weaknesses?     X     yes            none  
reported

2. Material weakness(es) identified?            yes     X     no

Noncompliance material to financial statements noted?            yes     X     no

**Federal Awards Section**

Not Applicable

**TOWNSHIP OF WEST MILFORD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

*Section I - Summary of Auditor's Results, Continued*

**State Awards Section**

Dollar threshold used to distinguish between type A and  
type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

  X   yes            no

Type of auditors' report on compliance for major programs:

unqualified

Internal Control over compliance:

1. Significant deficiencies identified that are  
not considered to be material weaknesses?

  X   yes            none  
reported

2. Material weakness(es) identified?

           yes   X   no

Any audit findings disclosed that are required to be reported  
in accordance with N.J. OMB Circular 04-04, as amended?

           yes   X   no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

N/A

NJ Transportation Trust

**TOWNSHIP OF WEST MILFORD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(continued)**

***Section II - Schedule of Financial Statement Findings***

N/A

***Section III - State Financial Assistance Findings and Questioned Costs***

1. Expenditures for various grants are not being reconciled between the grant administrators and the financial office.



## **GENERAL COMMENTS**

### **Contracts and Agreements**

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$21,000. On July 1, 2010, the bid threshold was increased to \$26,000.

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

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$21,000 or \$26,000 after July 1, 2010, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000 or \$26,000 after July 1, 2010 within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township 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:

Maintenance of Ballfields  
Bikeway Project - Section 3  
Road Materials  
Hydraulic Hammer Services

Traffic Signal Project  
Otterhole Road Improvements - Section 2  
Upper Greenwood Lake Road Resurfacing  
Snow Plowing Services

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

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.

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 5, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"Be it Resolved by the Council of the Township of West Milford in the County of Passaic that the rate of interest to be charged and collected by the Tax Collector and her department on all unpaid and delinquent taxes be and hereby is fixed at the rate of eight per cent per annum on the first \$1,500 of the delinquency and eighteen per cent per annum on any amount, in excess of \$1,500 on all unpaid and delinquent improvement assessments, the rate of eight percent per annum on the first \$1,500 of the delinquency and twelve percent per annum on any amount in excess of \$1,500; no interest shall be charged if payment of any installment is made within 10 days after the date upon which the same become payable."

### **DELINQUENT TAXES AND TAX TITLE LIENS**

The last tax sale was held on April 19, 2011.

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

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

<u>Year</u>	<u>Number of Liens</u>
2011	154
2010	171
2009	147

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

## **VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES**

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

The result of the test, which was made as of December 31, 2011, is not yet known, but a separate report will be rendered if any irregularities develop.

The foreclosed property list should be reviewed for a possible sale of property so such properties can be added to the tax rolls.

## **SCHOOL TAXES PAYABLE**

The amount due to the local school district, as of December 31, 2011, was verified by the school secretary.

## **REVENUE**

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

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

The salary ordinance did not contain salaries for the Mayor and Council.

In one case, an employee was not paid in accordance with the salary ordinance.

Our review of the fixed asset recording and reporting system revealed that the fixed asset report was not updated for additions and deletions during 2011. Properly maintaining the fixed asset accounting system will safeguard the Township's assets from misuse or theft.

## **OTHER COMMENTS**

The analysis of general capital cash includes cash deficits for ordinances over five years old.

There are deferred charges to future taxation - unfunded balances as of December 31 over 5 years old, where the projects have been completed.

There are numerous old escrow and trust reserve balances that are inactive and should be returned or cancelled.

There are individual escrow balances that exceed \$5,000.00 that are not deposited in a separate bank account.

### **OTHER COMMENTS, (continued)**

There are numerous old grant receivables and grant reserve balances that are inactive and should be spent or cancelled.

There are old receivable balances in the General Capital Fund that should be reviewed and the proper action taken.

A formal general ledger accounting system is not being maintained with the proper balances.

The payroll bank account was not reconciled on a monthly basis.

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

April's PERS and PFRS payment was paid late.

Political Disclosure forms were not obtained from all the vendors required to submit them.

### **RECOMMENDATIONS**

- 1.\* That the salary ordinance contain the salaries to be paid to the Mayor and Council.
2. That all employees be paid in accordance with the salary ordinance.
- 3.\* That the Township's General Fixed Assets be updated for additions and deletions.
- 4.\* That the cash deficits for ordinances over five years old be funded in future year's budgets.
5. That all deferred charges to future taxation - unfunded balances over 5 years old where the projects have been completed be funded.
- 6.\* That old escrow and trust reserve balances be returned or canceled.
- 7.\* That separate bank accounts be opened for escrow accounts with balances over \$5,000.
- 8.\* That old grant receivable and reserve balances be reviewed and be collected, spent or canceled.
- 9.\* That receivable balances in the General Capital Fund be reviewed and the proper action be taken.

## **RECOMMENDATIONS, (continued)**


- 10.\* That a functioning formal general ledger be maintained.
- 11.\* That the payroll bank account be reconciled on a monthly basis.
- 12.\* That all employees required to be enrolled in the DCRP be enrolled.
- 13. That payments to the PERS and PFRS be made on time.
- 14.\* That Political Disclosure forms be obtained from all vendors required to submit them.

## **STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS**

A review was performed on all prior year recommendations and corrective action was taken on all with the exception of 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 my recommendations, please do not hesitate to call us.

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

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

April 12, 2012