

TOWNSHIP OF MENDHAM

COUNTY OF MORRIS

REPORT OF AUDIT

2011

*NISIVOCCIA, LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF MENDHAM

COUNTY OF MORRIS

REPORT OF AUDIT

2011

TOWNSHIP OF MENDHAM
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TOWNSHIP OF MENDHAM

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2011

Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
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11 Lawrence Road
Newton, NJ 07860
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Independent Auditors' Report

The Honorable Mayor and Members
of the Township Committee
Township of Mendham
Mendham, New Jersey

We have audited the financial statements-regulatory basis of the various funds of the Township of Mendham in the County of Morris (the "Township") as of and for the years ended December 31, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

Except as discussed in the fourth paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2011 and 2010 stated at \$35,945,808.05 and \$35,871,636.00, respectively.

In our opinion, because the Township prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2011 and 2010, and the results of its operations for the years then ended.

The Honorable Mayor and Members
of the Township Committee
Township of Mendham
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However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the general fixed assets account group been audited, the financial statements-regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Mendham at December 31, 2011 and 2010, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2012, on our consideration of the Township of Mendham's internal control over financial reporting and on 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 on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements taken as a whole. The information included in the supplementary data schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*; and New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole, on the basis of accounting described in Note 1 to the financial statements and Note 2 to the schedules of expenditures of federal and state awards.

Nisivoccia, LLP

May 20, 2012
Mount Arlington, New Jersey

NISIVOC CIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Registered Municipal Accountant No. 447
Certified Public Accountant

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
CURRENT FUND

TOWNSHIP OF MENDHAM
CURRENT FUND
COMPARATIVE BALANCE SHEET

		December 31,	
	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 1,805,125.23	\$ 3,385,964.82
Change Fund		320.00	300.00
		<u>1,805,445.23</u>	<u>3,386,264.82</u>
Delinquent Property Taxes Receivable	A-7	334,470.57	202,035.59
Tax Title Liens Receivable	A-8	29,312.65	25,762.65
Revenue Accounts Receivable	A-9	6,758.33	10,818.90
Due from General Capital Fund	C	45.65	
Total Receivables and Other Assets		<u>370,587.20</u>	<u>238,617.14</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)		<u>51,860.00</u>	<u>69,980.00</u>
Total Deferred Charges		<u>51,860.00</u>	<u>69,980.00</u>
Total Regular Fund		<u>2,227,892.43</u>	<u>3,694,861.96</u>
Federal & State Grant Fund:			
Due from Current Fund	A	17,050.04	50,026.96
Grants Receivable	A-10	<u>13,466.58</u>	<u>2,600.00</u>
Total Federal and State Grant Fund		<u>30,516.62</u>	<u>52,626.96</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,258,409.05</u>	<u>\$ 3,747,488.92</u>

TOWNSHIP OF MENDHAM
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2011</u>	<u>2010</u>
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 87,103.16	\$ 94,636.13
Unencumbered	A-3;A-11	88,235.53	74,773.72
		<u>175,338.69</u>	<u>169,409.85</u>
Other Encumbrances			
Prepaid Taxes		273,309.02	236,451.81
Accounts Payable - Vendors			28,367.86
Due to State of New Jersey:			
Marriage Licenses		105.00	105.00
Department of Community Affairs Training Fees		2,833.00	2,516.00
Senior Citizens & Veterans Deductions		4,024.57	4,774.57
Due Federal & State Grant Fund	A	17,050.04	50,026.96
Due to Other Trust Funds	B	425,210.76	459,320.95
Due to General Capital Fund	C		1,490,692.06
Due Mendham East Sewer Utility Operating Fund	D	28,321.50	
Tax Overpayments		43,561.01	18,792.76
Tax Sale Premiums		68,100.00	34,100.00
Reserve for:			
Codification of Ordinances		4,098.00	4,098.00
Special Events Donation		2,000.00	
Pending Tax Appeals		50,000.00	40,960.51
Fire Prevention			200.00
Sale of Municipal Assets			19,737.00
Environmental Commission		120.53	120.53
Township Reassessment			1,981.00
		<u>1,094,072.12</u>	<u>2,561,654.86</u>
Reserve for Receivables and Other Assets	A	370,587.20	238,617.14
Fund Balance	A-1	763,233.11	894,589.96
Total Regular Fund		<u>2,227,892.43</u>	<u>3,694,861.96</u>
Federal & State Grant Fund:			
Appropriated Reserves	A-14	2,269.92	20,545.46
Unappropriated Reserves	A-15	28,246.70	32,081.50
Total Federal and State Grant Fund		<u>30,516.62</u>	<u>52,626.96</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,258,409.05</u>	<u>\$ 3,747,488.92</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Year Ended December 31,	
Ref.	2011	2010
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 809,142.00	\$ 771,000.00
Miscellaneous Revenue Anticipated	1,249,445.61	1,781,778.83
Receipts from:		
Delinquent Taxes	201,518.55	253,235.89
Current Taxes	35,626,627.83	35,509,633.63
Nonbudget Revenue	146,054.64	37,978.46
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,471.13	7,538.85
Cancellation of Reserve for Fire Prevention	200.00	
Cancellation of Reserve for Town Reassessment	1,981.00	
Unappropriated Grant Reserve Canceled	22,704.02	
Appropriated Grant Reserve Canceled	21,092.69	
Cancellation of Accounts Payable	19,871.42	
Interfunds Returned		10,157.09
Total Income	38,100,108.89	38,371,322.75
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	7,744,735.34	7,996,582.62
County Taxes	4,906,180.08	5,072,206.72
Due County for Added and Omitted Taxes	18,901.08	16,723.59
Local School District Taxes	15,066,984.00	14,860,813.00
Regional High School Taxes	9,188,864.03	8,976,849.67
Municipal Open Space Trust Taxes	436,668.52	491,916.43
Prior Year Seniors and Veterans Deductions Disallowed		250.00
Increase in Reserve for Pending Tax Appeals	50,000.00	40,960.51
Refund of Prior Year Revenue	9,945.04	4,511.08
Reclassification of Prior Year Grant Receivable Receipts		13,952.50
Refund of Prior Year Tax Revenue		90,217.21
Interfunds Advanced	45.65	
Total Expenditures	37,422,323.74	37,564,983.33
Excess in Revenue	677,785.15	806,339.42

TOWNSHIP OF MENDHAM
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2011</u>	<u>2010</u>
Statutory Excess to Fund Balance		\$ 677,785.15	\$ 806,339.42
<u>Fund Balance</u>			
Balance January 1		894,589.96	859,250.54
		<u>1,572,375.11</u>	<u>1,665,589.96</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>809,142.00</u>	<u>771,000.00</u>
Balance December 31	A	<u>\$ 763,233.11</u>	<u>\$ 894,589.96</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 809,142.00		\$ 809,142.00	
Miscellaneous Revenue:				
Alcoholic Beverages	2,150.00		2,580.00	\$ 430.00
Fees and Permits	84,103.00		64,941.40	19,161.60 *
Municipal Court - Fines and Costs	179,119.00		115,521.18	63,597.82 *
Interest and Costs on Taxes	71,326.00		69,147.89	2,178.11 *
Energy Receipts Tax	459,000.00		459,000.00	
Watershed Aid	28,059.00		28,059.00	
Uniform Construction Code Fees	167,508.00		163,870.00	3,638.00 *
Joint Municipal Court - Mendham Borough	134,100.00		139,195.55	5,095.55
Joint Municipal Court - Mendham Borough - Public Defender	2,000.00		2,000.00	
Recycling Tonnage Grant	4,917.68		4,917.68	
Clean Communities Grant		\$ 16,751.80	16,751.80	
Alcohol Education Rehabilitation Fund	3,468.84		3,468.84	
Body Armor Replacement Fund	866.27		866.27	
Over the Limit Under Arrest	4,800.00		4,800.00	
Highlands Council Grant	10,866.58		10,866.58	
Uniform Fire Safety Act	1,770.00		1,670.82	99.18 *
Rents on Municipal Properties	16,600.00		13,800.00	2,800.00 *
Recycling Rebates on Prior Year Collections	15,761.88		15,761.88	
Annual CATV Gross Receipts	77,900.00		77,989.72	89.72

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Reserve for Natural Area Maintenance	\$ 10,000.00		\$ 10,000.00	
Reserve for Sale of Municipal Assets	19,737.00		19,737.00	
Reserve to Pay Debt Service	24,500.00		24,500.00	
	<u>1,318,553.25</u>	<u>\$ 16,751.80</u>	<u>1,249,445.61</u>	<u>\$ 85,859.44 *</u>
Receipts from Delinquent Taxes	<u>209,050.00</u>		<u>201,518.55</u>	<u>7,531.45 *</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>6,312,936.12</u>		<u>6,929,030.12</u>	<u>616,094.00</u>
Budget Totals	8,649,681.37	16,751.80	9,189,136.28	522,703.11
Nonbudget Revenue			<u>146,054.64</u>	<u>146,054.64</u>
	<u>\$ 8,649,681.37</u>	<u>\$ 16,751.80</u>	<u>\$ 9,335,190.92</u>	<u>\$ 668,757.75</u>

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 35,626,627.83
Allocated to:		
Local School District Taxes	\$ 15,066,984.00	
Regional High School Taxes	9,188,864.03	
Municipal Open Space Trust Fund	436,668.52	
County Taxes	4,906,180.08	
Due County for Added and Omitted Taxes	<u>18,901.08</u>	
		<u>29,617,597.71</u>
Balance for Support of Municipal Budget		6,009,030.12
Add: Appropriated Reserve for Uncollected Taxes		<u>920,000.00</u>
Realized for Support of Municipal Budget		<u><u>\$ 6,929,030.12</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 201,518.55
	<u><u>\$ 201,518.55</u></u>

Uniform Construction Code Fees

Received by the Treasurer	\$ 163,870.00
	<u><u>\$ 163,870.00</u></u>

Fees and Permits

Clerk	\$ 849.00
Board of Health	30,586.65
Police	11,304.25
Planning and Zoning	10,990.00
Other	<u>11,211.50</u>
	<u><u>\$ 64,941.40</u></u>

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

Analysis of Nonbudget Revenue:

Treasurer:

Interest on Investments	\$ 11,911.03	
Senior and Veterans Deductions Administrative Fee	600.00	
OPRA Requests Fees	135.04	
Division of Motor Vehicles - Fines	5,550.00	
Other Miscellaneous	<u>15,888.08</u>	
		\$ 34,084.15

Due from Other Trust Funds:

Interest on Investments	2,149.14
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Due from General Capital Fund:

Interest on Investments	351.16
Premium on Sale of Notes	9,470.19
FEMA Reimbursements - Prior Year Expenditures	<u>100,000.00</u>

\$ 146,054.64

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 154,500.00	\$ 154,500.00	\$ 154,500.00		
Other Expenses	40,650.00	38,650.00	37,505.77	\$ 1,144.23	
Mayor and Council:					
Salaries & Wages	13,000.00	13,000.00	12,750.04	249.96	
Municipal Clerk:					
Salaries & Wages	65,000.00	65,000.00	64,981.28	18.72	
Other Expenses	500.00	500.00	167.55	332.45	
Financial Administration:					
Salaries & Wages	100,000.00	98,000.00	97,075.64	924.36	
Other Expenses	7,000.00	6,000.00	5,985.12	14.88	
Annual Audit	38,000.00	38,000.00	38,000.00		
Management Information Services:					
Other Expenses	36,000.00	40,500.00	39,007.11	1,492.89	
Revenue Administration (Tax Collection):					
Salaries & Wages	55,600.00	55,600.00	55,600.00		
Other Expenses	2,950.00	2,950.00	2,543.53	406.47	
Tax Assessment Administration:					
Salaries & Wages	38,900.00	38,900.00	38,893.92	6.08	
Other Expenses	6,500.00	6,000.00	5,963.88	36.12	
Legal Services and Costs: -					
Other Expenses - General	60,000.00	40,000.00	40,000.00		
Other Expenses - Labor/Personnel	22,000.00	11,000.00	9,712.52	1,287.48	
Other Expenses - Tax Appeals	10,000.00	10,000.00	8,924.33	1,075.67	
Environmental Commission (R.S. 40:56A-1 et seq.):					
Other Expenses	500.00	500.00	500.00		

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
Engineering Services and Costs:					
Other Expenses	\$ 23,000.00	\$ 22,000.00	\$ 21,514.57	\$ 485.43	
Open Space Committee:					
Other Expenses	200.00	200.00	48.15	151.85	
Historic Preservation:					
Other Expenses	500.00	500.00	500.00		
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries & Wages	20,100.00	20,100.00	20,100.00		
Other Expenses	16,500.00	17,800.00	16,419.56	1,380.44	
Board of Adjustment:					
Salaries & Wages	17,500.00	17,500.00	17,500.00		
Other Expenses	6,350.00	5,350.00	4,579.47	770.53	
General Liability Insurance	115,000.00	114,250.00	114,229.30	20.70	
Workers Compensation Insurance	123,435.00	123,435.00	123,432.08	2.92	
Group Insurance Plan for Employees	534,000.00	534,000.00	533,000.72	999.28	
PUBLIC SAFETY:					
Police:					
Salaries & Wages	1,480,000.00	1,500,000.00	1,492,035.11	7,964.89	
Other Expenses	72,000.00	71,000.00	70,998.22	1.78	
Other Expenses - Purchase of Vehicles	20,000.00	20,000.00	20,000.00		
Municipal Court:					
Salaries & Wages	89,000.00	89,000.00	89,000.00		
Other Expenses	14,000.00	12,000.00	11,154.37	845.63	

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC SAFETY (Cont'd):					
Public Defender (P.L. 1997, Chapter 256):					
Other Expenses	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00		
Municipal Prosecutor:					
Other Expenses	15,000.00	14,500.00	14,490.00	\$ 10.00	
Contractual Radio Dispatch	129,500.00	134,000.00	133,727.68	272.32	
Emergency Management Services	500.00	500.00	500.00		
Aid to Volunteer Fire Company	41,000.00	40,500.00	38,627.17	1,872.83	
First Aid Organization Contribution	3,000.00	3,000.00	3,000.00		
Fire:					
Salaries & Wages	8,600.00	8,600.00	8,149.84	450.16	
Other Expenses	1,000.00	1,000.00	1,000.00		
Fire Hydrant Service	60,000.00	62,600.00	58,164.27	4,435.73	
PUBLIC WORKS:					
Street Road Repairs and Maintenance:					
Salaries & Wages	757,000.00	784,000.00	783,673.57	326.43	
Other Expenses	178,800.00	178,550.00	176,218.97	2,331.03	
Sanitation:					
Trash Removal	215,000.00	211,500.00	203,964.00	7,536.00	
Public Building and Grounds:					
Other Expenses	45,000.00	35,500.00	34,674.03	825.97	
Tree Protection:					
Other Expenses	500.00	500.00	61.52	438.48	
Snow Removal:					
Other Expenses	101,000.00	100,000.00	93,248.36	6,751.64	
Stormwater Management:					
Other Expenses	2,000.00	2,000.00	2,000.00		

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
HEALTH AND WELFARE:					
Board of Health:					
Salaries & Wages	\$ 23,800.00	\$ 23,800.00	\$ 23,800.00		
Other Expenses	2,800.00	4,300.00	3,518.95	\$ 781.05	
Health Services Contract	101,000.00	101,000.00	100,907.00	93.00	
Animal Control:					
Other Expenses	12,000.00	12,000.00	12,000.00		
Senior Citizen Programs:					
Other Expenses	22,000.00	22,000.00	21,282.29	717.71	
Other Expenses - From Donations	1,000.00	1,000.00	1,000.00		
PARKS AND RECREATION:					
Board of Recreation Commissioners:					
Salaries & Wages	39,500.00	33,500.00	32,823.07	676.93	
Other Expenses	5,000.00	5,000.00	5,000.00		
Celebration of Public Events:					
Other Expenses	2,000.00	2,000.00	2,000.00		
Maintenance of Parks:					
Other Expenses	16,000.00	16,000.00	16,000.00		
UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries & Wages	75,000.00	75,000.00	75,000.00		
Other Expenses	15,000.00	17,000.00	15,509.30	1,490.70	
Other Code Enforcement:					
Salaries & Wages	39,400.00	39,400.00	39,398.15	1.85	

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
UNCLASSIFIED:					
Reserve for Sick Leave Benefits	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00		
Utilities	308,000.00	336,100.00	329,293.48	\$ 6,806.52	
Total Operations Within "CAPS"	5,420,085.00	5,448,085.00	5,392,653.89	55,431.11	
Contingent	1,000.00	1,000.00	1,000.00		
Total Operations Including Contingent Within "CAPS"	5,421,085.00	5,449,085.00	5,393,653.89	55,431.11	
Detail:					
Salaries & Wages	2,991,900.00	3,030,900.00	3,020,280.62	10,619.38	
Other Expenses	2,429,185.00	2,418,185.00	2,373,373.27	44,811.73	
Statutory Expenditures - Municipal Within "CAPS"					
Contribution to Public Employees Retirement System (ERIP)	12,066.00	12,066.00	12,066.00		
Public Employees' Retirement System	191,021.00	191,021.00	191,021.00		
Social Security System (O.A.S.I.)	240,000.00	212,000.00	209,184.61	2,815.39	
Police & Fireman's Retirement System of NJ	374,370.00	374,370.00	374,370.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	817,457.00	789,457.00	786,641.61	2,815.39	
Total General Appropriations for Municipal Purposes Within "CAPS"	6,238,542.00	6,238,542.00	6,180,295.50	58,246.50	

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Aid to Privately Owned Library (R.S. 40A:54-35):					
Other Expenses	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00		
Contribution to :					
Length of Service Award	63,000.00	63,000.00	40,250.00	\$ 22,750.00	
Shared Service Agreements:					
Municipal Court:					
Other Expenses	134,100.00	134,100.00	126,860.97	7,239.03	
Public Defender (P.L. 1997, Chapter 256):					
Other Expenses	2,000.00	2,000.00	2,000.00		
State and Federal Programs Offset by Revenue:					
Over the Limit Under Arrest	4,800.00	4,800.00	4,800.00		
Body Armor Replacement Fund	866.27	866.27	866.27		
Clean Communities Program (N.J.S.A. 40A:4-87,+\$16,751.80)		16,751.80	16,751.80		
Recycling Tonnage Grant	4,917.68	4,917.68	4,917.68		
Alcohol Rehabilitation Education Fund	3,468.84	3,468.84	3,468.84		
Highlands Council Grant	10,866.58	10,866.58	10,866.58		
Municipal Alliance Grant - Matching Funds	2,500.00	2,500.00	2,500.00		
Total Operations Excluded from "CAPS"	426,519.37	443,271.17	413,282.14	29,989.03	
Detail:					
Other Expenses	426,519.37	443,271.17	413,282.14	29,989.03	

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Capital Improvements - Excluded form "CAPS"					
Capital Improvement Fund	\$ 13,400.00	\$ 13,400.00	\$ 13,400.00		
Total Capital Improvements - Excluded from "CAPS"	13,400.00	13,400.00	13,400.00		
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	690,000.00	690,000.00	690,000.00		
Payment of Bond Anticipation Notes and Capital Notes	16,600.00	16,600.00	16,555.89		\$ 44.11
Interest on Bonds	292,800.00	292,800.00	291,193.19		1,606.81
Interest on Notes	33,700.00	33,700.00	33,653.09		46.91
Total Municipal Debt Service - Excluded from "CAPS"	1,033,100.00	1,033,100.00	1,031,402.17		1,697.83
Deferred Charges - Municipal - Excluded from "CAPS":					
Special Emergency Authorization - 5 Years (N.J.S.A 40A:4-55)	18,120.00	18,120.00	18,120.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	18,120.00	18,120.00	18,120.00		
Total General Appropriations - Excluded from "CAPS"	1,491,139.37	1,507,891.17	1,476,204.31	\$ 29,989.03	1,697.83
Subtotal General Appropriations	7,729,681.37	7,746,433.17	7,656,499.81	88,235.53	1,697.83
Reserve for Uncollected Taxes	920,000.00	920,000.00	920,000.00		
Total General Appropriations	\$ 8,649,681.37	\$ 8,666,433.17	\$ 8,576,499.81	\$ 88,235.53	\$ 1,697.83

Ref.

A

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 8,649,681.37	
Added by N.J.S.A. 40A:4-87		16,751.80	
		<u>\$ 8,666,433.17</u>	
Cash Disbursed			\$ 7,623,760.63
Encumbrances Payable	A		87,103.16
Deferred Charges			18,120.00
Due to General Capital Fund			29,955.89
Reserve for Uncollected Taxes			920,000.00
Transfer to Appropriated Grant Reserves:			
Federal, State and Local Grants			41,671.17
Local Matching Funds			2,500.00
			<u>8,723,110.85</u>
Less: Appropriation Refunds			<u>146,611.04</u>
			<u>\$ 8,576,499.81</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
TRUST FUNDS

TOWNSHIP OF MENDHAM
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31	
		2011	2010
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 1,187.74	\$ 896.99
Change Fund		20.00	20.00
		<u>1,207.74</u>	<u>916.99</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,130,248.79	771,010.80
Cash - Petty Cash - Recreation		500.00	500.00
Investments - Zero Coupon Bonds		133,010.10	153,983.97
Due from Current Fund	A	425,210.76	459,320.95
Due from New Jersey Highlands Council			6,192.50
		<u>1,688,969.65</u>	<u>1,391,008.22</u>
<u>TOTAL ASSETS</u>		<u><u>\$ 1,690,177.39</u></u>	<u><u>\$ 1,391,925.21</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 31.20	\$ 76.80
Reserve for Animal Control Fund Expenditures	B-6	<u>1,176.54</u>	<u>840.19</u>
		<u>1,207.74</u>	<u>916.99</u>
Other Trust Funds:			
Developers' Deposits		405,670.30	337,170.03
Due to General Capital Fund	C	205,989.73	
Due Public Assistance Fund	F	10,000.00	10,000.00
Reserve for:			
State Unemployment Insurance		38,211.55	56,347.92
Recreation		90,716.12	25,729.98
Parking Offenses Adjudication Act		376.87	369.57
Open Space Preservation		376,117.72	647,185.78
Open Space Preservation - New Jersey Conservation Foundation		327,642.07	153,983.97
Trail Maintenance		260.75	260.75
Road Detail		86,114.33	15,299.50
Public Defender		8,416.35	6,425.16
Snow Removal		12.54	12.54
Dodge Grant		490.05	490.05
Fishing Contest		2,636.83	3,503.25
Forfeited Assets		648.10	3,008.52
Municipal Alliance		5,202.71	9,631.32
Natural Area Maintenance		75,618.71	87,779.98
Sick Leave Benefits			72.40
Police Donations		33,650.00	
TV Operations/Programs		<u>21,194.92</u>	<u>33,737.50</u>
		<u>1,688,969.65</u>	<u>1,391,008.22</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u><u>\$ 1,690,177.39</u></u>	<u><u>\$ 1,391,925.21</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
GENERAL CAPITAL FUND

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

		December 31,	
	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 446,524.59	\$ 41,866.04
Accounts Receivable:			
New Jersey Department of Transportation		201,000.00	201,000.00
Homeland Security Grant		31,500.00	31,500.00
Mendham Soccer and Lacrosse Clubs		70,000.00	70,000.00
NJ Department of Community Affairs Shared Services			3,250.00
New Jersey Department of Environmental Protection - Board of Public Utilities (Energy Assistance)		120,617.51	50,000.00
Due from Current Fund	A		1,490,692.06
Due from Other Trust Funds - Open Space	B	205,989.73	
Deferred Charges to Future Taxation:			
Funded		13,884,473.68	14,861,364.00
Unfunded	C-4	3,190,464.96	3,237,975.00
<u>TOTAL ASSETS</u>		<u>\$ 18,150,570.47</u>	<u>\$ 19,987,647.10</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 3,164,500.00	\$ 3,053,150.00
Serial Bonds Payable	C-8	12,139,000.00	12,894,000.00
Green Acres Loan Payable	C-9	1,745,473.68	1,967,364.00
Improvement Authorizations:			
Funded	C-5	249,504.98	405,372.91
Unfunded	C-5	190,706.28	923,310.54
Due to Current Fund	A	45.65	
Capital Improvement Fund	C-6	6,197.65	20,197.65
Reserve for:			
Preliminary Expenses - Appraisals		35.00	35.00
Recreation Improvements		7,000.00	7,000.00
Future Recreation Commission Center Complex		9,000.00	9,000.00
Road Improvements		300.00	300.00
Municipal Building Improvements		213,000.00	213,000.00
Municipal Facilities		190,000.00	190,000.00
Payment of Debt Service		193,182.73	214,543.00
Police Equipment			28,650.00
Fund Balance	C-1	42,624.50	61,724.00
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 18,150,570.47</u>	<u>\$ 19,987,647.10</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>		
Balance December 31, 2010	C	\$	61,724.00
Increased by:			
Cancellation of Fully Funded Improvement Authorizations			85,182.99
			<u>146,906.99</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations			104,282.49
			<u>104,282.49</u>
Balance December 31, 2011	C	\$	<u><u>42,624.50</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
MENDHAM EAST SEWER UTILITY FUND

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

		December 31,	
	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 14,953.36	\$ 78,628.38
Receivable with Full Reserve:			
Consumer Accounts Receivable and Liens	D-6	14,036.74	9,921.77
Due from Current Fund	A	28,321.50	
Due from Mendham East Sewer Utility Capital Fund	D	4.19	
Due from Mendham West Sewer Utility Operating Fund	E	5,845.82	
Total Operating Fund		<u>63,161.61</u>	<u>88,550.15</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	28,707.26	
Due from Mendham East Sewer Utility Operating Fund	D		28,703.07
Fixed Capital	D-10	1,887,337.14	1,850,000.00
Fixed Capital Authorized & Uncompleted	D-11	1,585,000.00	1,585,000.00
Total Capital Fund		<u>3,501,044.40</u>	<u>3,463,703.07</u>
<u>TOTAL ASSETS</u>		<u>\$ 3,564,206.01</u>	<u>\$ 3,552,253.22</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

		December 31,	
	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-12	\$ 9,524.62	\$ 28,294.55
Encumbered	D-3;D-12	13,999.15	
		<u>23,523.77</u>	<u>28,294.55</u>
Prepaid/Overpaid Sewer Rents		975.23	22.90
Accrued Interest on Bonds & Loans		13,340.21	13,550.28
Due to Mendham East Sewer Utility Capital Fund	D		<u>28,703.07</u>
		<u>37,839.21</u>	<u>70,570.80</u>
Reserve for Receivables	D	14,036.74	9,921.77
Fund Balance	D-1	<u>11,285.66</u>	<u>8,057.58</u>
Total Operating Fund		<u>63,161.61</u>	<u>88,550.15</u>
Capital Fund:			
United States Department of Agriculture Loans Payable	D-18	\$ 1,147,457.11	\$ 1,161,179.96
Serial Bonds Payable	D-19	7,000.00	12,000.00
Improvement Authorizations:			
Funded	D-14	320.07	320.07
Due to Mendham East Sewer Utility Operating Fund	D	4.19	
Capital Improvement Fund	D-15	28,383.00	28,383.00
Reserve for Amortization	D-16	1,767,880.03	1,711,820.04
Deferred Reserve for Amortization	D-16A	<u>550,000.00</u>	<u>550,000.00</u>
Total Capital Fund		<u>3,501,044.40</u>	<u>3,463,703.07</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 3,564,206.01</u>	<u>\$ 3,552,253.22</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>Revenue and Other Income Realized</u>			
Operating Surplus Anticipated		\$ 8,000.00	\$ 7,580.00
Rents		251,493.03	253,652.62
Miscellaneous Revenue		2,844.29	1,558.49
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		<u>11,866.45</u>	<u>4,052.31</u>
Total Income		<u>274,203.77</u>	<u>266,843.42</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		163,000.00	162,000.00
Capital Improvements		25,500.00	27,020.00
Debt Service		69,594.69	69,766.13
Deferred Charges and Statutory Expenditures		<u>4,881.00</u>	<u>4,880.51</u>
Total Expenditures		<u>262,975.69</u>	<u>263,666.64</u>
Excess in Revenue/Statutory Excess to Fund Balance		11,228.08	3,176.78
<u>Fund Balance</u>			
Balance January 1		<u>8,057.58</u>	<u>12,460.80</u>
		19,285.66	15,637.58
Decreased by:			
Utilized as Anticipated Revenue		<u>8,000.00</u>	<u>7,580.00</u>
Balance December 31	D	\$ 11,285.66	\$ 8,057.58

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	Budget Anticipated	Realized	Excess/ Deficit*
Fund Balance Anticipated	\$ 8,000.00	\$ 8,000.00	
Rents	253,650.00	251,493.03	\$ 2,156.97 *
Miscellaneous Revenue	1,550.00	2,844.29	1,294.29
	<u>\$ 263,200.00</u>	<u>\$ 262,337.32</u>	<u>\$ 862.68 *</u>

Analysis of Sewer Rents Realized:

Collections	\$ 251,470.13
Overpayments Applied	22.90
	<u>\$ 251,493.03</u>

Analysis of Miscellaneous Revenue

Interest on Sewer Rents	\$ 2,405.55
Interest on Deposits:	
Cash Received by Treasurer	349.14
Due from Mendham East Sewer Capital Fund	89.60
	<u>\$ 2,844.29</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balances Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Other Expenses	\$ 162,000.00	\$ 163,000.00	\$ 162,947.34	\$ 52.66	
Capital Improvements:					
Capital Improvement Fund	7,500.00				
Capital Outlay	19,000.00	25,500.00	20,909.04	4,590.96	
Debt Service:					
Payment of Bond Principal	5,000.00	5,000.00	5,000.00		
Interest on Bonds	429.00	429.00	377.21		\$ 51.79
USDA Loan - Principal and Interest	64,390.00	64,390.00	64,217.48		172.52
Statutory Expenditures:					
Social Security System (OASI)	4,881.00	4,881.00		4,881.00	
	<u>\$ 263,200.00</u>	<u>\$ 263,200.00</u>	<u>\$ 253,451.07</u>	<u>\$ 9,524.62</u>	<u>\$ 224.31</u>

Ref.

D

Cash Disbursed		\$ 188,580.08
Encumbrances Payable	D	13,999.15
Accrued Interest on Bonds & Loans		<u>50,871.84</u>
		<u>\$ 253,451.07</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
MENDHAM WEST SEWER UTILITY FUND

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash and Cash Equivalents	E-4		\$ 10,620.18
Receivable with Full Reserve:			
Consumer Accounts Receivable and Liens	E-6	\$ 3,788.53	4,159.20
Due Mendham West Sewer Utility Capital Fund	E	16,099.00	92.74
Deferred Charges:			
Operating Deficit			1,097.62
Total Operating Fund		<u>19,887.53</u>	<u>15,969.74</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	56,599.00	56,691.74
Fixed Capital	E-10	<u>2,022,495.59</u>	<u>2,016,885.84</u>
Total Capital Fund		<u>2,079,094.59</u>	<u>2,073,577.58</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,098,982.12</u>	<u>\$ 2,089,547.32</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-12	\$ 890.25	\$ 11,695.29
Encumbered	E-3;E-12	<u>7,679.91</u>	<u>11,695.29</u>
Prepaid/Overpaid Sewer Rents		35.90	115.25
Due Mendham East Sewer Utility Operating Fund	E	<u>5,845.82</u>	<u>11,810.54</u>
Reserve for Receivables	E	3,788.53	4,159.20
Fund Balance	E-1	<u>1,647.12</u>	<u>15,969.74</u>
Total Operating Fund		<u>19,887.53</u>	<u>15,969.74</u>
Capital Fund:			
Due Mendham West Sewer Utility Operating Fund	E	16,099.00	92.74
Reserve for Amortization	E-16	<u>2,022,495.59</u>	<u>2,016,885.84</u>
Reserve for Future Sewer Improvements		<u>40,500.00</u>	<u>56,599.00</u>
Total Capital Fund		<u>2,079,094.59</u>	<u>2,073,577.58</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,098,982.12</u>	<u>\$ 2,089,547.32</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE

		Year Ended December 31,	
	<u>Ref.</u>	2011	2010
<u>Revenue and Other Income Realized</u>			
Operating Surplus Anticipated			\$ 5,664.04
Rents		\$ 103,246.67	102,005.61
Reserve for Future Sewer Improvements		5,599.00	
Miscellaneous Revenue		399.07	774.66
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves			458.07
Total Income		<u>109,244.74</u>	<u>108,902.38</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		103,500.00	106,500.00
Capital Outlay		3,000.00	3,500.00
Deferred Charges		<u>1,097.62</u>	
Total Expenditures		<u>107,597.62</u>	<u>110,000.00</u>
Deficit in Operations	E		<u>\$ (1,097.62)</u>
Excess in Revenue		1,647.12	
<u>Fund Balance</u>			
Balance January 1			\$ 5,664.04
		<u>1,647.12</u>	<u>5,664.04</u>
Decreased by:			
Utilized as Anticipated Revenue			<u>5,664.04</u>
Balance December 31	E	<u>\$ 1,647.12</u>	<u>\$ - 0 -</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	Budget Anticipated	Realized	Excess/ Deficit*
Sewer Rents	\$ 102,000.00	\$ 103,246.67	\$ 1,246.67
Reserve for Future Sewer Improvements	5,599.00	5,599.00	
	<u>107,599.00</u>	<u>108,845.67</u>	<u>1,246.67</u>
Miscellaneous Revenue Not Anticipated		399.07	399.07
	<u>\$ 107,599.00</u>	<u>\$ 109,244.74</u>	<u>\$ 1,645.74</u>

Analysis of Sewer Rents Realized:

Collections	\$ 103,131.42
Prepaid/Overpaid Sewer Rents Applied	<u>115.25</u>
	<u>\$ 103,246.67</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Delinquent Sewer Rents	<u>\$ 399.07</u>
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THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Other Expenses	\$ 103,500.00	\$ 103,500.00	\$ 103,500.00		
Capital Improvements:					
Capital Outlay	3,000.00	3,000.00	2,109.75	\$ 890.25	
Deferred Charges:					
Deficit in Operations in Prior Year	1,099.00	1,099.00	1,097.62		\$ 1.38
	<u>\$ 107,599.00</u>	<u>\$ 107,599.00</u>	<u>\$ 106,707.37</u>	<u>\$ 890.25</u>	<u>\$ 1.38</u>
	<u>Ref.</u>			E	
Cash Disbursed			\$ 97,929.84		
Encumbrances	E		7,679.91		
Deferred Charges			1,097.62		
			<u>\$ 106,707.37</u>		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
PUBLIC ASSISTANCE FUND

TOWNSHIP OF MENDHAM
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

		December 31,	
	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 774.77	\$ 771.71
Due from Other Trust Fund - Reserve for Road Detail	B	<u>10,000.00</u>	<u>10,000.00</u>
<u>TOTAL ASSETS</u>		<u>\$ 10,774.77</u>	<u>\$ 10,771.71</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Public Assistance		<u>\$ 10,774.77</u>	<u>\$ 10,771.71</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 10,774.77</u>	<u>\$ 10,771.71</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
GENERAL FIXED ASSETS ACCOUNT GROUP

UNAUDITED

TOWNSHIP OF MENDHAM
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
 (UNAUDITED)

	December 31,	
	2011	2010
<u>ASSETS</u>		
Land	\$ 27,290,692.00	\$ 27,290,692.00
Buildings and Improvements	1,798,860.05	1,794,489.00
Equipment	6,856,256.00	6,786,455.00
<u>TOTAL ASSETS</u>	<u>\$ 35,945,808.05</u>	<u>\$ 35,871,636.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	\$ 35,945,808.05	\$ 35,871,636.00
<u>TOTAL RESERVES</u>	<u>\$ 35,945,808.05</u>	<u>\$ 35,871,636.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Mendham include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Mendham, as required by N.J.S. 40A:5-5. Accordingly, the financial statements do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board publication Codification of Government Accounting and Financial Reporting Standards, Section 2100 "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of Government Accounting and Financial Reporting Standards, Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Mendham conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). 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 of Mendham accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utilities.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds

General Fixed Assets Account Group (Unaudited) - Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E - "Basis of Accounting".

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting policies of the Township of Mendham conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Township's financial statements been prepared under generally accepted accounting principles, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Sewer Utility Capital Funds would be depreciated.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded deferred charges represent improvement authorizations where permanent financing has been obtained. Unfunded deferred charges represent improvement authorizations where no or temporary financing has been obtained. A municipality can permanently finance unfunded deferred charges through budget appropriation, grant funds, or by issuing bonds, loans or capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include:

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

Inventories of Supplies - 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.

General Fixed Assets (Unaudited) - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, the Township has developed a fixed assets accounting and reporting system based on the following:

General fixed assets and buildings are recorded at estimated historical cost, except for land which is recorded at assessed value in the year of acquisition. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the general fixed assets account group may also be recorded in the current fund, general capital fund, and sewer utility funds. The values recorded in the general fixed assets account group and the current and capital funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

Property and equipment purchased by the Sewer Utility Funds are recorded in the capital account at cost and are not adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Sewer Utility Capital Funds represents charges to operations for the costs of acquisitions of property, equipment and improvements. The Sewer Utility Funds do not record depreciation on fixed assets.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

F. Budget/Budgetary Control

Annual appropriated budgets are usually prepared in the first quarter for Current operating, Sewer Utilities, and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power have been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2011	2010	2009
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$17,048,973.68	\$17,914,514.00	\$ 18,497,032.20
Mendham East Sewer Utility:			
Bonds, Notes and Loans	1,154,457.11	1,173,179.96	1,191,321.57
Net Debt Issued	<u>18,203,430.79</u>	<u>19,087,693.96</u>	<u>19,688,353.77</u>
<u>Less:</u>			
Funds Temporarily Held to Pay			
Bonds and Notes:			
Open Space Trust Fund	703,759.79	801,169.75	803,890.76
Reserve to Pay Debt Service	193,182.73	214,543.00	134,500.00
	<u>17,306,488.27</u>	<u>18,071,981.21</u>	<u>18,749,963.01</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	<u>25,964.96</u>	<u>184,825.00</u>	<u>1,545,432.00</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$17,332,453.23</u>	<u>\$18,256,806.21</u>	<u>\$ 20,295,395.01</u>

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .77%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 10,645,000.00	\$ 10,645,000.00	
Regional High School District Debt	4,885,563.01	4,885,563.01	
Mendham East Sewer Utility Debt	1,154,457.11	1,154,457.11	
General Debt	17,074,938.64	896,942.52	\$ 16,177,996.12
	<u>\$ 33,759,958.76</u>	<u>\$ 17,581,962.64</u>	<u>\$ 16,177,996.12</u>

Net Debt: \$16,177,996.12 divided by Average Equalized Valuations of \$2,098,745,773 of Real Property = .77%.

Borrowing Power Under N.J.S. 40A:2-6 As Amended

3-1/2% Average Equalized Valuation of Real Property	\$ 73,456,102.06
Net Debt	<u>16,177,996.12</u>
Remaining Borrowing Power	<u>\$ 57,278,105.94</u>

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45 - Mendham East

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 262,337.32
Deductions:	
Operating and Maintenance Costs	\$ 167,881.00
Debt Service	<u>69,594.69</u>
	<u>237,475.69</u>
Excess in Revenue	<u>\$ 24,861.63</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Prior Year

<u>Fund</u>	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/10</u>
Serial Bonds:				
General Capital Fund	\$ 12,319,000.00		\$ 690,000.00	\$ 11,629,000.00
Open Space Trust Fund	1,330,000.00		65,000.00	1,265,000.00
Sewer Utility Fund	17,000.00		5,000.00	12,000.00
Bond Anticipation Notes:				
General Capital Fund	2,663,150.00	\$ 3,053,150.00	2,663,150.00	3,053,150.00
Loans Payable:				
General Capital:				
Green Acres Loans	2,184,882.20		217,518.20	1,967,364.00
Sewer Utility Fund:				
USDA Loans	1,174,321.57		13,141.61	1,161,179.96
	<u>\$ 19,688,353.77</u>	<u>\$ 3,053,150.00</u>	<u>\$ 3,653,809.81</u>	<u>\$ 19,087,693.96</u>

Summary of Municipal Debt Issued and Outstanding - Current Year

<u>Fund</u>	<u>Balance 12/31/10</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/11</u>
Serial Bonds:				
General Capital Fund	\$ 11,629,000.00		\$ 690,000.00	\$ 10,939,000.00
Open Space Trust Fund	1,265,000.00		65,000.00	1,200,000.00
Sewer Utility Fund	12,000.00		5,000.00	7,000.00
Bond Anticipation Notes:				
General Capital Fund	3,053,150.00	\$ 3,164,500.00	3,053,150.00	3,164,500.00
Loans Payable:				
General Capital:				
Green Acres Loans	1,967,364.00		221,890.32	1,745,473.68
Sewer Utility Fund:				
USDA Loans	1,161,179.96		13,722.85	1,147,457.11
	<u>\$ 19,087,693.96</u>	<u>\$ 3,164,500.00</u>	<u>\$ 4,048,763.17</u>	<u>\$ 18,203,430.79</u>

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Township's debt issued and outstanding on December 31, 2011 is described as follows:

General Capital Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
04/01/15	3.30-3.50%	\$ 1,449,000.00
02/01/24	3.00-3.75%	9,490,000.00
		<u>\$ 10,939,000.00</u>

Open Space Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
09/01/22	3.00-4.70%	\$ 700,000.00
02/01/24	3.00-3.75%	500,000.00
		<u>\$ 1,200,000.00</u>

Green Acres Loans Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
03/16/17	2.00%	\$ 162,186.18
07/21/17	2.00%	850,420.39
01/24/22	2.00%	439,720.27
01/24/22	2.00%	293,146.84
		<u>\$ 1,745,473.68</u>

General Capital Bond Anticipation Notes Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
05/25/12	1.25%	\$ 3,164,500.00

Mendham East - Sewer Utility Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
09/01/12	3.625%	\$ 7,000.00

Mendham East - Sewer Utility United States Department of Agriculture Loan Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
09/28/46	4.375%	\$ 1,147,457.11

Total Issued Debt Outstanding		<u>\$ 18,203,430.79</u>
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TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five
Years and Thereafter for Bonded Debt Issued and Outstanding

Calendar Year	General Capital*		Mendham East Sewer Utility Capital		Total
	Principal	Interest	Principal	Interest	
2012	\$ 720,000.00	\$ 398,828.77	\$ 7,000.00	\$ 253.75	\$ 1,126,082.52
2013	750,000.00	374,872.52			1,124,872.52
2014	780,000.00	349,560.02			1,129,560.02
2015	809,000.00	323,408.78			1,132,408.78
2016	845,000.00	297,138.78			1,142,138.78
2017-2021	4,880,000.00	1,043,010.08			5,923,010.08
2022-2024	3,355,000.00	188,043.75			3,543,043.75
Total	<u>\$ 12,139,000.00</u>	<u>\$ 2,974,862.70</u>	<u>\$ 7,000.00</u>	<u>\$ 253.75</u>	<u>\$ 15,121,116.45</u>

* - Includes debt to be paid by the Open Space Trust Fund

Green Acres Loans Payable

On September 19, 1997, the Township of Mendham entered into an agreement with the New Jersey Department of Environmental Protection Fund for a loan under the Green Acres program, in the aggregate amount of \$503,143, which represents a direct obligation of the Township. The loan agreements were obtained to finance the acquisition of open space property known as "Buttermilk Falls Property".

Principal payments on the Loan commenced on March 6, 1998, and will continue on an annual basis over 20 years at 2.00% interest. The Township will be responsible for all such interest and principal payments.

On April 19, 2002, the Township of Mendham entered into three additional agreements with the New Jersey Department of Environmental Protection for loans under the Green Acres program, in the aggregate amount of \$3,200,000, which represent direct obligations of the Township. The loans were obtained to finance the acquisition of three open space properties known as "Buttermilk Falls Property" in the amount of \$1,950,000; "Seeing Eye Property" in the amount of \$750,000; and "Tompkins Property" in the amount of \$500,000.

Principal payments on the Loans commenced on January 24, 2003, and will continue on an annual basis over 20 years at 2.00% interest. The Township will be responsible for all such interest and principal payments.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

United States Department of Agriculture Loan Payable

On September 28, 2006, the Township of Mendham entered into an agreement with the United States Department of Agriculture, in the aggregate amount of \$1,210,500, which represents a direct obligation of the Township. The loan agreement was obtained to finance improvements to the Mendham East Sewer Utility system.

Principal payments on the Loan commenced on March 28, 2007, and will continue on an annual basis over 20 years at 4.375% interest. The Township will be responsible for all such interest and principal payments.

Schedule of Annual Debt Service for Principal and Interest for the Next Five
Years and Thereafter for Loans Issued and Outstanding

Calendar Year	General Capital		Mendham East Sewer Utility Capital		Total
	Green Acres Loans		USDA Loan		
	Principal	Interest	Principal	Interest	
2012	\$ 226,350.31	\$ 33,783.37	\$ 14,329.79	\$ 50,046.21	\$ 324,509.68
2013	230,899.96	29,233.71	14,963.57	49,412.43	324,509.67
2014	235,541.04	24,592.63	15,625.39	48,750.61	324,509.67
2015	240,275.42	19,858.23	16,316.48	48,059.52	324,509.65
2016	245,104.96	15,028.71	17,038.13	47,337.87	324,509.67
2017-2021	528,822.30	26,583.81	97,183.32	224,696.68	877,286.11
2022-2026	38,479.69	384.80	120,661.71	201,218.29	360,744.49
2027-2031			149,812.22	172,067.78	321,880.00
2032-2036			186,005.15	135,874.85	321,880.00
2037-2041			230,941.89	90,938.11	321,880.00
2042-2046			284,579.46	35,145.16	319,724.62
Total	\$1,745,473.68	\$ 149,465.26	\$1,147,457.11	\$1,103,547.51	\$4,145,943.56

Note 3: Fund Balances Appropriated

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

Current Fund	\$ 763,643.00
Mendham East Sewer Utility Fund	8,000.00

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the exceeding years. At December 31, 2011, the following deferred charges are shown on the Township's balance sheets:

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Required</u> <u>2012 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding Years'</u> <u>Budgets</u>
Current Fund:			
Special Emergency Authorizations	\$ 51,860.00	\$ 18,120.00	\$ 33,740.00

The appropriation in the 2012 Current Fund budget is not less than that required by statute.

Note 5: Local School District 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 of Mendham has not elected to defer school taxes.

Note 6: Pension Plans

Township employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey. The State of New Jersey sponsors and administers these two plans which cover substantially all Township employees. As a general rule, all full-time employees are eligible to join one of these two public employees' retirement systems.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting.

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 of the above system funds and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective with the first payroll to be paid on or after October 1, 2011 the employee contributions for PERS went from 5.50% to 6.50% while the employee contributions for PFRS increased to 10.00% from 8.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 6: Pension Plans (Cont'd)

The Township's contributions to PFRS amounted to \$374,370, \$326,496 and \$292,804, for 2011, 2010 and 2009, respectively. The Township's contributions to PERS amounted to \$191,021, \$148,671, and \$139,634, for 2011, 2010 and 2009, respectively.

The Township also made contributions of \$12,066 in 2011 to PERS related to the Early Retirement Incentive Program elected by the Township.

Note 7: Accrued Sick Benefits

The Township permits employees to accrue a limited amount of unused sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$64,500 at December 31, 2011. This amount is not reported either as expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

Note 8: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

	2011	2010	2009
<u>Tax Rate</u>	\$ 1.90	\$ 1.89	\$ 1.62
<u>Apportionment of Tax Rate</u>			
Municipal	0.36	0.36	0.30
County	0.26	0.27	0.23
Local School	0.80	0.79	0.69
Regional High School	0.49	0.47	0.41
<u>Assessed Valuations</u>			
2011	\$ 1,889,924,347		
2010 *		\$ 1,889,936,443	
2009			\$ 2,170,029,798

* Revaluation effective

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 8: Selected Tax Information

Comparison of Tax Levies and Collections Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$ 36,065,039.59	\$ 35,626,627.83	98.78%
2010	35,780,415.41	35,509,633.63	99.24%
2009	35,486,092.48	35,025,790.36	98.70%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 9: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed on the following page.

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

Deposits:

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

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 9: Cash and Cash Equivalents (Cont'd)

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

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

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

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

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 9: Cash and Cash Equivalents (Cont'd)

- (d) the underlying securities are purchased through a public depository as defined in statute; and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2011, cash and cash equivalents of the Township of Mendham consisted of the following:

Fund	Cash on Hand	Checking Accounts	Money Market	New Jersey ARM	General Capital Note	Totals
Current	\$ 31,609.47	\$ 1,635,181.04		\$ 29,054.72	\$ 109,600.00	\$ 1,805,445.23
Animal Control	20.00	1,187.74				1,207.74
Other Trust	0.20	935,553.60	194,631.97	563.02		1,130,748.79
General Capital		443,483.17		3,041.42		446,524.59
Sewer Utility:						
Operating - East		14,953.36				14,953.36
Capital - West		56,599.00				56,599.00
Capital - East		28,707.26				28,707.26
Public Assistance		774.77				774.77
	<u>\$ 31,629.67</u>	<u>\$ 3,116,439.94</u>	<u>\$ 194,631.97</u>	<u>\$ 32,659.16</u>	<u>\$ 109,600.00</u>	<u>\$ 3,484,960.74</u>

During the period ended December 31, 2011, the Township held one investment. The carrying amount of the Township's cash and cash equivalents at December 31, 2011, was \$3,484,960.74 and the bank balance was \$3,184,697.14. The \$32,659.16 invested with New Jersey ARM is uninsured and/or unregistered.

Investments - Zero Coupon Bonds

On October 30, 2000, the Township received a donation of various investments from the New Jersey Conservation Foundation. The contributions are to be used to pay a portion of the debt service for the acquisition of land for open space. The zero coupon bonds have been included in the Other Trust Funds at their fair market value of \$327,642.07 at December 31, 2011 and \$153,983.97 at December 31, 2010.

Note 10: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey health benefits plan.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 10: Risk Management (Cont'd)

The Township of Mendham is a member of the Morris County Municipal Joint Insurance Fund. The Fund is both an insured and self-administered group of municipalities established for the purpose of providing certain employee benefits for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by this fund to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Environmental

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 amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Selected financial information for the Fund as of December 31, 2011 is as follows:

	<u>Morris County Municipal Joint Insurance Fund</u>
Total Assets	<u>\$ 25,146,526</u>
Net Assets	<u>\$ 11,920,742</u>
Total Revenue	<u>\$ 17,214,724</u>
Total Expenses	<u>\$ 16,582,186</u>
Change in Net Assets	<u>\$ 632,538</u>
Net Assets Distribution to Participating Members	<u>\$ -0-</u>

Financial statements for these funds are available at the Office of the Executive Director:

Morris County Municipal Joint Insurance Fund
PERMA Risk Management Services
9 Campus Drive, Suite 16
Parsippany, NJ 07054
(973) 587-0555

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 10: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, employee contributions, interest earned, reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

Year	Township Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2011	\$ 788.13	\$ 3,646.49	\$ 193.38	\$ 22,764.37	\$ 38,211.55
2010	-0-	4,554.38	348.01	6,977.11	56,347.92
2009	-0-	4,303.21	604.65	6,937.73	58,422.64

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2011:

Fund	Interfund Receivable	Interfund Payable
Current	\$ 45.65	\$ 468,312.38
Federal and State Grant	14,780.12	
Other Trust	425,210.76	215,989.73
Public Assistance	10,000.00	
General Capital	205,989.73	45.65
Sewer Utility Operating - Mendham East	34,171.51	
Sewer Utility Capital - Mendham East		4.19
Sewer Utility Operating - Mendham West	16,099.00	5,845.82
Sewer Utility Capital - Mendham West		16,099.00
	<u>\$ 706,296.77</u>	<u>\$ 706,296.77</u>

The interfund between the Current Fund and the Other Trust Funds represents the balance of interest earned in the Other Trust Funds which was not transferred to the Current Fund, and the Open Space Tax Levy which was not transferred to the Other Trust Funds. The interfund between the Current Fund and the General Capital Fund represents the balance of interest earned in the General Capital Fund. The interfund between the Current Fund and Mendham East Sewer Utility Operating Fund represents reimbursements received in Current Fund due to the Mendham East Sewer Utility Operating Fund.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 11: Interfund Receivables and Payables (Cont'd)

The interfund payable in the Current Fund to the Federal and State Grant Fund represents the combination of Federal and State grant expenditures paid and grant receipts collected by the Current Fund. The interfund between the Mendham East Sewer Utility Operating and Capital Funds represents the balance of interest earned which was not transferred to the Operating Fund. The interfund between the Mendham West Sewer Utility Operating and Capital Funds represents revenue anticipated, and capital expenditures paid by the Operating Fund. The interfund between Mendham East Sewer Utility Operating Fund and Mendham West Sewer Utility Operating Fund represents an advance from Sewer East to Sewer West that was not returned by year end. The interfund between the Public Assistance and Other Trust Funds is a prior year interfund that has not been liquidated. The interfund between the Other Trust Fund and the General Capital Fund is due to grant monies received in the Other Trust Fund that were used to fund Ordinances in the General Capital Fund.

Note 12: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township is vigorously contesting these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Various tax appeals have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals has not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has recorded a reserve for pending tax appeals as of December 31, 2011 in the amount of \$50,000 and feels that amount is adequate to fund any potential reductions in assessments and taxes.

Note 13: Reserve for Future Sewer Improvements

The Mendham West Sewer Utility Capital Fund balance sheet reflects a Reserve for Future Sewer Improvements as of December 31, 2011 in the amount of \$40,500. These funds represent the accumulation of prior year unexpended capital outlay appropriations raised in the Mendham West Sewer Operating Fund. This reserve will be utilized by the Township to fund future capital improvements for the maintenance of the Mendham West sewer plant.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 14: Open Space Trust Fund

On November 2, 1993, the Township created an Open Space Trust Fund with a tax levy of up to \$.045 per \$100 of assessed valuation. The funds collected are used to acquire and maintain open space property in the Township. As of December 31, 2011, the balance in the Open Space Trust Fund was \$703,759.79 which consists of \$376,117.72 from local sources and \$327,642.07 from a donation from the NJ Conservation Foundation.

Note 15: Economic Dependency

The Township of Mendham receives a substantial amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 16: Deferred Compensation Plans

The Township offers its employees deferred compensation plans (the "plans") created in accordance with Section 457 of the Internal Revenue Code. The plans, which are administered by VALIC and Lincoln National Life Insurance Company, are available to all Township employees and permit participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

TOWNSHIP OF MENDHAM
SUPPLEMENTARY DATA

TOWNSHIP OF MENDHAM
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2011

Name	Title	Amount of Bond	Name of Corporate Surety
Frank Cioppettini	Mayor		
Samuel K. Tolley	Deputy Mayor		
Maribeth Thomas	Committee Member		
Richard Krieg	Committee Member		
Jack J. Schrier	Committee Member (to February 7, 2011)		
Richard A. Merkt	Committee Member (from March 14, 2011)		
Stephen P. Mountain	Township Administrator	(1)	
Timothy B. Day	Chief Financial Officer	\$ 1,000,000.00	Municipal Excess Liability/ Morris County Municipal JIF
Marie Kenia	Tax Collector, Utility Collector and Tax Search Officer	1,000,000.00	Municipal Excess Liability/ Morris County Municipal JIF
Ann Carlson	Township Clerk, Assessment/Subdivision Searcher, Registrar of Vital Statistics	(1)	
David H. Read, Sr.	Superintendent of Public Works	(1)	
Christopher H. Falcon	Township Attorney		
Peter Fico	Township Prosecutor		
Gary F. Troxell	Magistrate/Court Judge	(1)	
Lisa Conover	Court Administrator/Violations Clerk	(1)	
Susan Piscitello	Deputy Court Administrator	(1)	
Meriette Arwady	Deputy Court Administrator	(1)	
Russ Heiney	Construction Code Official/Fire Official - Acting	(1)	
Scott Holzhauer	Township Tax Assessor	(1)	
Thomas Lemarowicz	Township Engineer	(1)	
Steve Crawford	Police Chief	(1)	
Ross Johnson	Fire Chief	(1)	
Jeanne Montemarano	Recreation Director	(1)	

All bonds were examined and were properly executed.

(1) All employees, who are not specifically bonded, are covered under a \$ 950,000 and \$50,000 Faithful Performance Blanket Bond with the Municipal Excess Liability Joint Insurance Fund and Morris County Municipal Joint Insurance Fund, respectively.

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
CURRENT FUND

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF CASH - TREASURER

Balance December 31, 2010	<u>Ref.</u> A	\$ 3,385,964.82
Increased by Receipts:		
Tax Collector	\$ 36,153,925.54	
Revenue Accounts Receivable	1,084,389.55	
Miscellaneous Revenue Not Anticipated	34,084.15	
Due Other Trust Funds:		
Interest Earned	143.99	
Due from New Jersey Highlands Council	6,192.50	
Due Mendham East Sewer Utility Operating Fund	87,535.88	
Due to the State of New Jersey:		
Marriage License Fees	300.00	
DCA Training Fees	12,858.00	
Veterans and Senior Citizens' Deductions	30,000.00	
Appropriation Refunds	146,611.04	
Appropriation Reserve Refunds	7,980.29	
Due Federal and State Grant Fund:		
Grant Receivable	26,469.48	
Unappropriated Reserves	23,204.33	
Donation for Special Event	2,000.00	
General Capital Note		
		<hr/>
		37,615,694.75
		<hr/>
		41,001,659.57
Decreased by Disbursements:		
2011 Appropriation Expenditures	7,623,760.63	
2010 Appropriation Reserves	175,919.01	
Municipal Court Change Fund	20.00	
Regional High School Taxes	9,188,864.03	
Local School Taxes	15,066,984.00	
County Taxes	4,925,081.16	
Accounts Payable	8,496.44	
Due Other Trust Funds:		
Open Space Tax Levy	464,966.06	
Due General Capital Fund:		
Interfunds Returned	1,386,372.25	
Due Mendham East Sewer Utility Operating Fund	59,214.38	
Tax Overpayments	99,869.49	
Due to the State of New Jersey:		
Marriage License Fees	300.00	
DCA Training Fees	12,541.00	

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF CASH - TREASURER

Decreased by Disbursements (Cont'd):

Third Party Tax Title Liens	\$ 108,691.87
Tax Sale Premiums	34,100.00
Due Federal and State Grant Fund:	
Appropriated Grant Reserves	<u>41,354.02</u>

\$ 39,196,534.34

Balance December 31, 2011

A

\$ 1,805,125.23

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

Increased by Receipts:

Taxes Receivable	\$ 35,560,944.57
2012 Prepaid Taxes	273,309.02
Interest and Costs on Taxes	69,147.89
Tax Overpayments	73,732.19
Tax Sale Premiums	68,100.00
Third Party Tax Liens	108,691.87
	<hr/> 36,153,925.54

Decreased by:

Paid to Treasurer	<u>\$ 36,153,925.54</u>
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TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2010	2011 Levy	Collections		NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec. 31, 2011
			2010	2011				
2010	\$ 202,035.59			\$ 201,518.55			\$ 517.04	
2011		\$ 36,065,039.59	\$ 236,451.81	35,359,426.02	\$ 30,750.00	\$ 100,958.52	2,982.67	\$ 334,470.57
	<u>\$ 202,035.59</u>	<u>\$ 36,065,039.59</u>	<u>\$ 236,451.81</u>	<u>\$ 35,560,944.57</u>	<u>\$ 30,750.00</u>	<u>\$ 100,958.52</u>	<u>\$ 3,499.71</u>	<u>\$ 334,470.57</u>

Ref.

A

A

Analysis of 2011 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 35,899,973.68
Business Personal Property Taxes	27,489.35
Added, Omitted & Rollback Taxes	137,576.56
	<u>\$ 36,065,039.59</u>

Tax Levy:

Local School District Taxes	\$ 15,066,984.00
Regional High School District Taxes	9,188,864.03
County Taxes	\$ 4,906,180.08
Due County for Added and Omitted Taxes	18,901.08
	4,925,081.16
Due Other Trust Funds:	
Local Tax for Open Space	436,668.52
	29,617,597.71
Local Tax for Municipal Purposes Levied	6,312,936.12
Additional Taxes Levied	134,505.76
	6,447,441.88
	<u>\$ 36,065,039.59</u>

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>		
Balance December 31, 2010	A	\$	25,762.65
Increased by:			
Transfer from Taxes Receivable		\$	3,499.71
Interest and Costs Accrued at Tax Sale			<u>50.29</u>
			<u>3,550.00</u>
Balance December 31, 2011	A	\$	<u>29,312.65</u>

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2010	Accrued	Collected	Balance Dec. 31, 2011
Licenses:				
Alcoholic Beverage Licenses		\$ 2,580.00	\$ 2,580.00	
Fees and Permits:				
Clerk		849.00	849.00	
Board of Health		30,586.65	30,586.65	
Police		11,304.25	11,304.25	
Planning and Zoning		10,990.00	10,990.00	
Other		11,211.50	11,211.50	
Municipal Court:				
Fines and Costs	\$ 10,818.90	111,460.61	115,521.18	\$ 6,758.33
Energy Tax Receipts		459,000.00	459,000.00	
Watershed Aid		28,059.00	28,059.00	
Uniform Construction Code Fees		163,870.00	163,870.00	
Rents on Municipal Properties		13,800.00	13,800.00	
Recycling Rebates on Prior Year Collections		15,761.88	15,761.88	
Annual CATV Gross Receipts		77,989.72	77,989.72	
Uniform Fire Safety Act		1,670.82	1,670.82	
Interlocal Agreement:				
Joint Municipal Court with Mendham Borough		141,195.55	141,195.55	
	<u>\$ 10,818.90</u>	<u>\$ 1,080,328.98</u>	<u>\$ 1,084,389.55</u>	<u>\$ 6,758.33</u>
<u>Ref.</u>	A			A

TOWNSHIP OF MENDHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2010	Budget Revenue Realized	Cash Received	Transferred From Unappropriated Reserves	Balance Dec. 31, 2011
Clean Communities Grant		\$ 16,751.80	\$ 16,751.80		
Body Armor Replacement Fund		866.27		\$ 866.27	
Federal Highway Administration Trail Grant	\$ 2,600.00				\$ 2,600.00
Alcohol Education Rehabilitation Fund		3,468.84		3,468.84	
Recycling Tonnage Grant		4,917.68	4,917.68		
NJ Division of Highway Traffic Safety: Over the Limit Under Arrest Grant		4,800.00	4,800.00		
NJ Highlands Water Protection & Planning Council: Initial Assessment Grant		10,866.58			10,866.58
	<u>\$ 2,600.00</u>	<u>\$ 41,671.17</u>	<u>\$ 26,469.48</u>	<u>\$ 4,335.11</u>	<u>\$ 13,466.58</u>
<u>Ref.</u>	A				A
Federal Grants			\$ 4,800.00		
State Grants			<u>21,669.48</u>		
			<u>\$ 26,469.48</u>		

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Administration:				
Other Expenses	\$ 450.63	\$ 450.63	\$ 372.29	\$ 78.34
Mayor and Council:				
Salaries & Wages	0.96	0.96		0.96
Municipal Clerk:				
Other Expenses	9.49	9.49		9.49
Financial Administration:				
Salaries & Wages	162.58	0.58		0.58
Other Expenses	1,279.70	560.70	554.45	6.25
Management Information Services:				
Other Expenses	2,909.68	2,034.68	2,034.08	0.60
Revenue Administration (Tax Collection):				
Salaries & Wages	0.04	0.04		0.04
Other Expenses	5.02	5.02		5.02
Tax Assessment Administration:				
Salaries & Wages	0.96	0.96		0.96
Other Expenses	1,317.39	1,317.39	1,317.39	
Legal Services and Costs:				
Other Expenses - General	2,219.82	2,919.82	2,906.09	13.73
Other Expenses - Labor/Personnel	1,236.00	1,187.00	1,187.00	
Engineering Services and Costs:				
Other Expenses	1,759.16	1,759.16	1,756.25	2.91
Environmental Commission:				
Other Expenses	624.00	300.00	299.06	0.94
Open Space Committee:				
Other Expenses	1,033.30	14.30		14.30
Historical Preservation:				
Other Expenses	1,105.13	1,105.13	1,080.65	24.48
Aid to Museums (N.J.S.A. 40:55D-1)	1,000.00			
Municipal Land Use Law:				
Planning Board:				
Other Expenses	3,725.84	2,925.84	2,921.90	3.94

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Balance Dec. 31, 2010	Balance After Modification	Paid or Charged	Balance Lapsed
Municipal Land Use Law:				
Board of Adjustment:				
Salaries & Wages	\$ 50.50	\$ 50.50		\$ 50.50
Other Expenses	946.56	2,346.56	\$ 2,323.50	23.06
Fire:				
Other Expenses	56.75	56.75		56.75
Fire Hydrant Services	5,715.77	5,440.77	5,431.25	9.52
Cistern Maintenance	1,000.00			
Prosecutor:				
Other Expenses	510.00	10.00		10.00
Municipal Court:				
Salaries & Wages	16.43	16.43		16.43
Other Expenses	2,309.65	909.65	909.65	
Police:				
Salaries & Wages	80.50	80.50		80.50
Other Expenses	17,651.31	17,176.31	16,940.08	236.23
Aid to Volunteer Fire Company	20,024.85	20,024.85	20,024.61	0.24
Street and Road Repairs and Maintenance:				
Salaries & Wages	5,162.80	1,662.80	1,658.56	4.24
Other Expenses	23,565.05	23,265.05	23,263.78	1.27
Sanitation - Trash Removal:				
Other Expenses	15,207.16	24,407.16	24,308.16	99.00
Public Building and Grounds:				
Other Expenses	7,333.92	6,776.92	6,450.58	326.34
Tree Protection:				
Other Expenses	368.75	18.75		18.75
Snow Removal:				
Other Expenses	7,957.91	7,957.91	7,952.33	5.58
Board of Health:				
Salaries & Wages	10.55	10.55		10.55
Other Expenses	569.52	71.52	70.51	1.01
Health Services Contract	176.00			

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Senior Citizen Programs:				
Other Expenses	\$ 5,360.91	\$ 3,930.91	\$ 3,930.40	\$ 0.51
Board of Recreation Commissioners:				
Salaries & Wages	0.07	0.07		0.07
Maintenance of Parks:				
Other Expenses	182.14	1.14		1.14
Construction Code Official:				
Other Expenses	479.47	2,679.47	2,661.52	17.95
Unclassified:				
Length of Service Award Program	13,800.00	13,800.00	13,800.00	
Utilities	14,743.20	23,554.20	23,284.63	269.57
Contributions to:				
Social Security System (O.A.S.I.)	2,581.59	0.59		0.59
Group Insurance Plans for Employees	1,545.03	45.03		45.03
Shared Service Agreement:				
Municipal Court - S&W Borough Share	523.76	523.76	500.00	23.76
Municipal Court - O&E Borough Share	2,500.00			
Public Defender:				
Other Expenses	140.00			
	<u>\$ 169,409.85</u>	<u>\$ 169,409.85</u>	<u>\$ 167,938.72</u>	<u>\$ 1,471.13</u>

<u>Balance December 31, 2010:</u>	<u>Ref.</u>	
Unencumbered	A	\$ 74,773.72
Encumbered	A	<u>94,636.13</u>
		<u>\$ 169,409.85</u>

Cash Disbursed	\$ 175,919.01
Less: Refunds	<u>7,980.29</u>
	<u>\$ 167,938.72</u>

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2011

Ref.

Increased by:

Levy - Calendar Year 2011

\$ 15,066,984.00

Decreased by:

Payments to Local School District

\$ 15,066,984.00

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2011

Ref.

Increased by:

Levy - Calendar Year 2011

\$ 9,188,864.03

Decreased by:

Payments to Regional School District

\$ 9,188,864.03

TOWNSHIP OF MENDHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES - FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2010	Transferred from 2011 Budget Appropriations	Expended	Cancelled	Balance Dec. 31, 2011
Clean Communities Grant	\$ 3,253.13	\$ 16,751.80	\$ 14,154.93	\$ 5,850.00	
Recycling Tonnage Grant - 1999 to 2009	5,855.58	4,917.68	2,054.00	8,719.26	
Body Armor Replacement Fund	2,297.65	866.27	2,783.00		380.92
Alcohol Rehabilitation Fund	520.16	3,468.84	2,100.00		1,889.00
Drunk Driving Enforcement Grant	5,080.89		5,080.89		
NJ Division of Highway Traffic Safety:					
Over the Limit Under Arrest Grant		4,800.00	4,800.00		
Emergency Planning Grant	38.05			38.05	
Sustainable Jersey Small Grant Award	1,000.00		969.41	30.59	
NJ Highlands Water Protection & Planning Council:					
Initial Assessment Grant		10,866.58	4,411.79	6,454.79	
Municipal Alliance Grant - Matching Funds	2,500.00	2,500.00	5,000.00		
	<u>\$ 20,545.46</u>	<u>\$ 44,171.17</u>	<u>\$ 41,354.02</u>	<u>\$ 21,092.69</u>	<u>\$ 2,269.92</u>
<u>Ref.</u>	A				A
Federal/State Grants		\$ 41,671.17			
Local Match		2,500.00			
		<u>\$ 44,171.17</u>			
Federal Grants			\$ 4,800.00		
State Grants			30,584.61		
Local Grants			969.41		
Local Matching Funds			5,000.00		
			<u>\$ 41,354.02</u>		

TOWNSHIP OF MENDHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES - FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2010	Transferred to 2011 Budget Revenue	Cash Received	Balance Cancelled	Balance Dec. 31, 2011
Recycling Tonnage Grant			\$ 5,143.68		\$ 5,143.68
Alcohol Education Rehabilitation Fund	\$ 3,468.84	\$ 3,468.84	1,618.04		1,618.04
Body Armor Replacement Fund	866.27	866.27	1,607.70		1,607.70
Environmental Grant	539.20			\$ 539.20	
Clean Communities Grant	16,884.38			16,884.38	
Drunk Driving Enforcement Fund	860.25		5,224.91		6,085.16
Over the Limit Under Arrest	4,182.12				4,182.12
Federal Emergency Management Agency	5,280.44		9,610.00	5,280.44	9,610.00
	<u>\$ 32,081.50</u>	<u>\$ 4,335.11</u>	<u>\$ 23,204.33</u>	<u>\$ 22,704.02</u>	<u>\$ 28,246.70</u>

Ref.

A

A

Federal Grants

\$ 9,610.00

State Grants

13,594.33

\$ 23,204.33

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
TRUST FUNDS

TOWNSHIP OF MENDHAM
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2010	B	\$ 896.99	\$ 771,010.80
Increased by Receipts:			
Township Dog License Fees		\$ 3,959.40	
Penalties on Dog License Fees		54.00	
Cat License Fees		195.00	
State Dog License Fees		537.60	
Interest Earned		14.95	
Due Current Fund:			
Budget Appropriation		12,000.00	
Interfund Advanced			\$ 30,302.69
Due from General Capital Fund:			
Reserve for Police Donations			36,500.00
Interfund Advanced			3,139.73
Reserve for Open Space:			
Open Space Tax Levy			436,609.79
Interest Earned			207.50
Reserver for Open Space - New Jersey Conservation Foundation			194,631.97
Reserve for Natural Area Maintenance			58.73
Reserve for Road Detail			415,977.07
Recreation Receipts			204,005.00
Reserve for Parking Offenses Adjudication Act			7.30
Reserve for Fishing Contest			2,135.93
State Unemployment Insurance			4,628.00
Reserve for Forfeited Assets			23.58
Developers' Deposits			183,042.32
Public Defender Receipts			3,641.19
Reserve for TV Operations/Programs			23,197.56
Municipal Alliance Receipts			20,893.26
		<u>16,760.95</u>	<u>1,559,001.62</u>
		17,657.94	2,330,012.42

TOWNSHIP OF MENDHAM
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Animal Control Expenditures		\$ 15,887.00	
Due to State of New Jersey		583.20	
Reserve for Open Space:			
Expenditures			\$ 507,885.35
Reserve for Natural Area Maintenance			2,220.00
Reserve for Fishing Contest			3,002.35
Reserve for Forfeited Assets			2,384.00
Reserve for Road Detail			345,162.24
Recreation Expenditures			139,018.86
Recreation - Petty Cash Fund			72.40
State Unemployment Insurance			22,764.37
Public Defender Expenditures			1,650.00
Developers' Deposits Refunds			114,542.05
Reserve for TV Operations/Programs			35,740.14
Municipal Alliance Expenditures			25,321.87
		<u>\$ 16,470.20</u>	<u>\$ 1,199,763.63</u>
Balance December 31, 2011	B	<u>\$ 1,187.74</u>	<u>\$ 1,130,248.79</u>

TOWNSHIP OF MENDHAM
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2010	B	\$	840.19
Increased by:			
Dog License Fees		\$	3,959.40
Penalties			54.00
Cat License Fees			195.00
Interest on Investments			14.95
2011 Budget Appropriation			12,000.00
			<u>16,223.35</u>
			17,063.54
Decreased by:			
Expenditures Under R.S. 4:19-15.11			15,887.00
Balance December 31, 2011	B	\$	<u>1,176.54</u>
 <u>License Fees Collected</u>			
2009		\$	2,650.00
2010			2,842.00
			<u>5,492.00</u>
Maximum Allowable Reserve		\$	<u>5,492.00</u>

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
GENERAL CAPITAL FUND

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 41,866.04
Increased by:		
Due Current Fund:		
Interfund Returned	\$ 1,386,372.25	
Interest Earned	351.16	
Premium on Bond Anticipation Notes	9,470.19	
Police Donation	5,000.00	
Bond Anticipation Notes	3,164,500.00	
Improvement Authorization Refunds	586.10	
		<u>4,566,279.70</u>
		4,608,145.74
Decreased by:		
Due Current Fund:		
Interfund Advanced		
Due Other Trust - Police Donations	36,500.00	
Improvement Authorization Expenditures	1,071,971.15	
Bond Anticipation Notes	3,053,150.00	
		<u>4,161,621.15</u>
Balance December 31, 2011	C	<u>\$ 446,524.59</u>

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2010	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2011
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Capital Fund Balance	\$ 61,724.00						\$ 104,282.49	\$ 85,182.99	\$ 42,624.50
Capital Improvement Fund	20,197.65						27,400.00	13,400.00	6,197.65
Reserve for:									
Preliminary Expenses - Appraisals	35.00								35.00
Payment of Debt Service	214,543.00						24,500.00	3,139.73	193,182.73
Recreation Improvements	7,000.00								7,000.00
Police Equipment	28,650.00		\$ 5,000.00			\$ 36,500.00		2,850.00	
Road Maintenance Fund	300.00								300.00
Municipal Bldg. Improvements	213,000.00								213,000.00
Municipal Facility	190,000.00								190,000.00
Recreation Center	9,000.00								9,000.00
Homeland Security Grants Receivable	(31,500.00)								(31,500.00)
New Jersey Department of:									
Transportation Grants Receivable	(201,000.00)								(201,000.00)
Environmental Protection Grant Receivable	(50,000.00)						70,617.51		(120,617.51)
Community Affairs Shared Services Grant	(3,250.00)							3,250.00	
Mendham Soccer & Lacrosse	(70,000.00)								(70,000.00)
Due Current Fund	(1,490,692.06)		1,396,193.60				29,955.89	124,500.00	45.65
Due Open Space Trust Fund							205,989.73		(205,989.73)

Ord. No.	Improvement Description								
01-99	Manage Open Space		586.10	\$ 293.75					292.35
08-04	Various Improvements	537.87					537.87		
03-05	Acquire Equipment	36.00					36.00		
05-05	Various Improvements	8,133.36		7,683.74			449.62		

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. No.	Improvement Description	Balance (Deficit) Dec. 31, 2010	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2011
			Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
13-06	Prelim. Open Space Cost	\$ 1,198.34						\$ 1,198.34		
15-06	Various Improvements	2,127.27			\$ 2,003.86			123.41		
19-06	Construct Fire Station	11,861.87			9,823.66					\$ 2,038.21
06-07	Environ. Comm. Projects	6,495.93			1,205.58			80.00		5,210.35
07-07	Various Improvements	250,141.24			31,692.66			24,024.85		194,423.73
13-07	Various Improvements	81,701.43			2,170.11			75,201.24		4,330.08
01-08	Various Improvements	15,815.25	\$ 225,399.42			\$ 237,500.00		3,250.00	\$ 3,896.89	4,361.56
03-08	Acquisition of Property - 22 St. Johns Drive	(110,000.00)	1,096,941.00			1,000,000.00			12,659.00	(400.00)
09-08/	Various									
11-08	Improvements	149,206.84			38,157.82			82,296.26		28,752.76
10-08	Acquire Pick Up Truck	654.00						654.00		
12-08	Acquire Pitney Property	514,457.50			500,000.00					14,457.50
15-08	Design/Construct Track/ Install Walk Platforms	581.40						581.40		
03-09	Various Improvements	30,181.43	200,107.69		3,159.91	218,500.00		8,589.21		40.00
08-09	Improve Land/Facilities & Acquire Equipment	24,363.17	112,515.48		2,853.45	127,000.00				7,025.20
13-09	Various Improvements	21,008.09	230,047.97		18,118.37	232,750.00				187.69
15-09	Various Improvements	5,051.76	301,790.79		5,931.76	309,500.00			8,589.21	
20-09	Various Improvements		337,900.00			537,900.00			200,000.00	
01-10	Various Equipment	8,252.50	383,677.19		1,929.69	390,000.00				
07-10	Various Capital Improvements	122,053.20	29,520.46		149,498.96					2,074.70
02-11	Various Capital Improvements		246,600.00		297,447.83				202,300.00	151,452.17
		\$ 41,866.04	\$ 3,164,500.00	\$ 1,401,779.70	\$ 1,071,971.15	\$ 3,053,150.00	\$ 36,500.00	\$ 659,767.82	\$ 659,767.82	\$ 446,524.59

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2010	2011 Improvement Authorizations	Notes Paid By Budget Appropriation	Improvement Authorizations Reappropriated	Improvement Authorizations Cancelled	Funded by County Open Space Grant	Balance Dec. 31, 2011	Analysis of Balance December 31, 2011		
									Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations
01-09/											
16-02	Various Capital Improvements				\$ 21,839.96			\$ 21,839.96			\$ 21,839.96
01-08	Various Capital Improvements	\$ 237,500.00		\$ 3,896.89		\$ 4,953.69		228,649.42		\$ 225,399.42	3,250.00
03-08	Acquire Property - 22 St. Johns Drive	1,110,000.00		12,659.00				1,097,341.00	\$ 400.00	1,096,941.00	
03-09	Various Improvements	218,975.00			(14,339.96)	4,052.35		200,582.69		200,107.69	475.00
08-09	Improve Land/Facilities/Acquire Equip.	127,000.00			(7,500.00)	6,984.52		112,515.48		112,515.48	
13-09	Various Capital Improvements	232,750.00				2,702.03		230,047.97		230,047.97	
15-09	Various Capital Improvements	309,500.00				7,709.21		301,790.79		301,790.79	
20-09	Various Capital Improvements	537,900.00					\$ 200,000.00	337,900.00		337,900.00	
01-10	Various Equipment	390,000.00				6,322.81		383,677.19		383,677.19	
07-10	Various Capital Improvements	74,350.00				44,829.54		29,520.46		29,520.46	
02-11	Various Capital Improvements		\$ 246,600.00					246,600.00		246,600.00	
		<u>\$ 3,237,975.00</u>	<u>\$ 246,600.00</u>	<u>\$ 16,555.89</u>	<u>\$ - 0 -</u>	<u>\$ 77,554.15</u>	<u>\$ 200,000.00</u>	<u>\$ 3,190,464.96</u>	<u>\$ 400.00</u>	<u>\$3,164,500.00</u>	<u>\$ 25,564.96</u>
Ref.	C							C			
							Due from Other Trust Fund	\$ 200,000.00			
	Improvement Authorizations - Unfunded										\$ 190,706.28
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:										
	Ordinance #1-08 (Various Capital Improvements)									\$ 4,361.56	
	Ordinance #03-09 (Various Improvements)									40.00	
	Ordinance #08-09 (Improvement of Land and Facilities and Acquisition of Equipment for the Police Department)									7,025.20	
	Ordinance #13-09 (Various Improvements)									187.69	
	Ordinance #07-10 (Various Improvements)									2,074.70	
	Ordinance #02-11 (Various Improvements)									151,452.17	
											165,141.32
											<u>\$ 25,564.96</u>

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010		2011 Authorizations		Paid or Charged	Reappropriation of Existing Ordinances	Authorizations Cancelled	Balance Dec. 31, 2011	
		Date	Amount	Funded	Unfunded	Deferred Charges Future Taxation - Unfunded	Other Sources				Funded	Unfunded
01-99/ 16-02	Various Improvements	11/12/02	\$ 319,000.00					\$ (292.35)	\$ 21,839.96		\$ 292.35	\$ 21,839.96
08-04	Various Improvements	04/12/04	1,014,000.00	\$ 537.87						\$ 537.87		
03-05	Acquisition of Equipment	03/14/05	96,000.00	36.00						36.00		
05-05	Various Improvements	04/26/05	1,819,000.00	8,133.36				7,683.74		449.62		
13-06	Prelim. Costs - Open Space	04/10/06	100,000.00	1,198.34				1,000.00		198.34		
15-06	Various Improvements	04/10/06	1,155,000.00	2,127.27				2,003.86		123.41		
19-06	Construct Fire Station	09/11/06 01/23/07	3,300,000.00	11,861.87				9,823.66			2,038.21	
06-07	Environmental Commission	03/16/07	22,000.00	6,495.93				1,205.58		80.00	5,210.35	
07-07	Various Improvements	05/22/07	1,085,500.00	250,141.24				55,692.66		24.85	194,423.73	
13-07	Various Improvements	12/21/07	455,000.00	81,701.43				77,170.11		201.24	4,330.08	
01-08	Various Improvements	02/11/08	285,000.00		\$ 15,815.25					8,203.69		7,611.56
09-08/ 11-08	Various Improvements	07/22/08 09/08/08	1,535,574.00 1,586,685.55		149,206.84			38,157.82		82,296.26	28,752.76	
10-08	Acquire Pick Up Truck	09/08/08	32,000.00	654.00						654.00		
12-08	Acquire Pitney Property	12/23/08	4,075,000.00		514,457.50			500,000.00			14,457.50	
15-08	Design/Construct Track/ Install Walking Platforms	11/10/08	28,250.00	581.40						581.40		
03-09	Various Improvements	02/09/09	260,500.00		30,656.43			3,159.91	(22,929.17)	4,052.35		515.00
08-09	Improve Land/Facilities and Acquire Equipment	03/24/09	146,000.00		24,363.17			2,853.45	(7,500.00)	6,984.52		7,025.20

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010		2011 Authorizations		Paid or Charged	Reappropriation of Existing Ordinances	Authorizations Cancelled	Balance Dec. 31, 2011	
		Date	Amount	Funded	Unfunded	Deferred Charges Future Taxation - Unfunded	Other Sources				Funded	Unfunded
13-09	Various Improvements	05/11/09	\$ 258,000.00		\$ 21,008.09			\$ 18,118.37		\$ 2,702.03		\$ 187.69
15-09	Various Improvements	09/08/09	352,000.00		5,051.76			5,931.76	\$ 8,589.21	7,709.21		
01-10	Various Equipment	02/08/10	662,000.00		8,252.50			1,929.69		6,322.81		
07-10	Various Capital Improvements	07/12/10	308,700.00	\$ 41,904.20	154,499.00			149,498.96		44,829.54		2,074.70
02-11	Various Capital Improvements	03/29/11	448,900.00			\$ 246,600.00	\$ 202,300.00	297,447.83				151,452.17
				<u>\$ 405,372.91</u>	<u>\$ 923,310.54</u>	<u>\$ 246,600.00</u>	<u>\$ 202,300.00</u>	<u>\$ 1,171,385.05</u>	<u>\$ - 0 -</u>	<u>\$ 165,987.14</u>	<u>\$ 249,504.98</u>	<u>\$ 190,706.28</u>
	<u>Ref.</u>			C	C						C	C
					Capital Improvement Fund	\$ 27,400.00	Capital Fund Balance		\$ 85,182.99			
					Capital Fund Balance	104,282.49	DCA Shared Service Grant		3,250.00			
					New Jersey Clean Energy Grant	70,617.51	Deferred Charges to Future Taxation - Unfunded		77,554.15			
						<u>\$ 202,300.00</u>			<u>\$ 165,987.14</u>			
					Cash Disbursed		\$ 1,071,971.15					
					Due Current Fund		100,000.00					
					Less: Refunds		(586.10)					
							<u>\$ 1,171,385.05</u>					

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 20,197.65
Increased by:		
2011 Budget Appropriation - Due from Current Fund		<u>13,400.00</u>
		33,597.65
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>27,400.00</u>
Balance December 31, 2011	C	<u><u>\$ 6,197.65</u></u>

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2010	Issued	Matured	Balance Dec. 31, 2011
		Original Issue	Issue	Maturity					
01-08	Various Capital Improvements	05/29/08	05/26/10 05/26/11	05/26/11 05/25/12	1.50% 1.25%	\$ 237,500.00	\$ 225,399.42	\$ 237,500.00	\$ 225,399.42
3-08	Acquisition of Property - 22 St. Johns Drive	05/29/08	05/26/10 05/26/11	05/26/11 05/25/12	1.50% 1.25%	1,000,000.00	1,096,941.00	1,000,000.00	1,096,941.00
03-09	Various Capital Improvements	05/28/09	05/26/10 05/26/11	05/26/11 05/25/12	1.50% 1.25%	218,500.00	200,107.69	218,500.00	200,107.69
08-09	Improvement of Land and Facilities and Acquisition of Equipment	05/28/09	05/26/10 05/26/11	05/26/11 05/25/12	1.50% 1.25%	127,000.00	112,515.48	127,000.00	112,515.48
13-09	Various Capital Improvements	12/09/09	12/09/10 05/26/11	05/26/11 05/25/12	1.50% 1.25%	232,750.00	230,047.97	232,750.00	230,047.97
15-09	Various Capital Improvements	12/09/09	05/26/10 05/26/11	05/26/11 05/25/12	1.50% 1.25%	309,500.00	301,790.79	309,500.00	301,790.79
20-09	Various Capital Improvements	12/09/09	05/26/10 05/26/11	05/26/11 05/25/12	1.50% 1.25%	537,900.00	337,900.00	537,900.00	337,900.00
01-10	Various Equipment	05/26/10	05/26/10 05/26/11	05/26/11 05/25/12	1.50% 1.25%	390,000.00	383,677.19	390,000.00	383,677.19
07-10	Various Capital Improvements	05/26/11	05/26/11	05/25/12	1.25%		29,520.46		29,520.46
02-11	Various Capital Improvements	05/26/11	05/26/11	05/25/12	1.25%		246,600.00		246,600.00
						<u>\$ 3,053,150.00</u>	<u>\$ 3,164,500.00</u>	<u>\$ 3,053,150.00</u>	<u>\$ 3,164,500.00</u>
						<u>Ref.</u>	<u>C</u>		<u>C</u>
						Renewed	\$ 2,778,779.54	\$ 2,778,779.54	
						Issued	385,720.46		
						Paid from Budget Appropriation		16,555.89	
						Redeemed		257,814.57	
							<u>\$ 3,164,500.00</u>	<u>\$ 3,053,150.00</u>	

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2011		Interest Rate	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
			Date	Amount				
General Improvements	09/01/02	\$ 2,325,000.00				\$ 310,000.00	\$ 310,000.00	
Open Space	09/01/02	1,285,000.00	09/01/12	\$ 65,000.00	3.625%			
			09/01/13	65,000.00	3.750%			
			09/01/14	65,000.00	3.875%			
			09/01/15	65,000.00	4.000%			
			09/01/16	65,000.00	4.100%			
			09/01/17	65,000.00	4.200%			
			09/01/18	65,000.00	4.375%			
			09/01/19	65,000.00	4.400%			
			09/01/20	65,000.00	4.500%			
			09/01/21	65,000.00	4.600%			
			09/01/22	50,000.00	4.700%	765,000.00	65,000.00	\$ 700,000.00
General Improvements	06/08/05	3,874,000.00	04/01/12	375,000.00	3.30%			
			04/01/13	375,000.00	3.50%			
			04/01/14	375,000.00	3.50%			
			04/01/15	324,000.00	3.50%	1,824,000.00	375,000.00	1,449,000.00
General Improvements	06/04/09	9,500,000.00	02/01/12	266,000.00	3.00%			
			02/01/13	294,000.00	3.00%			
			02/01/14	323,000.00	3.00%			
			02/01/15	399,000.00	3.00%			
			02/01/16	741,000.00	3.00%			
			02/01/17	779,000.00	3.00%			

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2011		Interest Rate	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
			Date	Amount				
General Improvements	06/04/09	\$ 9,500,000.00	02/01/18	\$ 822,000.00	3.13%			
			02/01/19	865,000.00	3.25%			
			02/01/20	907,000.00	3.25%			
			02/01/21	955,000.00	3.38%			
			02/01/22	1,002,000.00	3.50%			
			02/01/23	1,054,000.00	3.63%			
			02/01/24	1,083,000.00	3.75%	\$ 9,495,000.00	\$ 5,000.00	\$ 9,490,000.00
Open Space	06/04/09	500,000.00	02/01/12	14,000.00	3.00%			
			02/01/13	16,000.00	3.00%			
			02/01/14	17,000.00	3.00%			
			02/01/15	21,000.00	3.00%			
			02/01/16	39,000.00	3.00%			
			02/01/17	41,000.00	3.00%			
			02/01/18	43,000.00	3.13%			
			02/01/19	45,000.00	3.25%			
			02/01/20	48,000.00	3.25%			
			02/01/21	50,000.00	3.38%			
			02/01/22	53,000.00	3.50%			
			02/01/23	56,000.00	3.63%			
			02/01/24	57,000.00	3.75%			
						500,000.00		500,000.00
						\$ 12,894,000.00	\$ 755,000.00	\$ 12,139,000.00

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 1,967,364.00
Decreased by:		
Loan Payments - Open Space Trust Fund		<u>221,890.32</u>
Balance December 31, 2011	C	<u>\$ 1,745,473.68</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
GREEN ACRES LOAN #1 PAYABLE
OUTSTANDING DECEMBER 31, 2011

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 162,186.18
29	03/06/12	2.0%	\$ 1,621.86	\$ 14,021.66	148,164.52
30	09/06/12	2.0%	1,481.65	14,161.87	134,002.65
31	03/06/13	2.0%	1,340.03	14,303.49	119,699.16
32	09/06/13	2.0%	1,196.99	14,446.53	105,252.63
33	03/06/14	2.0%	1,052.53	14,590.99	90,661.64
34	09/06/14	2.0%	906.62	14,736.90	75,924.74
35	03/06/15	2.0%	759.25	14,884.27	61,040.47
36	09/06/15	2.0%	610.40	15,033.11	46,007.36
37	03/06/16	2.0%	460.07	15,183.44	30,823.92
38	09/06/16	2.0%	308.24	15,335.28	15,488.64
39	03/06/17	2.0%	154.88	15,488.64	- 0 -
			<u>\$ 9,892.52</u>	<u>\$ 162,186.18</u>	

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
GREEN ACRES LOAN #2 PAYABLE
OUTSTANDING DECEMBER 31, 2011

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 850,420.39
19	01/23/12	2.00%	\$ 8,504.20	\$ 67,054.62	783,365.77
20	07/23/12	2.00%	7,833.66	67,725.16	715,640.61
21	01/22/13	2.00%	7,156.41	68,402.41	647,238.20
22	07/22/13	2.00%	6,472.38	69,086.44	578,151.76
23	01/22/14	2.00%	5,781.52	69,777.30	508,374.46
24	07/22/14	2.00%	5,083.74	70,475.08	437,899.38
25	01/22/15	2.00%	4,378.99	71,179.83	366,719.55
26	07/22/15	2.00%	3,667.19	71,891.63	294,827.92
27	01/22/16	2.00%	2,948.28	72,610.54	222,217.38
28	07/21/16	2.00%	2,222.17	73,336.65	148,880.73
29	01/21/17	2.00%	1,488.81	74,070.01	74,810.72
30	07/21/17	2.00%	748.10	74,810.72	- 0 -
			<u>\$ 56,285.45</u>	<u>\$ 850,420.39</u>	

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
GREEN ACRES LOAN #3 PAYABLE
OUTSTANDING DECEMBER 31, 2011

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 439,720.27
19	01/24/12	2.00%	\$ 4,397.21	\$ 18,921.49	420,798.78
20	07/24/12	2.00%	4,207.99	19,110.71	401,688.07
21	01/24/13	2.00%	4,016.88	19,301.82	382,386.25
22	07/24/13	2.00%	3,823.86	19,494.83	362,891.42
23	01/24/14	2.00%	3,628.91	19,689.78	343,201.64
24	07/24/14	2.00%	3,432.02	19,886.68	323,314.96
25	01/24/15	2.00%	3,233.15	20,085.55	303,229.41
26	07/24/15	2.00%	3,032.29	20,286.40	282,943.01
27	01/24/16	2.00%	2,829.43	20,489.27	262,453.74
28	07/24/16	2.00%	2,624.54	20,694.16	241,759.58
29	01/24/17	2.00%	2,417.60	20,901.10	220,858.48
30	07/24/17	2.00%	2,208.58	21,110.11	199,748.37
31	01/24/18	2.00%	1,997.49	21,321.21	178,427.16
32	07/24/18	2.00%	1,784.28	21,534.42	156,892.74
33	01/24/19	2.00%	1,568.93	21,749.77	135,142.97
34	07/24/19	2.00%	1,351.43	21,967.27	113,175.70
35	01/24/20	2.00%	1,131.76	22,186.94	90,988.76
36	07/24/20	2.00%	909.89	22,408.81	68,579.95
37	01/24/21	2.00%	685.80	22,632.90	45,947.05
38	07/24/21	2.00%	459.47	22,859.23	23,087.82
39	01/24/22	2.00%	230.88	23,087.82	- 0 -
			<u>\$ 49,972.39</u>	<u>\$ 439,720.27</u>	

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
GREEN ACRES LOAN #4 PAYABLE
OUTSTANDING DECEMBER 31, 2011

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 293,146.84
19	01/24/12	2.00%	\$ 2,931.47	\$ 12,614.33	280,532.51
20	07/24/12	2.00%	2,805.33	12,740.47	267,792.04
21	01/24/13	2.00%	2,677.92	12,867.88	254,924.16
22	07/24/13	2.00%	2,549.24	12,996.56	241,927.60
23	01/24/14	2.00%	2,419.28	13,126.52	228,801.08
24	07/24/14	2.00%	2,288.01	13,257.79	215,543.29
25	01/24/15	2.00%	2,155.43	13,390.36	202,152.93
26	07/24/15	2.00%	2,021.53	13,524.27	188,628.66
27	01/24/16	2.00%	1,886.29	13,659.51	174,969.15
28	07/24/16	2.00%	1,749.69	13,796.11	161,173.04
29	01/24/17	2.00%	1,611.73	13,934.07	147,238.97
30	07/24/17	2.00%	1,472.39	14,073.41	133,165.56
31	01/24/18	2.00%	1,331.66	14,214.14	118,951.42
32	07/24/18	2.00%	1,189.51	14,356.28	104,595.14
33	01/24/19	2.00%	1,045.95	14,499.85	90,095.29
34	07/24/19	2.00%	900.95	14,644.84	75,450.45
35	01/24/20	2.00%	754.50	14,791.29	60,659.16
36	07/24/20	2.00%	606.59	14,939.21	45,719.95
37	01/24/21	2.00%	457.20	15,088.60	30,631.35
38	07/24/21	2.00%	306.31	15,239.48	15,391.87
39	01/24/22	2.00%	153.92	15,391.87	- 0 -
			<u>\$ 33,314.90</u>	<u>\$ 293,146.84</u>	

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2010	2011 Improvement Authorizations	Notes Paid by Budget Appropriation	Funded by County Open Space Grant	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Improvement Authorizations Reappropriated	Improvement Authorizations Cancelled	Balance Dec. 31, 2011
16-02	Various Capital Improvements							\$ 21,839.96		\$ 21,839.96
01-08	Various Capital Improvements			\$ 3,896.89		\$ 225,399.42	\$ 237,500.00		\$ 4,953.69	3,250.00
03-08	Acquisition of Real Property at 22 St. Johns Drive	\$ 110,000.00		12,659.00		1,096,941.00	1,000,000.00			400.00
03-09	Various Improvements	475.00				200,107.69	218,500.00	(14,339.96)	4,052.35	475.00
08-09	Improve Land/Facilities and Acquire Equipment					112,515.48	127,000.00	(7,500.00)	6,984.52	
13-09	Various Capital Improvements					230,047.97	232,750.00		2,702.03	
15-09	Various Capital Improvements					301,790.79	309,500.00		7,709.21	
20-09	Various Capital Improvements				\$ 200,000.00	337,900.00	537,900.00			
01-10	Various Equipment					383,677.19	390,000.00		6,322.81	
07-10	Various Capital Improvements	74,350.00				29,520.46			44,829.54	
02-11	Various Capital Improvements		\$ 246,600.00			246,600.00				
		<u>\$ 184,825.00</u>	<u>\$ 246,600.00</u>	<u>\$ 16,555.89</u>	<u>\$ 200,000.00</u>	<u>\$ 3,164,500.00</u>	<u>\$ 3,053,150.00</u>	<u>\$ - 0 -</u>	<u>\$ 77,554.15</u>	<u>\$ 25,964.96</u>

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
MENDHAM EAST SEWER UTILITY FUND

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>	
Balance December 31, 2010	D	\$ 78,628.38	\$ - 0 -	
Increased by Receipts:				
Sewer Rents		\$ 251,470.13		
Interest on Delinquent Sewer Rents		2,405.55		
Prepaid/Overpaid Sewer Rents		975.23		
Due Current Fund		54,000.00		
Interest on Deposits		349.14		
Due Mendham East Sewer Utility Capital Fund:				
Interfund Returned		79,376.00	\$ 108,079.07	
Interest on Deposits		85.41	89.60	
		<u>388,661.46</u>	<u>108,168.67</u>	
		467,289.84	108,168.67	
Decreased by Disbursements:				
2011 Budget Appropriations		188,580.08		
2010 Appropriation Reserves		44,749.60		
Accrued Interest on Bonds & Loans		51,081.91		
Due Current Fund		54,000.00		
Due Mendham East Sewer Utility Capital Fund:				
Interfund Advanced		108,079.07		
Due Mendham West Sewer Utility Operating Fund:				
Interfund Advanced		5,845.82		
Due Mendham East Sewer Utility Operating Fund:				
Interfund Advanced			79,376.00	
Interest on Deposits			85.41	
		<u>452,336.48</u>	<u>79,461.41</u>	
Balance December 31, 2011	D	\$ 14,953.36	\$ 28,707.26	

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
ANALYSIS OF SEWER ASSESSMENT TRUST CASH
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER CAPITAL CASH

		Balance/ (Deficit) Dec. 31, 2010	Receipts Miscellaneous	Disbursements Miscellaneous	Transfers From To		Balance/ (Deficit) Dec. 31, 2011
Capital Improvement Fund		\$ 28,383.00					\$ 28,383.00
Due Mendham East Sewer Utility Operating Fund		(28,703.07)	\$ 108,168.67	\$ 79,461.41			4.19
Ord. No.	Improvement Description						
9-04	Sewer Plant Improvements	320.07					320.07
		<u>\$ - 0 -</u>	<u>\$ 108,168.67</u>	<u>\$ 79,461.41</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 28,707.26</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE AND LIENS

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 9,921.77
Increased by:		
Sewer Rents		\$ 255,608.00
Interest on Delinquent Sewer Rents		<u>2,405.55</u>
		<u>258,013.55</u>
		267,935.32
Decreased by:		
Collections:		
Sewer Rents		251,470.13
Interest on Delinquent Sewer Rents		2,405.55
Prepaid/Overpaid Sewer Rents Applied		<u>22.90</u>
		<u>253,898.58</u>
Balance December 31, 2011	D	<u>\$ 14,036.74</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY
FOR THE YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF UTILITY SHARE OF SEWER ASSESSMENT BONDS ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF SEWER ASSESSMENTS AND LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2010	Additions by Budget	Balance Dec. 31, 2011
Sewer Plant	\$ 1,850,000.00	\$ 37,337.14	\$ 1,887,337.14
	Ref. D		D
Operating Budget		\$ 20,909.04	
Appropriation Reserves		16,428.10	
		\$ 37,337.14	

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2011</u>
9-04	Sewer Plant Improvements	<u>\$ 1,585,000.00</u>	<u>\$ 1,585,000.00</u>
		<u>\$ 1,585,000.00</u>	<u>\$ 1,585,000.00</u>
	<u>Ref.</u>	D	D

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Other Expenses	\$ 8,294.55	\$ 8,294.55		\$ 8,294.55
Capital Improvements:				
Capital Outlay	<u>20,000.00</u>	<u>20,000.00</u>	\$ 16,428.10	<u>3,571.90</u>
	<u>\$ 28,294.55</u>	<u>\$ 28,294.55</u>	<u>\$ 16,428.10</u>	<u>\$ 11,866.45</u>

Ref.

Balance December 31, 2010

Unencumbered

D \$ 28,294.55

\$ 28,294.55

Cash Disbursed	\$ 44,749.60
Due from Current Fund	<u>(28,321.50)</u>
	<u>\$ 16,428.10</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010		Balance Dec. 31, 2011	
		Date	Amount	Funded	Unfunded	Funded	Unfunded
9-04	Sewer Plant Improvements	05/01/05	\$ 1,585,000.00	\$ 320.07		\$ 320.07	
				\$ 320.07	\$ - 0 -	\$ 320.07	\$ - 0 -
				D	D	D	D

Ref.

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	D	<u>\$ 28,383.00</u>
Balance December 31, 2011	D	<u>\$ 28,383.00</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 1,711,820.04
Increased by:		
Paid by Operating Budget:		
Serial Bonds	\$ 5,000.00	
Department of Agriculture Loan	13,722.85	
Capital Outlay:		
Operating Budget	20,909.04	
Appropriation Reserves	16,428.10	
		<u>56,059.99</u>
Balance December 31, 2011	D	<u>\$ 1,767,880.03</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2011</u>
09-04	Sewer Plant Improvements	04/27/04	<u>\$ 550,000.00</u>	<u>\$ 550,000.00</u>
			<u>\$ 550,000.00</u>	<u>\$ 550,000.00</u>
		<u>Ref.</u>	D	D

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE LOAN PAYABLE

Improvement Description	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
Sewer Plant	\$ 1,161,179.96	\$ 13,722.85	\$ 1,147,457.11

Ref.

D

D

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2011

Maturity Date	Payment of		Balance of Loan
	Interest	Principal	
			\$ 1,147,457.11
03/28/12	\$ 25,100.62	\$ 7,087.38	1,140,369.73
09/28/12	24,945.59	7,242.41	1,133,127.32
03/28/13	24,787.16	7,400.84	1,125,726.48
09/28/13	24,625.27	7,562.73	1,118,163.75
03/28/14	24,459.83	7,728.17	1,110,435.58
09/28/14	24,290.78	7,897.22	1,102,538.36
03/28/15	24,118.03	8,069.97	1,094,468.38
09/28/15	23,941.50	8,246.50	1,086,221.88
03/28/16	23,761.10	8,426.90	1,077,794.98
09/28/16	23,576.76	8,611.24	1,069,183.75
03/28/17	23,388.39	8,799.61	1,060,384.14
09/28/17	23,195.90	8,992.10	1,051,392.04
03/28/18	22,999.20	9,188.80	1,042,203.24
09/28/18	22,798.20	9,389.80	1,032,813.44
03/28/19	22,592.79	9,595.21	1,023,218.23
09/28/19	22,382.90	9,805.10	1,013,413.13

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE LOAN PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2011
 (Continued)

Maturity Date	Payment of		Balance of Loan
	Interest	Principal	
			\$ 1,013,413.13
03/28/20	\$ 22,168.41	\$ 10,019.59	1,003,393.54
09/28/20	21,949.23	10,238.77	993,154.78
03/28/21	21,725.26	10,462.74	982,692.04
09/28/21	21,496.39	10,691.61	972,000.42
03/28/22	21,262.51	10,925.49	961,074.93
09/28/22	21,023.51	11,164.49	949,910.45
03/28/23	20,779.29	11,408.71	938,501.74
09/28/23	20,529.73	11,658.27	926,843.46
03/28/24	20,274.70	11,913.30	914,930.16
09/28/24	20,014.10	12,173.90	902,756.26
03/28/25	19,747.79	12,440.21	890,316.05
09/28/25	19,475.66	12,712.34	877,603.72
03/28/26	19,197.58	12,990.42	864,613.30
09/28/26	18,913.42	13,274.58	851,338.71
03/28/27	18,623.03	13,564.97	837,773.75
09/28/27	18,326.30	13,861.70	823,912.05
03/28/28	18,023.08	14,164.92	809,747.12
09/28/28	17,713.22	14,474.78	795,272.34
03/28/29	17,396.58	14,791.42	780,480.92
09/28/29	17,073.02	15,114.98	765,365.94
03/28/30	16,742.38	15,445.62	749,920.32
09/28/30	16,404.51	15,783.49	734,136.83
03/28/31	16,059.24	16,128.76	718,008.07
09/28/31	15,706.43	16,481.57	701,526.50
03/28/32	15,345.89	16,842.11	684,684.39
09/28/32	14,977.47	17,210.53	667,473.86
03/28/33	14,600.99	17,587.01	649,886.85
09/28/33	14,216.27	17,971.73	631,915.12
03/28/34	13,823.14	18,364.86	613,550.26
09/28/34	13,421.41	18,766.59	594,783.68
03/28/35	13,010.89	19,177.11	575,606.57
09/28/35	12,591.39	19,596.61	556,009.96

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE LOAN PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2011
 (Continued)

Maturity Date	Payment of		Balance of Loan
	Interest	Principal	
			\$ 556,009.96
03/28/36	\$ 12,162.72	\$ 20,025.28	535,984.68
09/28/36	11,724.66	20,463.34	515,521.34
03/28/37	11,277.03	20,910.97	494,610.37
09/28/37	10,819.60	21,368.40	473,241.97
03/28/38	10,352.17	21,835.83	451,406.14
09/28/38	9,874.51	22,313.49	429,092.65
03/28/39	9,386.40	22,801.60	406,291.05
09/28/39	8,887.62	23,300.38	382,990.67
03/28/40	8,377.92	23,810.08	359,180.59
09/28/40	7,857.07	24,330.93	334,849.66
03/28/41	7,324.84	24,863.16	309,986.50
09/28/41	6,780.95	25,407.05	284,579.45
03/28/42	6,225.18	25,962.82	258,616.63
09/28/42	5,657.24	26,530.76	232,085.87
03/28/43	5,076.88	27,111.12	204,974.75
09/28/43	4,483.82	27,704.18	177,270.57
03/28/44	3,877.79	28,310.21	148,960.36
09/28/44	3,258.51	28,929.49	120,030.87
03/28/45	2,625.67	29,562.33	90,468.54
09/28/45	1,979.00	30,209.00	60,259.54
03/28/46	1,318.18	30,869.82	29,389.72
09/28/46	642.90	29,389.72	- 0 -
	<u>\$ 1,103,547.51</u>	<u>\$ 1,147,457.11</u>	

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER CAPITAL SERIAL BONDS PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2011</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Matured</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2010</u>		<u>Dec. 31, 2011</u>
Improvements to Sewer Plant	09/01/02	\$ 52,000.00	09/01/12	\$ 7,000.00	3.625%	\$ 12,000.00	\$ 5,000.00	\$ 7,000.00
						\$ 12,000.00	\$ 5,000.00	\$ 7,000.00
					<u>Ref.</u>	D		D

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
MENDHAM WEST SEWER UTILITY FUND

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	E	\$ 10,620.18	\$ 56,691.74
Increased by Receipts:			
Sewer Rents		\$ 103,131.42	
Interest on Delinquent Sewer Rents		399.07	
Prepaid/Overpaid Sewer Rents		35.90	
Due Mendham West Sewer Utility Capital Fund:			
Prior Year Interfund Returned		92.74	
Due Mendham East Sewer Utility Operating Fund:			
Interfund Advanced		5,845.82	
		<u>109,504.95</u>	
		120,125.13	<u>56,691.74</u>
Decreased by Disbursements:			
2011 Budget Appropriations		97,929.84	
2010 Appropriation Reserves		11,695.29	
Due Mendham West Sewer Utility Operating Fund:			
Prior Year Interfund Returned			\$ 92.74
Due Mendham West Sewer Utility Capital Fund:			
Interfund Advanced		10,500.00	
		<u>120,125.13</u>	<u>92.74</u>
Balance December 31, 2011	E	<u>\$ - 0 -</u>	<u>\$ 56,599.00</u>

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
ANALYSIS OF SEWER ASSESSMENT TRUST CASH
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER CAPITAL CASH

	Balance	Cash	Cash	Transfers		Balance
	Dec. 31, 2010	Receipts	Disbursements	From	To	Dec. 31, 2011
		Miscellaneous	Miscellaneous			
Due to Mendham West Sewer Utility						
Operating Fund	\$ 92.74		\$ 92.74		\$ 16,099.00	\$ 16,099.00
Reserve for Future Sewer Improvements	56,599.00			\$ 16,099.00		40,500.00
	<u>\$ 56,691.74</u>	<u>\$ - 0 -</u>	<u>\$ 92.74</u>	<u>\$ 16,099.00</u>	<u>\$ 16,099.00</u>	<u>\$ 56,599.00</u>

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE AND LIENS

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 4,159.20
Increased by:		
Sewer Rents		\$ 102,876.00
Interest on Delinquent Sewer Rents		399.07
		<u>103,275.07</u>
		107,434.27
Decreased by:		
Collections:		
Sewer Rents		103,131.42
Interest on Delinquent Sewer Rents		399.07
Prepaid/Overpaid Sewer Rents Applied		115.25
		<u>103,645.74</u>
Balance December 31, 2011	E	<u>\$ 3,788.53</u>

TOWNSHIP OF MENDHAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF UTILITY SHARE OF SEWER ASSESSMENT BONDS ISSUED
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF SEWER ASSESSMENTS AND LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2010	Additions by Budget	Balance Dec. 31, 2011
Sewer Plant	<u>\$ 2,016,885.84</u>	<u>\$ 5,609.75</u>	<u>\$ 2,022,495.59</u>
<u>Ref.</u>	E		E
Operating Budget		\$ 2,109.75	
Appropriation Reserves		<u>3,500.00</u>	
		<u>\$ 5,609.75</u>	

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Other Expenses	\$ 8,195.29	\$ 8,195.29	\$ 8,195.29	
Capital Improvements:				
Capital Outlay	<u>3,500.00</u>	<u>3,500.00</u>	<u>3,500.00</u>	
	<u>\$ 11,695.29</u>	<u>\$ 11,695.29</u>	<u>\$ 11,695.29</u>	<u>\$ - 0 -</u>

Ref.

Balance December 31, 2010:

Unencumbered	E	<u>\$ 11,695.29</u>
		<u>\$ 11,695.29</u>

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 2,016,885.84
Increased by:		
Capital Outlay:		
2011 Budget Appropriations	\$ 2,109.75	
2010 Appropriation Reserves	<u>3,500.00</u>	
		<u>5,609.75</u>
Balance December 31, 2011	E	<u>\$ 2,022,495.59</u>

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF SEWER ASSESSMENT SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER CAPITAL SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2011
PUBLIC ASSISTANCE FUND

TOWNSHIP OF MENDHAM
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>P.A.T.F. I</u>
Balance December 31, 2010	F	\$ 771.71
Increased by Cash Receipts:		
Interest Earned		<u>3.06</u>
Balance December 31, 2011	F	<u>\$ 774.77</u>

TOWNSHIP OF MENDHAM

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF MENDHAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Funding Department	Federal Program	CFDA #	Pass Through Entity ID	Grant Period		Grant Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures
				From	To				
U.S. Department of Energy (Passed through the New Jersey Board of Public Utilities)	ARRA- Energy Efficiency Block Program	81.128	N/A	07/01/11	08/01/12	\$ 70,617.51		\$ 70,617.51	\$ 70,617.51
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety)	Federal Emergency Management Agency - Severe Winter Storm Event 2010	97.042	1200-100-066-1200- A57-YEMR-6120	01/01/10 1/1/2011	12/31/11 12/31/11	100,000.00 9,610.00	\$ 100,000.00 9,610.00	100,000.00 *	100,000.00
Total Department of Homeland Security							109,610.00	\$ 100,000.00	100,000.00
U.S. Department of Transportation (Passed through NJ Department of Law and Public Safety)	Over the Limit Under Arrest - Impaired Driving Crackdown	20.609	100-066-1160 142-YHTS-6010	01/01/10 1/1/2011	12/31/11 12/31/12	4,182.12 4,800.00	4,800.00	4,800.00	4,800.00
Total Federal Awards							\$ 114,410.00	\$ 175,417.51	\$ 175,417.51

N/A - Not Available/Applicable

*- Expended in prior year.

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF MENDHAM
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

State Funding Department	State Program	State Grant	Grant Period		Grant	Grant Receipts	Grant Expenditures	Cumulative Expenditures	
		Account Number	From	To	Award Amount				
Department of Environmental Protection	Clean Communities Program	765-042-4900	01/01/09	12/31/11	\$ 16,344.55		\$ 3,253.13	\$ 16,344.55	
		-004-V42Y-6020	01/01/11	12/31/12	16,751.80	\$ 16,751.80	10,901.80	10,901.80	
	Recycling Grant	452-042-4900	01/01/08	12/31/11	3,240.68		281.63	3,240.68	
		001-V427Y	01/01/09	12/31/12	5,674.13		1,772.37	1,872.55	
			01/01/10	12/31/12	4,917.68	4,917.68			
			01/01/11	12/31/12	5,143.68	5,143.68			
		Total Department of Environmental Protection						26,813.16	16,208.93
	New Jersey Highlands Council	Initial Assessment Grant	100-082-2078-032	01/01/11	12/31/12	10,866.58			4,411.79
	Department of Health and Senior Services	Alcohol Education	760-098-9735	01/01/09	12/31/09	1,392.29		520.16	1,392.29
		Rehabilitation Fund	789-XXXX	01/01/10	12/31/10	3,468.84		1,579.84	1,579.84
			01/01/11	12/31/12	1,618.04	1,618.04			
Total Department of Health and Senior Services						1,618.04	2,100.00	2,972.13	
Department of Law and Public Safety	Body Armor Replacement Fund	1120-718-066-1020	01/01/08	12/31/11	1,465.81		614.94	1,465.81	
		-001-YCSS-6120	01/01/09	12/31/11	1,682.71		1,682.71	1,682.71	
			01/01/10	12/31/12	866.27		485.35	485.35	
			1/1/2011	12/31/12	1,607.70	1,607.70			
	Drunk Driving Enforcement Fund	100-078-6400-	01/01/09	12/31/11	10,819.77		5,080.89	10,819.77	
		-YYYY-	01/01/10	12/31/11	860.25				
			01/01/11	12/31/12	5,224.91	5,224.91			
Total Department of Law & Public Safety						6,832.61	7,863.89	14,453.64	
Total State Awards						\$ 35,263.81	\$ 26,172.82	\$ 43,295.34	

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF MENDHAM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

Note 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state awards of the Township of Mendham. The Township of Mendham is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

Note 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 4. THRESHOLD FOR FEDERAL AND STATE AWARDS

The threshold for distinguishing Type A and B programs was \$300,000.

Note 5. STATE LOANS OUTSTANDING

The Township of Mendham has the following loans outstanding in the General Capital Fund and Sewer East Capital Fund as of December 31, 2011:

Green Acres Loan Payable #1	\$ 162,186.18
Green Acres Loan Payable #2	850,420.39
Green Acres Loan Payable #3	439,720.27
Green Acres Loan Payable #4	<u>293,146.84</u>
	<u>\$ 1,745,473.68</u>
 United States Department of Agriculture Loan	 <u>\$ 1,147,457.11</u>

The projects which relate to these loans are complete, and the Township is repaying the loan balances. There were no loan receipts or expenditures in the current year.

Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax
Lawrence Business Center
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

Independent Auditors' 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*

The Honorable Mayor and Members
of the Township Committee
Township of Mendham
Mendham, New Jersey

We have audited the financial statements of the Township of Mendham, in the County of Morris (the "Township") as of, and for the years ended, December 31, 2011 and 2010 and have issued our report thereon dated May 20, 2012, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. That report also indicated that the scope of our audit did not include the general fixed assets account group. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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.

Internal Control Over Financial Reporting

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

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

Our consideration of the 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses as Finding 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and Members
of the Township Committee
Township of Mendham
Page 2

Compliance and Other Matters

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

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Township's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and Members of the Township Committee, others within the Township and to meet the requirements for filing with the Division of Local Government Services, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Mount Arlington, New Jersey
May 20, 2012

Nisivoccia, LLP

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell

Certified Public Accountant

Registered Municipal Accountant No. 447

TOWNSHIP OF MENDHAM
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2011

Summary of Auditors' Results:

- A qualified report was issued on the Township's financial statements prepared on an other comprehensive basis of accounting, due to the scope limitation regarding the general fixed assets account group.
- The audit did not disclose any material weaknesses in the internal controls of the Township.
- The audit did not disclose any noncompliance that is material to the financial statements of the Township.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* for 2011 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as noted below:

Finding 2011-1: Segregation of Duties

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The various departments of the Township are responsible for the issuance and collection of permits, licenses and court fines and costs. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Committee should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Administration has taken several measures in recent years to improve internal controls. Collection duties are shared among three employees in the Finance Department and prenumbered documents and monthly reports to the Chief Financial Officer are required by the other departments. Because the Municipal Court is governed by the Administrative Office of the Courts ("AOC"), the Township has little control over its control policies and procedures.

Managements Response

The Township will continue to evaluate possible measures to improve internal controls over collections in other departments and over collections and disbursements in the Municipal Court.

Findings and Responses for Federal Awards:

- Not Applicable – Grant expenditures were below the single audit threshold

Findings and Responses for State Awards:

- Not Applicable – Grant expenditures were below the single audit threshold

TOWNSHIP OF MENDHAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2011-1.

TOWNSHIP OF MENDHAM

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF MENDHAM
OTHER COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, 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, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection B. of Section 9 of P.L. 1971, C. 198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. 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 subparagraph (i) of paragraph (a) of Subsection (1) of Section 5 of P.L. 1971, C. 198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C. 440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in Section 2 of P.L. 1971, C. 198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

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 therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to Subsections B. and C. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:1-4 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

The governing body of the Township of Mendham has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

TOWNSHIP OF MENDHAM
OTHER COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes, Assessments and Utility Charges

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes, assessments or utility charges on or before the date when they would become delinquent.

On January 3, 2011, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

Interest to be charged at the rate of 18% on all delinquent taxes and utility charges in excess of \$1,500 as per N.J.S. 54:4-67 and Chap. 435-1979 and at the rate of 8% on all delinquent taxes and utility charges under \$1,500. Interest to be waived on current taxes paid within the first 10 days after due dates. An additional penalty of 6% will be assessed on delinquencies in excess of \$10,000 at year end.

It appears from an examination on a test basis of the Tax and Sewer Collectors' records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

A tax sale was held in October 5, 2011 and included all items which were eligible for sale.

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	3
2010	2
2009	1

TOWNSHIP OF MENDHAM
COMMENTS AND RECOMMENDATIONS
(Continued)

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2012 Taxes	20
Payment of 2011 Taxes	20
Delinquent Taxes	20
Payment of 2011 Sewer Charges	10
Delinquent Sewer Charges	10

Verification notices were mailed to confirm balances as of December 31, 2011. The items that were returned were compared to and are in agreement with the Borough's records. For receivable items not returned, the receivable balance was agreed to the subsequent receipt. For other items not returned, alternative procedures were performed.

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the draft "Requirements of Audit and Accounting". They are as follows:

1. Maintenance of an encumbrance accounting system.
2. General ledger accounting and record system.
3. Fixed asset accounting and reporting system.

The Township is currently in compliance with all of these technical accounting directives.

Municipal Court

The financial records of the Municipal Court were tested and a summary of the transactions for the year 2011 are as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
State of New Jersey	\$ 6,296.94	\$ 80,208.79	\$ 80,607.88	\$ 5,897.85
County of Morris	5,200.50	51,854.75	53,559.43	3,495.82
Municipality	11,383.56	114,668.11	119,293.34	6,758.33
Conditional Discharge	75.00	1,570.00	1,545.00	100.00
	<u>\$ 22,956.00</u>	<u>\$ 248,301.65</u>	<u>\$ 255,005.65</u>	<u>\$ 16,252.00</u>

TOWNSHIP OF MENDHAM
COMMENTS AND RECOMMENDATIONS
(Continued)

Animal Control

License fees are not always being deposited within 48 hours, prepaid licenses collected in December are not recorded and deposited until January, and the cash receipts records do not indicate the date and amount of collections turned over to the Chief Financial Officer.

It is recommended that:

Animal Control license fees are always deposited within 48 hours, prepaid licenses are recorded and deposited when collected, and the cash receipts records indicate the date and amount of collections turned over to the Chief Financial Officer.

Management's Response

Animal Control license fees will be deposited within 48 hours, prepaid licenses will be recorded and deposited when collected, and the cash receipts records will indicate the date and amount of collections turned over to the Chief Financial Officer.

Finance Department

Our audit revealed that:

The classification of cash receipts and disbursements was not in complete agreement with the general ledger postings, there were various interfund balances and (capital) grants receivable as of December 31, and "Dedication by rider" resolutions could not be located for the expenditure of Municipal Alliance and Road Detail trust funds.

The Finance department has taken great strides and made significant improvements to ensure that the classification of cash receipts and disbursements were in agreement with the general ledger postings, controls are in place to adequately monitor and control interfund balances and grants receivable, and that "dedication by rider" resolutions have been obtained for the expenditure of all trust funds.

However, we recommend that the Finance Department continue to control and monitor the classification of cash receipts and disbursements with general ledger postings, interfund and grant balances, and "Dedication by rider" resolutions.

Management's Response

The Finance Department will continue to control and monitor the classification of cash receipts and disbursements with general ledger postings, interfund and grant balances, and "Dedication by rider" resolutions.

Status of Prior Year Recommendations

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2010 audit report. Corrective action was taken with respect to recommendations 2a and 2b regarding the records of various Township departments. Improvements have been made over the course of the year with respect to recommendations 3a, 3b and 3c regarding the Finance department records, and recommendation 1 regarding the segregation of duties is being considered, to the extent possible, for implementation.

TOWNSHIP OF MENDHAM
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties is maintained with respect to the recording and treasury functions.
2. Animal Control license fees are always deposited within 48 hours, prepaid licenses are recorded and deposited when collected, and the cash receipts records indicate the date and amount of collections turned over to the Chief Financial Officer.
3. The Finance Department continue to control and monitor the classification of cash receipts and disbursements with general ledger postings, interfund and grant balances, and "Dedication by rider" resolutions.
