

Report of Audit

on the

Financial Statements

of the

Borough of Mountainside

in the

County of Union
New Jersey

for the

Year Ended
December 31, 2011



BOROUGH OF MOUNTAINSIDE

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BOROUGH OF MOUNTAINSIDE

PART I

INDEPENDENT AUDITOR'S REPORT ON
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YEAR ENDED DECEMBER 31, 2011 AND 2010



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Mountainside
County of Union
Mountainside, New Jersey 07092

We have audited the accompanying financial statements - regulatory basis of the various individual funds and the account group of the Borough of Mountainside, County of Union, New Jersey as of and for the years ended December 31, 2011 and 2010, and for the year ended December 31, 2011 as listed as financial statements - regulatory basis in the foregoing table of contents. These financial statements - regulatory basis are the responsibility of the management of the Borough of Mountainside, County of Union. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Borough of Mountainside, County of Union, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, because the Borough of Mountainside prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various individual funds of the Borough of Mountainside as of December 31, 2011 and 2010 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2011.

SUPLEE, CLOONEY & COMPANY

However, in our opinion, the financial statements - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various individual funds and account groups of the Borough of Mountainside, County of Union, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis for the years then ended and the revenues, expenditures and changes in fund balance - regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated February 29, 2012 on our consideration of the Borough of Mountainside's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - regulatory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. This 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 taken as a whole.

This report is intended for the information of the Borough of Mountainside, County of Union, New Jersey, the Division of Local Government Services and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

February 29, 2012

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CURRENT FUND

BOROUGH OF MOUNTAINSIDECURRENT FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Cash - Treasurer	A-4	\$ 2,693,250.83	\$ 2,713,959.33
Change Fund	A-7	450.00	450.00
Grants Receivable	A-24	61,456.00	78,778.37
		<u>\$ 2,755,156.83</u>	<u>\$ 2,793,187.70</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-10	\$ 211,700.81	\$ 253,490.85
Tax Title Liens	A-11	27,090.75	27,090.75
Sewer Flow Charges Receivable	A-13	960.34	2,339.06
Property Acquired for Taxes-Assessed Valuation	A-6	3,875.00	3,875.00
Revenue Accounts Receivable	A-12	12,429.97	14,480.01
Interfunds Receivable	A-23	820.00	7,665.37
	A	<u>\$ 256,876.87</u>	<u>\$ 308,941.04</u>
Deferred Charges:			
Emergency Appropriations 40A:4-46	A-28	\$ 60,000.00	
		<u>\$ 3,072,033.70</u>	<u>\$ 3,102,128.74</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-14	\$ 303,083.08	\$ 444,325.68
Due To State of New Jersey			
Senior Citizens Deductions	A-9	7,697.36	8,606.27
Reserve For:			
Miscellaneous Reserves	A-16	58,209.75	38,962.75
Grant Programs:			
Unappropriated	A-25	9,682.01	2,687.09
Appropriated	A-26	83,940.92	91,639.43
Outside Liens	A-22	154.92	154.92
Accounts Payable	A-15	199,088.72	189,383.29
Prepaid Taxes	A-17	118,757.95	132,488.30
Tax Overpayments	A-18		2,002.86
Prepaid Sewer Charges	A-29	49.84	
County Taxes Payable	A-20	17,232.54	44,805.39
Interfunds Payable	A-23	118,209.26	15,020.78
State Tax Appeals	A-27	23,190.71	52,164.55
		<u>\$ 939,297.06</u>	<u>\$ 1,022,241.31</u>
Reserve for Receivables	A	256,876.87	308,941.04
Fund Balance	A-1	1,875,859.77	1,770,946.39
		<u>\$ 3,072,033.70</u>	<u>\$ 3,102,128.74</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2011	YEAR ENDED DECEMBER 31, 2010
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-2	\$ 1,335,000.00	\$ 1,275,000.00
Miscellaneous Revenue Anticipated	A-2	1,858,783.67	1,936,845.02
Receipts From Delinquent Taxes	A-2	253,490.85	320,762.68
Receipts From Current Taxes	A-2	28,178,877.83	27,271,273.37
Non-Budget Revenue	A-2	449,347.74	385,386.82
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	321,501.83	274,341.66
Grant Programs Reserve Canceled			0.63
Tax Overpayments Canceled			4,125.55
Interfunds Returned		6,845.37	
Reserve for Due Federal Government Canceled			13,814.00
<u>Total Income</u>		<u>\$ 32,403,847.29</u>	<u>\$ 31,481,549.73</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations (Within "CAPS"):			
Operations (Including Contingent)	A-3	\$ 6,632,508.00	\$ 6,339,039.00
Deferred Charges and Statutory Expenditures-Municipal	A-3	922,930.00	487,784.00
Budget (Excluded From "CAPS"):			
Operations:			
Other Operations	A-3	1,771,360.04	2,138,640.30
Capital Improvements	A-3	75,000.00	1,000.00
Municipal Debt Service	A-3	635,840.72	643,076.22
Deferred Charges-Municipal	A-3	312,763.00	379,527.00
County Taxes	A-19	7,331,186.02	7,176,208.38
Due County for Added and Omitted Taxes	A-20	17,232.29	44,805.14
Local District School Tax	A-21	13,303,684.50	12,852,382.50
Refund of Prior Year's Revenues	A-4	21,429.34	2,910.03
Prior Years Senior Citizens and Veterans Deductions Disallowed			11,160.96
<u>Total Expenditures</u>		<u>\$ 31,023,933.91</u>	<u>\$ 30,076,533.53</u>
Excess in Revenue		\$ 1,379,913.38	\$ 1,405,016.20
Adjustments to Income Before Surplus:			
Expenditures Included above which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	60,000.00	
Statutory Excess to Fund Balance		\$ 1,439,913.38	\$ 1,405,016.20
<u>FUND BALANCE</u>			
Balance, January 1	A	1,770,946.39	1,640,930.19
		<u>\$ 3,210,859.77</u>	<u>\$ 3,045,946.39</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1	1,335,000.00	1,275,000.00
Balance, December 31	A	<u>\$ 1,875,859.77</u>	<u>\$ 1,770,946.39</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>SPECIAL N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 1,335,000.00		\$ 1,335,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	\$ 20,000.00	\$	\$ 22,500.00	\$ 2,500.00
Other	A-2	2,200.00		3,242.00	1,042.00
Fees and Permits:					
Other	A-2	17,500.00		21,035.00	3,535.00
Fines and Costs:					
Municipal Court	A-2	165,000.00		153,759.48	(11,240.52)
Interest and Costs on Taxes	A-12	70,000.00		64,289.91	(5,710.09)
Interest on Investments	A-12	21,000.00		16,111.44	(4,888.56)
Recreation Fees	A-2	110,000.00		119,006.01	9,006.01
Sewer Use Charges	A-13	240,000.00		248,435.20	8,435.20
Sale of Municipal Assets	A-16	8,000.00		8,000.00	
Cable TV Franchise Fee	A-12	88,202.68		88,202.68	
Consolidated Municipal Property Tax Relief Act	A-12	49,231.00		49,231.00	
Energy Receipts Tax	A-12	718,369.00		718,369.00	
Construction Code Official	A-2	155,000.00		199,844.91	44,844.91
Recycling Tonnage Grant	A-24	9,445.03		9,445.03	
Drunk Driving Enforcement Fund	A-24		5,516.00	5,516.00	
Clean Communities Act	A-24		11,760.92	11,760.92	
Body Armor Replacement Fund	A-24	2,234.63		2,234.63	
Alcohol Education Rehabilitation Fund	A-24	452.46		452.46	
County of Union - Recreation Trust Grant	A-24	40,000.00		40,000.00	
Municipal Alliance	A-24	15,769.00		15,769.00	
Watts Mountainside Community Foundation Grant	A-24		9,500.00	9,500.00	
Recycling Enhancement	A-24	3,000.00		3,000.00	
Uniform Fire Safety	A-12	24,030.63		22,828.00	(1,202.63)
Uniform Fire Safety-Local Fees	A-12	10,500.00		5,431.00	(5,069.00)
Assessment Trust Surplus	A-12	820.00		820.00	
Cell Tower Rents	A-12	20,000.00		20,000.00	
	A-1	\$ 1,790,754.43	\$ 26,776.92	\$ 1,858,783.67	\$ 41,252.32
Receipts From Delinquent Taxes	A-1	\$ 249,000.00		\$ 253,490.85	\$ 4,490.85
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Budget	A-2:A-10	\$ 7,279,116.69	\$	\$ 7,917,017.02	\$ 637,900.33
Minimum Library Tax	A-2:A-10	569,758.00		569,758.00	
		<u>7,848,874.69</u>		<u>8,486,775.02</u>	<u>637,900.33</u>
<u>Budget Totals</u>		\$ 11,223,629.12	\$ 26,776.92	\$ 11,934,049.54	\$ 683,643.50
Non-Budget Revenue	A-2			449,347.74	449,347.74
		<u>\$ 11,223,629.12</u>	<u>\$ 26,776.92</u>	<u>\$ 12,383,397.28</u>	<u>\$ 1,132,991.24</u>
	<u>REF.</u>	A-3	A-3		

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	
<u>ANALYSIS OF REALIZED REVENUE</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A-10	\$ 28,178,877.83
Allocated to:		
School and County Taxes		<u>20,652,102.81</u>
Balance For Support of Municipal Budget Appropriations		\$ 7,526,775.02
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>960,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>8,486,775.02</u></u>
Licenses - Other:		
Clerk	A-12	\$ 1,490.00
Health Officer	A-12	<u>1,752.00</u>
	A-2	\$ <u><u>3,242.00</u></u>
Fees and Permits - Other:		
Clerk	A-12	\$ 12,875.00
Police	A-12	3,210.00
Health Officer	A-12	<u>4,950.00</u>
	A-2	\$ <u><u>21,035.00</u></u>
Uniform Construction Code Fees and Permits:	A-12	\$ 200,043.00
Less: Refunds	A-4	<u>198.09</u>
	A-2	\$ <u><u>199,844.91</u></u>
Recreation - Fees and Permits:	A-12	\$ 119,641.01
Less: Refunds	A-4	<u>635.00</u>
	A-2	\$ <u><u>119,006.01</u></u>
Interest and Costs on Taxes	A-12	\$ 64,515.22
Less: Refunds	A-4	<u>225.31</u>
	A-2	\$ <u><u>64,289.91</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 72,000.00	\$ 67,000.00	\$ 64,866.75	\$ 2,133.25	\$
Other Expenses	104,120.00	104,120.00	96,328.63	7,791.37	
Mayor and Council:					
Salaries and Wages	10,500.00	10,500.00	10,148.34	351.66	
Other Expenses	95.00	95.00		95.00	
Borough Clerk:					
Salaries and Wages	95,500.00	91,500.00	91,021.76	478.24	
Other Expenses	4,750.00	4,750.00	4,750.00		
Financial Administration:					
Salaries and Wages	110,000.00	104,000.00	102,859.92	1,140.08	
Other Expenses	1,140.00	1,140.00	622.20	517.80	
Audit	49,000.00	49,000.00	49,000.00		
Assessment of Taxes:					
Salaries and Wages	23,000.00	23,000.00	21,470.44	1,529.56	
Other Expenses	30,000.00	24,900.00	16,699.82	8,200.18	
Legal Services and Costs:					
Salaries and Wages	24,000.00	24,000.00	23,233.03	766.97	
Other Expenses	214,500.00	214,500.00	206,875.85	7,624.15	
Municipal Court:					
Salaries & Wages	167,000.00	167,000.00	164,204.71	2,795.29	
Other Expenses	6,935.00	6,935.00	5,800.29	1,134.71	
Public Defender:					
Salaries and Wages	4,000.00	4,000.00	3,599.96	400.04	
Planning Board:					
Salaries and Wages	2,500.00	2,600.00	2,492.06	107.94	
Other Expenses-Miscellaneous	25,000.00	30,000.00	27,270.41	2,729.59	
Insurance:					
Group Insurance Plan for Employees	565,018.00	565,018.00	549,676.47	15,341.53	
Workers Compensation	60,000.00	60,000.00	60,000.00		
Other Insurance	230,000.00	231,500.00	228,616.02	2,883.98	
Group Insurance Health Benefit Waiver	70,000.00	70,000.00	68,641.96	1,358.04	
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses	66,500.00	66,500.00	63,206.18	3,293.82	
Police:					
Salaries and Wages	2,360,822.00	2,373,822.00	2,373,760.21	61.79	
Other Expenses - Miscellaneous	170,250.00	170,250.00	157,356.11	12,893.89	
Police Dispatchers:					
Salaries and Wages	185,000.00	190,000.00	186,623.75	3,376.25	
Other Expenses	7,315.00	7,315.00	4,256.00	3,059.00	
First Aid Organization-Contribution	35,000.00	35,000.00	35,000.00		
Emergency Management Services:					
Other Expenses	1,900.00	1,900.00		1,900.00	
Fire Prevention:					
Salaries and Wages	25,000.00	25,000.00	25,000.00		
Other Expenses	3,591.00	3,591.00	1,013.20	2,577.80	
<u>PUBLIC WORKS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	416,000.00	424,000.00	417,245.50	6,754.50	
Other Expenses	100,300.00	100,300.00	82,849.59	17,450.41	
Snow Removal:					
Other Expenses	228,292.00	228,292.00	193,500.00	34,792.00	
Public Buildings and Grounds:					
Other Expenses	84,800.00	84,800.00	84,447.23	352.77	
Shade Tree Commission:					
Other Expenses	9,400.00	9,400.00	9,400.00		
Emergency Authorization NJSA 40A:4-46					
Pre Halloween Storm		60,000.00	60,000.00		

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
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>	
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages	\$ 8,000.00	\$ 3,000.00	\$ 1,751.21	\$ 1,248.79	\$
Other Expenses	35,100.00	35,100.00	35,084.00	16.00	
Dog Regulation:					
Other Expenses	17,000.00	17,000.00	17,000.00		
Administration of Public Assistance:					
Salaries and Wages	10.00	10.00		10.00	
Other Expenses	10.00	10.00		10.00	
<u>RECREATION AND EDUCATION</u>					
Board of Recreation Commissioners (R.S. 40-12-1 et. seq.):					
Salaries and Wages	148,000.00	151,500.00	144,588.10	6,911.90	
Other Expenses	88,750.00	88,750.00	76,821.19	11,928.81	
Senior Citizen Services:					
Salaries & Wages	22,000.00	22,000.00	15,833.13	6,166.87	
Other Expenses	6,000.00	6,000.00	5,867.52	132.48	
<u>STATE UNIFORM CONSTRUCTION CODE</u>					
Construction Code Official:					
Salaries and Wages	121,500.00	111,500.00	109,880.84	1,619.16	
Other Expenses	3,600.00	3,600.00	2,776.71	823.29	
<u>ZONING ENFORCEMENT</u>					
Other Expenses:	10.00	10.00		10.00	
<u>UNCLASSIFIED</u>					
Salary Adjustment	70,000.00	70,000.00		70,000.00	
Utilities:					
Fire Hydrant	195,000.00	195,000.00	172,212.04	22,787.96	
Street Lighting	50,000.00	42,000.00	28,421.79	13,578.21	
Telephone	39,000.00	39,000.00	34,850.00	4,150.00	
Electricity	97,000.00	97,000.00	91,753.72	5,246.28	
Water	9,000.00	9,000.00	7,464.06	1,535.94	
Gas	24,000.00	24,000.00	17,636.01	6,363.99	
Gasoline	75,000.00	82,000.00	81,068.51	931.49	
	<u>\$ 6,572,208.00</u>	<u>\$ 6,632,208.00</u>	<u>\$ 6,334,845.22</u>	<u>\$ 297,362.78</u>	<u>\$</u>
<u>CONTINGENT</u>					
	<u>\$ 300.00</u>	<u>\$ 300.00</u>	<u>\$</u>	<u>\$ 300.00</u>	<u>\$</u>
<u>TOTAL OPERATIONS (INCLUDING CONTINGENT) WITHIN "CAPS"</u>					
	<u>\$ 6,572,508.00</u>	<u>\$ 6,632,508.00</u>	<u>\$ 6,334,845.22</u>	<u>\$ 297,662.78</u>	<u>\$</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL</u>					
Statutory Expenditures:					
Contribution To:					
Public Employees Retirement System	\$ 186,165.00	\$ 186,165.00	\$ 186,165.00	\$	\$
Social Security System (O.A.S.I.)	160,000.00	160,000.00	155,048.70	4,951.30	
Police & Firemen's Retire System of N.J.	576,765.00	576,765.00	576,765.00		
	<u>\$ 922,930.00</u>	<u>\$ 922,930.00</u>	<u>\$ 917,978.70</u>	<u>\$ 4,951.30</u>	<u>\$</u>
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>					
	<u>\$ 922,930.00</u>	<u>\$ 922,930.00</u>	<u>\$ 917,978.70</u>	<u>\$ 4,951.30</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>					
	<u>\$ 7,495,438.00</u>	<u>\$ 7,555,438.00</u>	<u>\$ 7,252,823.92</u>	<u>\$ 302,614.08</u>	<u>\$</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library	\$ 569,758.00	\$ 569,758.00	\$ 569,758.00	\$	\$
Rahway Valley Sewerage Authority: Share of Costs	962,000.00	962,000.00	961,531.00	469.00	
Tax Appeals Pending: Other Expenses	88,000.00	88,000.00	88,000.00		
Insurance: Group Insurance Plan for Employees	49,982.00	49,982.00	49,982.00		
STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES					
Drunk Driving Enforcement Fund (N.J.S.A. 40A.4-87 + 5,516.00)		5,516.00	5,516.00		
Municipal Alliance on Alcoholism & Drug Abuse: State Aid	15,769.00	15,769.00	15,769.00		
Local Match	3,942.00	3,942.00	3,942.00		
Clean Communities (N.J.S.A. 40A.4-87 + \$11,760.92)		11,760.92	11,760.92		
Alcohol, Education and Rehabilitation State Aid	452.46	452.46	452.46		
Body Armor Replacement Fund	2,234.63	2,234.63	2,234.63		
County of Union - Recreation Trust Grant	40,000.00	40,000.00	40,000.00		
Recycling Tonnage Grant	9,445.03	9,445.03	9,445.03		
Recycling Enhancement Grant	3,000.00	3,000.00	3,000.00		
Watts Mountainside Community Foundation (N.J.S.A. 40A.4-87 + 9,500.00)		9,500.00	9,500.00		
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	\$ 1,744,583.12	\$ 1,771,360.04	\$ 1,770,891.04	\$ 469.00	\$
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$	\$
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$	\$
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 355,000.00	\$ 355,000.00	\$ 355,000.00	\$	\$
Payment of Bond Anticipation Notes & Capital Notes	77,000.00	77,000.00	77,000.00		
Interest on Bonds	111,205.00	111,205.00	111,203.80		1.20
Interest on Notes	43,725.00	43,725.00	43,723.20		1.80
State of New Jersey-E.D.A.:					
Principal	45,778.00	45,778.00	45,777.93		0.07
Interest	3,137.00	3,137.00	3,135.79		1.21
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"	\$ 635,845.00	\$ 635,845.00	\$ 635,840.72	\$	\$ 4.28

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
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>	
DEFERRED CHARGES - MUNICIPAL <u>EXCLUDED FROM "CAPS"</u>					
Deferred Charges to Future Taxation Unfunded:					
Ordinance # 1036-01	\$ 119,620.34	\$ 119,620.34	\$ 119,620.34	\$	\$
Ordinance # 1060-03	193,142.66	193,142.66	193,142.66		
TOTAL DEFERRED CHARGES- <u>EXCLUDED FROM "CAPS"</u>	\$ 312,763.00	\$ 312,763.00	\$ 312,763.00	\$	\$
TOTAL GENERAL APPROPRIATIONS <u>EXCLUDED FROM "CAPS"</u>	\$ 2,768,191.12	\$ 2,794,968.04	\$ 2,794,494.76	\$ 469.00	\$ 4.28
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	\$ 10,263,629.12	\$ 10,350,406.04	\$ 10,047,318.68	\$ 303,083.08	\$ 4.28
	960,000.00	960,000.00	960,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 11,223,629.12</u>	<u>\$ 11,310,406.04</u>	<u>\$ 11,007,318.68</u>	<u>\$ 303,083.08</u>	<u>\$ 4.28</u>
	REF	A-2	A-1	A:A-1	
Budget	A-3	\$ 11,223,629.12			
Appropriation by 40A:4-87	A-2	26,776.92			
Appropriation by 40A:4-46	A-28	60,000.00			
		<u>\$ 11,250,406.04</u>			
Reserve for Tax Appeals	A-27		\$ 88,000.00		
Federal and State Programs Appropriated	A-26		101,620.04		
Accounts Payable	A-15		195,768.69		
Disbursed	A-4		9,860,350.46		
Reserve for Uncollected Taxes	A-2		960,000.00		
			\$ 11,205,739.19		
Less: Refunds	A-4		198,420.51		
			<u>\$ 11,007,318.68</u>		

The accompanying Notes to the Financial Statements are an integral part of this statement.

TRUST FUND

BOROUGH OF MOUNTAINSIDE
TRUST FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>
<u>A S S E T S</u>			
Assessment Fund:			
Cash	B-2	\$ 3,280.00	\$ 10,125.37
Assessments Receivable	B-12		820.00
		<u>\$ 3,280.00</u>	<u>\$ 10,945.37</u>
Dog License Fund:			
Cash	B-2	\$ 6,808.16	\$ 1,417.76
Due Current Fund	B-11	4.00	4.00
		<u>\$ 6,812.16</u>	<u>\$ 1,421.76</u>
Other Funds:			
Cash	B-2	\$ 377,057.86	\$ 426,349.83
Petty Cash		250.00	250.00
Community Development Block Grants Receivable	B-7	15,830.00	52,367.75
Due Current Fund	B-4	29,084.43	7,634.45
		<u>\$ 422,222.29</u>	<u>\$ 486,602.03</u>
		<u>\$ 432,314.45</u>	<u>\$ 498,969.16</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Reserve for Assessments and Liens	B-13		\$ 820.00
Due Current Fund	B-3	\$ 820.00	7,665.37
Fund Balance	B-1	2,460.00	2,460.00
		<u>\$ 3,280.00</u>	<u>\$ 10,945.37</u>
Dog License Fund:			
Reserve for Dog Fund Expenditures	B-5	\$ 6,811.36	\$ 1,389.36
Due State of New Jersey	B-6	0.80	32.40
		<u>\$ 6,812.16</u>	<u>\$ 1,421.76</u>
Other Funds:			
Reserve for Unemployment Compensation Insurance	B-8	\$ 16,198.59	\$ 16,302.91
Reserve for Community Development Block Grant Fund	B-9	8,606.91	23,694.68
Various Reserves and Deposits	B-10	396,181.60	446,026.51
Payroll Deductions Payable	B-14	1,235.19	577.93
		<u>\$ 422,222.29</u>	<u>\$ 486,602.03</u>
		<u>\$ 432,314.45</u>	<u>\$ 498,969.16</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

TRUST FUND

STATEMENT OF FUND BALANCE - ASSESSMENT FUND

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 2,460.00
Increased by:		
Collection of Unpledged Assessments and Liens	B-13	<u>820.00</u>
		\$ <u>3,280.00</u>
Decreased by:		
Due to Current Fund as Anticipated Revenue	B-2	<u>820.00</u>
Balance, December 31, 2011	B	\$ <u><u>2,460.00</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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GENERAL CAPITAL FUND

BOROUGH OF MOUNTAINSIDE
GENERAL CAPITAL FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,011,375.29	\$ 904,009.50
State Aid Receivable	C-12	156,353.06	468,750.00
Due Current Fund	C-4	89,120.83	7,382.33
Due Swimming Pool Utility Capital Fund	C-15	97,496.00	129,996.00
Deferred Charges to Future Taxation:			
Funded	C-5	2,313,111.72	2,713,889.65
Unfunded	C-6	2,991,818.99	3,381,581.99
		<u>\$ 6,659,275.89</u>	<u>\$ 7,605,609.47</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
NJEDA Loan Payable	C-10	\$ 183,111.72	\$ 228,889.65
General Serial Bonds	C-11	2,130,000.00	2,485,000.00
Bond Anticipation Notes	C-16	2,846,000.00	2,923,000.00
Improvement Authorizations:			
Funded	C-9	94,965.63	109,125.05
Unfunded	C-9	143,373.62	885,379.69
Capital Improvement Fund	C-7	310,809.65	275,834.32
Accounts Payable-Reserve for Recreation	C-14	16,535.50	16,535.50
Contracts Payable	C-8	779,146.63	622,025.26
Reserve for Recreation	C-13	2,232.01	2,232.01
Reserve for Road Improvements	C-18	81,738.50	
Fund Balance	C-1	71,362.63	57,587.99
		<u>\$ 6,659,275.89</u>	<u>\$ 7,605,609.47</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 57,587.99
Increased by:		
Premium on Bond Anticipation Notes Issued	C-2	<u>13,774.64</u>
Balance, December 31, 2011	C	<u>\$ 71,362.63</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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SWIMMING POOL UTILITY FUND

"D"

BOROUGH OF MOUNTAINSIDE

SWIMMING POOL UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	D-5	\$ 161,554.76	\$ 120,521.79
Change Fund	D-14	50.00	50.00
Due Payroll Account	D-15	0.60	
		<u> </u>	<u> </u>
<u>Total Operating Fund</u>		\$ <u>161,605.36</u>	\$ <u>120,571.79</u>
Capital Fund:			
Due Swimming Pool Operating Fund	D	\$ 1,244.11	\$ 1,244.11
Fixed Capital	D-11	661,107.06	661,107.06
Fixed Capital Authorized and Uncompleted	D-12	269,996.00	269,996.00
		<u> </u>	<u> </u>
<u>Total Capital Fund</u>		\$ <u>932,347.17</u>	\$ <u>932,347.17</u>
		\$ <u>1,093,952.53</u>	\$ <u>1,052,918.96</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-7	\$ 39,696.61	\$ 39,658.28
Accounts Payable	D-6	14,223.84	23,201.71
Due Swimming Pool Capital Fund	D:D-8	1,244.11	1,244.11
Fund Balance	D-1	106,440.80	56,467.69
		<u> </u>	<u> </u>
<u>Total Operating Fund</u>		\$ <u>161,605.36</u>	\$ <u>120,571.79</u>
Capital Fund:			
Reserve for Amortization	D-9	\$ 833,607.06	\$ 801,107.06
Due General Capital Fund	D-13	97,496.00	129,996.00
Fund Balance	D-2	1,244.11	1,244.11
		<u> </u>	<u> </u>
<u>Total Capital Fund</u>		\$ <u>932,347.17</u>	\$ <u>932,347.17</u>
		\$ <u>1,093,952.53</u>	\$ <u>1,052,918.96</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDESWIMMING POOL UTILITY FUNDSTATEMENTS OF OPERATIONS AND CHANGES
IN OPERATING FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2011</u>	YEAR ENDED DECEMBER <u>31, 2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 34,192.00	\$ 36,192.00
Membership Fees	D-3	309,573.00	292,289.50
Miscellaneous	D-3	34,567.62	30,854.40
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-7	<u>40,024.49</u>	<u>29,297.12</u>
<u>Total Income</u>		\$ <u>418,357.11</u>	\$ <u>388,633.02</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 261,582.00	\$ 256,582.00
Capital Improvements	D-4	28,110.00	48,110.00
Deferred Charges and Statutory Expenditures	D-4	<u>44,500.00</u>	<u>41,500.00</u>
<u>Total Expenditures</u>		\$ <u>334,192.00</u>	\$ <u>346,192.00</u>
Excess in Revenue		\$ 84,165.11	\$ 42,441.02
<u>Fund Balance</u>			
Balance, January 1	D	<u>56,467.69</u>	<u>100,218.67</u>
		\$ 140,632.80	\$ 142,659.69
Decreased by:			
Utilization by Swimming Pool Operating Budget	D-1:D-3	\$ 34,192.00	36,192.00
Utility Operating Surplus to Current Fund			<u>50,000.00</u>
		\$ <u>34,192.00</u>	<u>86,192.00</u>
Balance, December 31	D	<u><u>106,440.80</u></u>	<u><u>56,467.69</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE
SWIMMING POOL UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	D	\$ <u>1,244.11</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Utilized	D-1	\$ 34,192.00	\$ 34,192.00	\$
Membership Fees	D-1:D-5	290,000.00	309,573.00	19,573.00
Miscellaneous	D-1:D-3	<u>30,000.00</u>	<u>34,567.62</u>	<u>4,567.62</u>
		\$ <u>354,192.00</u>	\$ <u>378,332.62</u>	\$ <u>24,140.62</u>
	<u>REF.</u>	D-4		

ANALYSIS OF REALIZED REVENUE

MISCELLANEOUS

Interest on Investments		\$ 682.62	
Miscellaneous		<u>33,885.00</u>	
	D-3		\$ <u>34,567.62</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF MOUNTAINSIDE

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Operating:					
Salaries and Wages	\$ 155,500.00	\$ 155,500.00	\$ 144,625.58	\$ 10,874.42	\$
Other Expenses - Miscellaneous	85,825.00	85,825.00	82,449.35	3,375.65	
Other Expenses - Material & Supplies	20,257.00	20,257.00		20,257.00	
<u>Total Operating</u>	<u>\$ 261,582.00</u>	<u>\$ 261,582.00</u>	<u>\$ 227,074.93</u>	<u>\$ 34,507.07</u>	<u>\$</u>
Capital Improvements:					
Capital Outlay	\$ 48,110.00	\$ 48,110.00	\$ 22,920.46	\$ 5,189.54	\$ 20,000.00
<u>Total Capital Improvements</u>	<u>\$ 48,110.00</u>	<u>\$ 48,110.00</u>	<u>\$ 22,920.46</u>	<u>\$ 5,189.54</u>	<u>\$ 20,000.00</u>
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Cost of Improvements - Ordinance # 1097-2005	\$ 32,500.00	\$ 32,500.00	\$ 32,500.00	\$	\$
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	12,000.00	12,000.00	12,000.00		
<u>Total Deferred Charges and Statutory Expenditures</u>	<u>\$ 44,500.00</u>	<u>\$ 44,500.00</u>	<u>\$ 44,500.00</u>	<u>\$</u>	<u>\$</u>
	<u>\$ 354,192.00</u>	<u>\$ 354,192.00</u>	<u>\$ 294,495.39</u>	<u>\$ 39,696.61</u>	<u>\$ 20,000.00</u>
	REF.	D-3	D-1	D:D-1	D-1
Accounts Payable	D-6		\$ 14,223.84		
Disbursements	D-5		280,271.55		
			<u>\$ 294,495.39</u>		

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF MOUNTAINSIDE
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
General Fixed Assets:		
Buildings	\$ 8,725,050.00	\$ 8,725,050.00
Equipment	2,549,252.44	2,587,769.43
Land	<u>1,832,400.00</u>	<u>1,832,400.00</u>
<u>Total General Fixed Assets</u>	<u>\$ 13,106,702.44</u>	<u>\$ 13,145,219.43</u>
Investment in General Fixed Assets	<u>\$ 13,106,702.44</u>	<u>\$ 13,145,219.43</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF MOUNTAINSIDE

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011 and 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Mountainside is an instrumentality of the State of New Jersey established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Mountainside include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Mountainside, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Mountainside do not include the operations of the municipal library or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Mountainside 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. 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 financial transactions and accounts of the Borough of Mountainside are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of 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.

Swimming Pool Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned swimming pool.

Public Assistance Fund – receipts and disbursements of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled 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. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Borough's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

Fixed Capital - Swimming Pool Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Swimming Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction cost or current value. The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Inventories of Supplies - the cost 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. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

The Borough of Mountainside had the following cash and cash equivalents at December 31, 2011:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$2,756,022.71		\$62,771.88	\$2,693,250.83
Animal Control Trust Fund	6,910.16		102.06	6,808.10
Assessment Trust Fund	3,280.00			3,280.00
Other Trust Fund	406,905.02	\$30.50	29,877.66	377,057.86
General Capital Fund	1,011,374.53	0.76		1,011,375.29
Swim Pool Utility Operating Fund	161,554.76			161,554.76
	<u>\$4,346,047.18</u>	<u>\$31.26</u>	<u>\$92,751.60</u>	<u>\$4,253,326.84</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2011, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$4,346,047.18, \$338,336.36 was covered by Federal Depository Insurance, \$3,934,787.23 was covered under the provisions of NJGUDPA and \$72,633.59 was on deposit with the New Jersey Cash Management Fund.

B. Investments

The purchases of investments by the Borough are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
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 date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Mountainside's investment activities during the year were in accordance with the above New Jersey Statute.

As of December 31, 2011 the Borough had \$72,633.59 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk or its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2011</u>	<u>YEAR 2010</u>	<u>YEAR 2009</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ <u>5,159,111.72</u>	\$ <u>5,636,889.65</u>	\$ <u>6,109,667.58</u>
<u>Total Issued</u>	\$ <u>5,159,111.72</u>	\$ <u>5,636,889.65</u>	\$ <u>6,109,667.58</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	<u>145,818.99</u>	<u>458,581.99</u>	<u>838,108.99</u>
Swimming Pool Utility			
Bonds and Notes	<u>97,496.00</u>	<u>129,996.00</u>	<u>159,996.00</u>
<u>Total Authorized But Not Issued</u>	<u>243,314.99</u>	<u>588,577.99</u>	<u>998,104.99</u>
 <u>BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED</u>	 <u>\$ 5,402,426.71</u>	 <u>\$ 6,225,467.64</u>	 <u>\$ 7,107,772.57</u>

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 regulatory net debt of .30%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 3,110,323.80	\$ 3,110,323.80	\$
Swimming Pool Utility Debt	97,496.00	97,496.00	
General Debt	<u>5,304,930.71</u>		<u>5,304,930.71</u>
	<u>\$ 8,512,750.51</u>	<u>\$ 3,207,819.80</u>	<u>\$ 5,304,930.71</u>

NET DEBT \$5,304,930.71 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$1,767,262,038.67 EQUALS .30%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2011	\$ <u>1,767,262,038.67</u>
3-1/2% of Equalized Valuation Basis	\$ 61,854,171.35
Net Debt	<u>5,304,930.71</u>
Remaining Borrowing Power	\$ <u>56,549,240.64</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Borough of Mountainside for the last three (3) preceding years.

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

Cash Receipts from Surplus, Fees, Rents, or Other Charges for Year	\$ 344,140.62
Deductions:	
Operating and Maintenance Costs	<u>261,582.00</u>
Excess in Revenue – Self-Liquidating	\$ <u>82,558.62</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2011

<u>YEAR</u>	<u>GENERAL</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2012	\$ 355,000.00	\$ 95,672.50	\$ 450,672.50
2013	355,000.00	80,141.25	435,141.25
2014	355,000.00	64,610.00	419,610.00
2015	355,000.00	49,078.75	404,078.75
2016	355,000.00	33,103.75	388,103.75
2017	<u>355,000.00</u>	<u>16,685.00</u>	<u>371,685.00</u>
	<u>\$ 2,130,000.00</u>	<u>\$ 339,291.25</u>	<u>\$ 2,469,291.25</u>

OUTSTANDING
BALANCE DECEMBER
31, 2011

\$5,000,000.00 in General Improvement Bonds dated August 1, 2001, due in remaining annual installments of \$355,000.00 beginning August 1, 2012 and ending August 1, 2017 with interest rate from 4.375% to 4.70%

\$2,130,000.00

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR NEW JERSEY
ECONOMIC DEVELOPMENT LOAN

<u>YEAR</u>	<u>GENERAL</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2012	\$ 45,777.93	\$ 2,445.31	\$ 48,223.24
2013	45,777.93	1,743.37	47,521.30
2014	45,777.93	1,047.17	46,825.10
2015	<u>45,777.93</u>	<u>350.96</u>	<u>46,128.89</u>
	<u>\$ 183,111.72</u>	<u>\$ 5,586.81</u>	<u>\$ 188,698.53</u>

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2011</u>
\$915,558.60 in New Jersey Development Loan Payable dated January 1, 1995, due in remaining annual installments of \$ 45,777.93 beginning January 1, 2012 and ending January 1, 2015 with interest at 1.50%	<u>\$188,698.53</u>
Total	<u>\$188,698.53</u>

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	\$1,335,000.00*
Swimming Pool Utility Operating Fund	\$ 73,643.00*

* Per introduced budget

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
Prepaid Taxes	\$ <u>118,757.95</u>	\$ <u>132,488.30</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to 762,930.00 for 2011, \$623,469.00 for 2010 and \$316,698.50 for 2009.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Under existing policy of the Borough, employees are allowed to accumulate unused sick leave. Management has estimated that the current cost of unused sick leave, for Police personnel would approximate \$475,056.00, and for all other personnel would approximate \$25,191.00. Effective January 1, 1999, employees of the Police Department hired prior to September 1, 1990, shall be entitled to receive, upon retirement an amount equivalent to one hour's pay (at the rate in effect at the time of employee retirement) for each three hours of unused accumulated sick leave, up to a maximum of \$18,000.00. Employees of the Police Department hired after September 1, 1990, shall be entitled to receive upon retirement an amount equivalent to one hour's pay (at the rate in effect at the time of retirement) for each two hours of unused accumulated sick leave, up to a maximum of thirty thousand (\$30,000) dollars, which sum shall be paid to the employee in equal amounts over three years. Borough employees are also allowed to accumulate unused vacation days. Accumulated vacation days that are not used, by the third month of the succeeding year, will expire. However, if the employees' employment with the borough ends, within the first three months, of the succeeding year, the employees may be compensated for the unused vacation days. Management has estimated that the current cost of unused vacation days, for Police personnel would approximate \$10,465.00, and for all other personnel would approximate \$15,032.00. Police personnel are allowed to accumulate compensatory time. Upon retirement, an Officer may only "buy back" a maximum of one hundred hours, of unused compensatory time. Management has estimated that the current cost of unused compensatory time is \$94,969.53. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2011.

NOTE 8: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 9: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2011, the Borough does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed requesting a reduction of assessments for 2011 and prior years. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51, if not paid through normal operations.

NOTE 11: RISK MANAGEMENT

The Borough 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. The Borough participates in a self-insurance program through the North Jersey Intergovernmental Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Borough's contribution to the Fund for claim payments is based on actuarial assumption determined by the Fund's actuary. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough 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 Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 53.78	\$ 5,358.60	\$ 5,521.70	\$ 16,193.59
2010	\$ 83.25	\$ 5,409.02	\$ 5,321.70	\$ 16,302.91
2009	\$ 83.72	\$ 5,497.18	\$ 5,312.04	\$ 16,132.34

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 820.00	\$ 120,608.04
Assessment Fund		820.00
Animal Control Fund	4.00	
Trust Other Fund	31,483.21	
General Capital Fund	186,616.83	
Swimming Pool Utility Operating Fund	0.60	1,244.11
Swimming Pool Utility Capital Fund	1,244.11	97,496.00
Net Payroll Account		0.60
	<u>\$ 220,168.75</u>	<u>\$ 220,168.75</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 13: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardship.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by Nationwide Retirement Solutions, Inc., and Lincoln National Corporation.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan Activities. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 14: RECENT ACCOUNTING PRONOUNCEMENT – GASB 45

The Borough is required to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Governmental Accounting Standard Board (GASB) requires the Borough to disclose in the notes of the financial statements the future cost of the Other Post-Employment Benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Borough has contractually agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription or dental insurance coverage. The impact on the Borough's financial position or results of operation, if any, cannot be readily determined at this time; however, under current New Jersey budget and financial reporting requirements, the Borough will not have to provide any amounts in excess of their current cash costs or recognized any long-term obligations on their balance sheets.

BOROUGH OF MOUNTAINSIDE
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2011

BOROUGH OF MOUNTAINSIDECURRENT FUNDSCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	
Balance, December 31, 2010	A	\$	2,713,959.33
Increased by Receipts:			
Collector	A-5	\$	28,723,389.01
Revenue Accounts Receivable	A-12		1,441,213.61
Miscellaneous Revenue Not Anticipated	A-2		449,347.74
State of New Jersey - Senior Citizens and Veterans Deductions (Chapter 20, P.L. 1971)	A-9		85,623.97
Petty Cash Funds Returned	A-8		300.00
2011 Appropriations - Refunds	A-3		198,420.51
Appropriation Reserves - Refunds	A-14		1,247.00
Various Reserves	A-16		37,939.00
Outside Liens	A-22		257,585.88
Interfunds	A-23		267,739.06
Grants Receivable	A-24		105,598.39
Grants Programs - Unappropriated	A-25		9,682.01
			<u>31,578,086.18</u>
		\$	34,292,045.51
Decreased by Disbursements:			
2011 Appropriations	A-3	\$	9,860,350.46
Appropriation Reserves	A-14		313,454.14
Refund of Tax Overpayments	A-18		80,286.16
Local District School Tax	A-21		13,303,684.50
County Taxes	A-19		7,331,186.02
County Share of Added Taxes	A-20		44,805.14
Petty Cash Fund Advances	A-8		300.00
Various Reserves	A-16		10,692.00
Refund of Fees and Permits	A-2		635.00
Refund of Interest and Costs on Taxes	A-2		225.31
Refund of Construction Code Fees	A-2		198.09
Refund of Prior Years Revenue	A-1		21,429.34
Tax Appeals	A-27		116,973.84
Interfunds	A-23		157,705.21
Grants Programs Appropriated	A-26		99,283.59
Outside Liens	A-22		257,585.88
			<u>31,598,794.68</u>
Balance, December 31, 2011	A	\$	<u><u>2,693,250.83</u></u>

"A-5"

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		
Received:			
Taxes Receivable	A-10	\$ 28,211,344.64	
Revenue Accounts Receivable	A-12	64,515.22	
2012 Taxes Prepaid	A-17	118,757.95	
2012 Sewer Charges Prepaid	A-29	49.84	
Tax Overpayments	A-18	80,286.16	
Sewer Flow Charges Receivable	A-13	<u>248,435.20</u>	
			\$ 28,723,389.01
Decreased by Disbursements:			
Payments to Treasurer	A-4	\$	<u><u>28,723,389.01</u></u>

"A-6"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES-ASSESSED VALUATION

Balance, December 31, 2010 and December 31, 2011	A	\$	<u><u>3,875.00</u></u>
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"A-7"

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF CHANGE FUND

	BALANCE DECEMBER 31, 2010	BALANCE DECEMBER 31, 2011
Collector	\$ 100.00	\$ 100.00
Municipal Court	200.00	200.00
Clerk - Dog License Account	25.00	25.00
Construction and Zoning Department	25.00	25.00
Recreation Department	100.00	100.00
	<u>\$ 450.00</u>	<u>\$ 450.00</u>
REF.	A	A

"A-8"

SCHEDULE OF PETTY CASH FUNDS

	RECEIVED FROM <u>TREASURER</u>	RETURNED TO <u>TREASURER</u>
Treasurer	\$ 100.00	\$ 100.00
Police Department	100.00	100.00
Public Works Department	50.00	50.00
Recreation Department	50.00	50.00
	<u>\$ 300.00</u>	<u>\$ 300.00</u>
REF.	A-4	A-4

BOROUGH OF MOUNTAINSIDECURRENT FUNDSCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2010 (Due To)	A		\$ 8,606.27
Increased by:			
Received From State of New Jersey	A-4	\$ 85,623.97	
2011 Deductions Disallowed by Tax Collector		<u>467.12</u>	
			<u>86,091.09</u>
			<u>94,697.36</u>
Decreased by:			
Senior Citizens Deductions Per Tax Billing		\$ 7,000.00	
Veterans Deductions Per Tax Billing		79,250.00	
Senior Citizens and Veterans Deductions Allowed by Tax Collector		<u>750.00</u>	
			<u>87,000.00</u>
Balance, December 31, 2011 (Due To)	A		\$ <u><u>7,697.36</u></u>

ANALYSIS OF STATE SHARE OF 2011 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing		\$ 7,000.00
Veterans Deductions Per Tax Billing		79,250.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector- Taxes		<u>750.00</u>
		\$ <u>87,000.00</u>
Less: Deductions Disallowed by Tax Collector: Senior Citizens		<u>467.12</u>
	A-10	\$ <u><u>86,532.88</u></u>

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>2011 LEVY</u>	<u>CASH COLLECTIONS</u>		<u>OVERPAYMENTS APPLIED</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2011</u>
			<u>2010</u>	<u>2011</u>			
2010	\$ 253,490.85	\$	\$	\$ 251,487.99	\$ 2,002.86	\$	\$
2011		28,550,686.74	132,488.30	28,046,389.53		160,108.10	211,700.81
	<u>\$ 253,490.85</u>	<u>\$ 28,550,686.74</u>	<u>\$ 132,488.30</u>	<u>\$ 28,297,877.52</u>	<u>\$ 2,002.86</u>	<u>\$ 160,108.10</u>	<u>\$ 211,700.81</u>
<u>REF.</u>	A		A-2:A-17	A-2	A-18		A
		<u>REF.</u>					
	Collector	A-5		\$ 28,211,344.64			
	Senior Citizens Deductions	A-9		86,532.88			
				<u>\$ 28,297,877.52</u>			

ANALYSIS OF 2011 PROPERTY TAX LEVY

<u>TAX YIELD</u>	<u>REF.</u>		
General Purpose Tax			\$ 28,483,874.53
Added Taxes (54:4-63.1 et. seq.)			66,812.21
			<u>\$ 28,550,686.74</u>
<u>TAX LEVY</u>			
Local District School Tax (Abstract)	A-21		\$ 13,303,684.50
County Taxes:			
County Tax (Abstract)	A-19	\$	7,072,304.44
County Open Space Preservation	A-19		258,881.58
Due County for Added Taxes (54:4-63.1 et. seq.)	A-20		17,232.29
			7,348,418.31
Local Tax for Municipal Purposes (Abstract)	A-2	\$	7,279,116.69
Minimum Library Tax	A-2		569,758.00
Add: Additional Tax Levied			49,709.24
Local Tax for Municipal Purposes Levied			<u>7,898,583.93</u>
			<u>\$ 28,550,686.74</u>

"A-11"

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2010 and Balance, December 31, 2011	A	\$ <u>27,090.75</u>

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2010	ACCRUED IN 2011	COLLECTED BY		BALANCE DECEMBER 31, 2011
			COLLECTOR	TREASURER	
Clerk :					
Licenses:					
Alcoholic Beverage	\$	\$ 22,500.00	\$	\$ 22,500.00	\$
Other	A-2	1,490.00		1,490.00	
Fees and Permits	A-2	12,875.00		12,875.00	
Health Officer:					
Licenses	A-2	1,752.00		1,752.00	
Fees and Permits	A-2	4,950.00		4,950.00	
Construction Code Official:					
Fees and Permits	A-2	200,043.00		200,043.00	
Recreation:					
Fees and Permits	A-2	119,641.01		119,641.01	
Municipal Court:					
Fines and Costs	A-2	14,480.01		153,759.48	12,429.97
Police:					
Fees and Permits	A-2	3,210.00		3,210.00	
Cable T.V. Franchise Fee	A-2	88,202.68		88,202.68	
Interest and Costs on Taxes	A-2	64,515.22	64,515.22		
Interest on Investments	A-2	16,111.44		16,111.44	
Consolidated Municipal Property Tax Relief Act	A-2	49,231.00		49,231.00	
Energy Receipts Tax	A-2	718,369.00		718,369.00	
Assessment Trust Surplus	A-2	820.00		820.00	
Uniform Fire Safety Act	A-2	22,828.00		22,828.00	
Uniform Fire Safety-Local Fees	A-2	5,431.00		5,431.00	
Cell Tower Rents	A-2	20,000.00		20,000.00	
	\$	\$ 14,480.01	\$ 64,515.22	\$ 1,441,213.61	\$ 12,429.97
REF.	A		A-5	A-4	A

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF SEWER FLOW CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	2,339.06
Increased by:			
Levy			<u>247,056.48</u>
		\$	249,395.54
Decreased by:			
Collections:			
Collector	A-2:A-5		<u>248,435.20</u>
Balance, December 31, 2011	A	\$	<u><u>960.34</u></u>

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	ACCOUNTS PAYABLE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>					
Administrative and Executive	\$ 11,444.42	\$	\$ 1,444.42	\$	\$ 1,444.42
Mayor and Council	571.52		571.52		571.52
Borough Clerk	6,430.43		1,430.43		1,430.43
Financial Administration	4,963.35		963.35		963.35
Assessment of Taxes	578.91		578.91		578.91
Legal Services and Costs	701.22		701.22		701.22
Planning Board	639.02		639.02		639.02
Police Dispatchers	5,549.90		5,549.90		5,549.90
Police	41,738.96		41,738.96	(19.75)	41,758.71
Road Repair and Maintenance	13,356.72		356.72		356.72
Board of Health	3,303.21		303.21		303.21
Administration of Public Assistance	10.00		10.00		10.00
Board of Recreation Commissioners	2,922.97		922.97		922.97
Senior Citizen Services	2,078.93		78.93	(82.75)	161.68
Construction Code Official	11,259.73		1,259.73		1,259.73
Municipal Court	2,109.12		2,109.12	195.00	1,914.12
Public Defender	1,600.00		1,600.00		1,600.00
TOTAL SALARIES AND WAGES	\$ 109,258.41	\$	\$ 60,258.41	\$ 92.50	\$ 60,165.91
<u>OTHER EXPENSES:</u>					
Administrative and Executive	\$ 21,723.17	\$ 4,326.90	\$ 22,050.07	\$ 3,248.95	\$ 18,801.12
Mayor and Council	94.00		94.00		94.00
Financial Administration	608.61		608.61		608.61
Audit	625.00		625.00		625.00
Assessment of Taxes	9,130.87	6,659.50	15,790.37	6,659.50	9,130.87
Legal Services and Costs	37,872.56	9,576.92	47,449.48	26,775.27	20,674.21
Planning Board	7,917.21	855.76	8,772.97	920.65	7,852.32
Group Insurance Plan for Employees	18,210.57	2,700.49	20,911.06	4,979.06	15,932.00
Other Insurance	966.56	64,813.66	65,780.22	64,813.66	966.56
Fire	5,250.81	11,887.44	17,138.25	16,347.73	790.52
Police	11,699.12	22,565.79	34,264.91	24,587.03	9,677.88
Police Dispatchers	3,472.00		3,472.00	1,533.00	1,939.00
Emergency Management Services	1,900.00		1,900.00		1,900.00
Fire Prevention	414.14		414.14		414.14
Road Repairs and Maintenance	7,686.38	11,478.27	19,164.65	17,046.54	2,118.11
Public Buildings and Grounds	8,590.55	23,758.14	32,348.69	23,079.87	9,268.82
Shade Tree Commission	1,331.67	1,800.00	3,131.67	1,800.00	1,331.67
Board of Health		7,033.50	7,033.50	7,033.50	
Administration of Public Assistance	10.00		10.00		10.00
Board of Recreation Commissioners	4,088.33	13,282.45	17,370.78	14,192.31	3,178.47
Senior Citizen Services	688.69	280.00	968.69	276.35	692.34
Construction Code Official	1,594.36	99.00	1,693.36	91.15	1,602.21
Zoning Enforcement	10.00		10.00		10.00
Salary Adjustment	70,000.00		70,000.00		70,000.00
Fire Hydrant	16,858.80		16,858.80	15,655.64	1,203.16
Street Lighting	14,322.00		14,322.00	3,291.07	11,030.93
Telephone	4,717.26	1,848.88	6,566.14	413.41	6,152.73
Electricity	7,296.88		7,296.88	2,828.93	4,467.95
Water	1,104.35	516.20	1,620.55	516.20	1,104.35
Gas	9,823.97		9,823.97	1,791.41	8,032.56
Gasoline	11,545.18	5,256.12	6,801.30	5,256.12	1,545.18
Contingent	300.00		300.00		300.00
Municipal Court	2,976.40	644.27	3,620.67	1,840.27	1,780.40
Contribution to Social Security System	8,601.56		1,601.56		1,601.56
Rahway Valley Sewerage Authority - Share of Costs	43,636.27		43,636.27		43,636.27
TOTAL OTHER EXPENSES	\$ 335,067.27	\$ 189,383.29	\$ 573,450.56	\$ 312,114.64	\$ 261,335.92
	\$ 444,325.68	\$ 189,383.29	\$ 633,708.97	\$ 312,207.14	\$ 321,501.83
REF.	A	A-15			A-1
Disbursed	A-4			\$ 313,454.14	
Less: Refunds	A-4			1,247.00	
				<u>\$ 312,207.14</u>	

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	A		\$ 189,383.29
Increased by:			
Charges to 2011 Appropriations	A-3	\$ 195,768.69	
Charges to Federal and State Grants Appropriated	A-26	<u>3,320.03</u>	
			\$ <u>199,088.72</u>
Decreased by:			
Transferred to Appropriation Reserves	A-14		<u>189,383.29</u>
Balance, December 31, 2011	A		\$ <u><u>199,088.72</u></u>

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2010	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DECEMBER 31, 2011
Sale of Municipal Assets	\$ 8,486.98	\$ 24,905.00	\$ 8,000.00	\$ 25,391.98
Codification of Ordinances	7,190.58			7,190.58
Revaluation Program	10,600.00			10,600.00
Property Maintenance, DCA Fees - Due State of New Jersey	7,544.70	12,434.00	10,142.00	9,836.70
Marriage License Fees - Due State of New Jersey	50.00	600.00	550.00	100.00
Bid Deposits	<u>5,090.49</u>			<u>5,090.49</u>
	<u>\$ 38,962.75</u>	<u>\$ 37,939.00</u>	<u>\$ 18,692.00</u>	<u>\$ 58,209.75</u>
<u>REF.</u>	A	A-4		A
Cash Disbursements	A-4		\$ 10,692.00	
Anticipated Revenue	A-2		<u>8,000.00</u>	
			<u>\$ 18,692.00</u>	

"A-17"

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	132,488.30
Increased by:			
Collection - 2012 Taxes	A-5		118,757.95
		\$	<u>251,246.25</u>
Decreased by:			
Applied to 2011 Taxes Receivable	A-10		132,488.30
Balance, December 31, 2011	A	\$	<u><u>118,757.95</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2010	A	\$	2,002.86
Increased by:			
Overpayments in 2011:			
Collector	A-5		80,286.16
		\$	<u>82,289.02</u>
Decreased by:			
Refunds	A-4	\$	80,286.16
Application to Taxes Receivable	A-10		2,002.86
		\$	<u><u>82,289.02</u></u>

"A-19"

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Increased by:			
2011 Tax Levy	A-1:A-10	\$	7,331,186.02
Decreased by:			
Payments	A-4	\$	<u>7,331,186.02</u>

"A-20"

SCHEDULE OF DUE COUNTY FOR ADDED TAXES

Balance, December 31, 2010	A	\$	44,805.39
Increased by:			
County Share of 2011 Levy:			
Added Taxes (R.S. 54:4-63.1 et. seq.)	A-1:A-10	\$	<u>17,232.29</u>
			62,037.68
Decreased by:			
Payments	A-4		<u>44,805.14</u>
Balance, December 31, 2011	A	\$	<u>17,232.54</u>

"A-21"

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

REF.

Increased by:			
Levy Calendar Year	A-1:A-10	\$	13,303,684.50
Decreased by:			
Disbursements	A-4	\$	<u>13,303,684.50</u>

"A-22"

SCHEDULE OF OUTSIDE LIEN REDEMPTIONS

Balance, December 31, 2010	A	\$	154.92
Increased by:			
Receipts	A-4		<u>257,585.88</u>
			257,740.80
Decreased by:			
Disbursements	A-4		<u>257,585.88</u>
Balance, December 31, 2011	A	\$	<u>154.92</u>

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>ASSESSMENT TRUST FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2010:						
Interfunds Receivable	A	\$ 7,665.37	\$ 7,665.37			
Interfunds Payable	A	15,020.78		\$ 4.00	\$ 7,634.45	\$ 7,382.33
Receipts	A-4	267,739.06	7,665.37		35,835.19	224,238.50
Disbursements	A-4	<u>157,705.21</u>	<u>820.00</u>		<u>14,385.21</u>	<u>142,500.00</u>
Balance, December 31, 2011:						
Interfunds Receivable	A	820.00	<u>\$ 820.00</u>			
Interfunds Payable	A	<u>\$ 118,209.26</u>		<u>\$ 4.00</u>	<u>\$ 29,084.43</u>	<u>\$ 89,120.83</u>

BOROUGH OF MOUNTAINSIDE
CURRENT FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	78,778.37
Increased by:			
2011 Anticipated Revenues	A-2		97,678.04
		\$	<u>176,456.41</u>
Decreased by:			
Cash Receipts	A-4	\$	105,598.39
Unappropriated Reserves	A-25		2,687.09
Grants Receivables Canceled	A-26		<u>6,714.93</u>
			<u>115,000.41</u>
Balance, December 31, 2011	A	\$	<u><u>61,456.00</u></u>

ANALYSIS OF BALANCE

Municipal Alliance	\$	7,273.51
Union County Preservation		1,432.49
County of Union - Recreation Trust Grant '11		40,000.00
County of Union - Recreation Trust Grant		<u>12,750.00</u>
	\$	<u><u>61,456.00</u></u>

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

<u>DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>CASH RECEIPTS</u>	<u>UTILIZED AS ANTICIPATED REVENUE</u>	<u>BALANCE DECEMBER 31, 2011</u>
Recycling Tonnage Grant	\$	\$ 6,714.17	\$	\$ 6,714.17
Alcohol Education & Rehabilitation	452.46	593.28	452.46	593.28
Body Armor	<u>2,234.63</u>	<u>2,374.56</u>	<u>2,234.63</u>	<u>2,374.56</u>
	<u>\$ 2,687.09</u>	<u>\$ 9,682.01</u>	<u>\$ 2,687.09</u>	<u>\$ 9,682.01</u>
<u>REF.</u>	A	A-4	A-24	A

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF GRANTS - APPROPRIATED

<u>DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>TRANSFERRED FROM 2011 BUDGET</u>	<u>DECREASED</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2011</u>
Drunk Driving Enforcement Fund	\$ 1,012.51	\$ 5,516.00	\$ 3,419.89	\$	\$ 3,108.62
Alcohol, Education and Rehabilitation	7,133.21	452.46			7,585.67
Municipal Alliance Grant	9,543.25		9,543.25		
Municipal Alliance Grant - Match	7,740.18		7,394.87		345.31
Municipal Alliance Grant '11		15,769.00	3,339.88	6,714.93	5,714.19
Municipal Alliance Grant - Match '11		3,942.00			3,942.00
Clean Communities	5,634.41	11,760.92	15,721.86		1,673.47
Body Armor Replacement Fund	9,262.85	2,234.63	3,467.68		8,029.80
FEMA - Firefighters Preparedness					
Recycling Enhancement Grant		3,000.00	495.24		2,504.76
County of Union - Recreation Trust Grant	23,813.07		9,483.05		14,330.02
County of Union - Recreation Trust Grant '11		40,000.00	21,185.29		18,814.71
Watts Mountainside Community Foundation Grant	20,661.83		13,701.95		6,959.88
Watts Mountainside Community Foundation Grant		1,500.00			1,500.00
Watts Mountainside Community Foundation Grant-Basketball		8,000.00			8,000.00
Recycling Tonnage Grant		9,445.03	9,445.03		
Union County Preservation	6,838.12		5,405.63		1,432.49
	<u>\$ 91,639.43</u>	<u>\$ 101,620.04</u>	<u>\$ 102,603.62</u>	<u>\$ 6,714.93</u>	<u>\$ 83,940.92</u>
<u>REF.</u>	A	A-3		A-24	A
Cash Disbursements	A-4		\$ 99,283.59		
Accounts Payable	A-15		<u>3,320.03</u>		
			<u>\$ 102,603.62</u>		

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF TAX APPEALS

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	52,164.55
Increased by:			
Budget Appropriation	A-3		<u>88,000.00</u>
		\$	140,164.55
Decreased by:			
Cash Disbursements	A-4		<u>116,973.84</u>
Balance, December 31, 2011	A	\$	<u><u>23,190.71</u></u>

"A-28"

BOROUGH OF MOUNTAINSIDE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	<u>REF.</u>	
Increased by:		
Emergency Authorization 40A:4-46	A-3	\$ 60,000.00
Balance, December 31, 2011	A	\$ <u>60,000.00</u>

"A-29"

SCHEDULE OF PREPAID SEWER CHARGES

Increased by:		
Cash Receipts	A-5	\$ 49.84
Balance, December 31, 2011	A	\$ <u>49.84</u>

BOROUGH OF MOUNTAINSIDE

TRUST FUND

SCHEDULE OF TRUST CASH

	REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
Balance, December 31, 2010	B	\$ 10,125.37	\$ 1,417.76	\$ 426,349.83
Increased by Receipts:				
Dog License Fees	B-5	\$	\$ 5,535.60	\$
State Registration Fees	B-6		593.95	
2011 Budget Appropriation County of Union-Community Development Block Grants	B-5		17,000.00	
Various Reserves and Deposits	B-7			16,843.65
Unemployment Compensation Insurance	B-10			176,735.36
Assessments Receivable	B-8			5,417.38
Due Current Fund	B-12	820.00		
Payroll Deductions Payable	B-3:B-4	820.00		15,326.72
Contra	B-14			1,492,875.89
	B-2		7,786.00	
		<u>1,640.00</u>	<u>30,915.55</u>	<u>1,707,199.00</u>
		\$ <u>11,765.37</u>	\$ <u>32,333.31</u>	\$ <u>2,133,548.83</u>
Decreased by Disbursements:				
Assessment Trust Fund Balance	B-1	\$ 820.00	\$	\$
Expenditures Under R.S.4:19-15.11	B-5		17,113.60	
State Registration Fees	B-6		625.55	
Various Reserves and Deposits	B-10			226,580.27
Unemployment Compensation Insurance	B-8			5,521.70
Due Current Fund	B-3:B-4	7,665.37		17,785.16
Community Development Block Grant	B-9			14,385.21
Payroll Deductions Payable	B-14			1,492,218.63
Contra	B-2		7,786.00	
		<u>8,485.37</u>	<u>25,525.15</u>	<u>1,756,490.97</u>
Balance, December 31, 2011	B	\$ <u><u>3,280.00</u></u>	\$ <u><u>6,808.16</u></u>	\$ <u><u>377,057.86</u></u>

"B-3"

BOROUGH OF MOUNTAINSIDE

TRUST FUND

SCHEDULE OF DUE TO CURRENT FUND-ASSESSMENT FUND

	<u>REF.</u>	
Balance, December 31, 2010 - (Due To)	B	\$ 7,665.37
Increased by:		
Cash Receipts	B-2	820.00
		\$ <u>8,485.37</u>
Decreased by:		
Cash Disbursements	B-2	<u>7,665.37</u>
Balance, December 31, 2011 - (Due To)	B	\$ <u><u>820.00</u></u>

"B-4"

SCHEDULE OF DUE CURRENT FUND-TRUST OTHER FUNDS

Balance, December 31, 2010 - (Due from)	B	\$ 7,634.45
Increased by:		
Cash Disbursements	B-2	35,841.49
		\$ <u>43,475.94</u>
Decreased by:		
Cash Receipts	B-2	<u>14,391.51</u>
Balance, December 31, 2011 - (Due from)	B	\$ <u><u>29,084.43</u></u>

BOROUGH OF MOUNTAINSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	1,389.36
Increased by:			
2011 Budget Appropriations	B-2	\$	17,000.00
License Fees Collected	B-2		<u>5,535.60</u>
			22,535.60
		\$	<u>23,924.96</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-2		<u>17,113.60</u>
Balance, December 31, 2011	B	\$	<u><u>6,811.36</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2010	\$	2,571.00
2009		<u>2,180.80</u>
	\$	<u><u>4,751.80</u></u>

BOROUGH OF MOUNTAINSIDE

TRUST FUND

SCHEDULE OF STATE REGISTRATION FEES
ANIMAL CONTROL FUND

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	32.40
Increased by:			
Registration Fees	B-2		<u>593.95</u>
			626.35
Decreased by:			
Cash Disbursements	B-2		<u>625.55</u>
Balance, December 31, 2011	B	\$	<u><u>0.80</u></u>

BOROUGH OF MOUNTAINSIDE

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

<u>PROGRAM</u>	<u>PROGRAM NUMBER</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>ALLOTMENTS</u>	<u>RECEIPTS</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2011</u>
Library ADA Fire Alarm	001-034	\$ 25,000.00	\$	15,860.57	\$ 9,139.43	
Community Senior Center	003-503	10,000.00		8,049.64	1,950.36	
Senior Citizens Program	006-241	0.75		0.75		
Senior Citizens Transportation	010-240	8,676.00		8,676.00		
Senior Citizens Program	010-241	6,691.00		6,691.00		
Senior Citizens Handyman	010-431	2,000.00		1,476.65	523.35	
Senior Citizens Transportation	011-240		7,808.00			7,808.00
Senior Citizens Program	011-241		6,022.00			6,022.00
Senior Citizens Handyman	011-431		2,000.00			2,000.00
		<u>\$ 52,367.75</u>	<u>\$ 15,830.00</u>	<u>\$ 40,754.61</u>	<u>\$ 11,613.14</u>	<u>\$ 15,830.00</u>
<u>REF.</u>		B	B-9	B-2	B-9	B

BOROUGH OF MOUNTAINSIDE
TRUST FUND
SCHEDULE OF RESERVE FOR
UNEMPLOYMENT COMPENSATION INSURANCE

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	16,302.91
Increased by:			
Employee Contributions		\$	5,358.60
Interest on Investments			<u>58.78</u>
	B-2		<u>5,417.38</u>
			21,720.29
Decreased by:			
Cash Disbursements	B-2		<u>5,521.70</u>
Balance, December 31, 2011	B	\$	<u><u>16,198.59</u></u>

BOROUGH OF MOUNTAINSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

<u>PROGRAM</u>	<u>PROGRAM NUMBER</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>ALLOTMENTS</u>	<u>DISBURSEMENTS</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2011</u>
Library ADA Fire Alarm	001-034	\$ 9,139.43	\$	\$	9,139.43	\$
Community Senior Center	003-503	1,950.36			1,950.36	
Senior Citizens Program	009-241	4.00		4.00		
Senior Citizens Transportation	010-240	6,340.17		6,340.17		
Senior Citizens Program	010-241	4,889.62		4,889.62		
Senior Citizens Handyman	010-431	1,371.10		847.75	523.35	
Senior Citizens Transportation	011-240		7,808.00	2,792.64		5,015.36
Senior Citizens Program	011-241		6,022.00	3,359.45		2,662.55
Senior Citizens Handyman	011-431		2,000.00	1,071.00		929.00
		\$ <u>23,694.68</u>	\$ <u>15,830.00</u>	\$ <u>19,304.63</u>	\$ <u>11,613.14</u>	\$ <u>8,606.91</u>
<u>REF.</u>		B	B-7	B-2	B-7	B

BOROUGH OF MOUNTAINSIDE

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2010	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2011
Street Opening Deposits	\$ 32,673.00	\$ 3,500.00	\$	36,173.00
Recreation Commission	2,428.00		2,428.00	
Construction Code State Training Fees	1,026.00	10,142.00	11,168.00	
Forfeited Property	28,825.58	95.76		28,921.34
Parking Offense Adjudication Act	674.60	234.00		908.60
Swim Team	8,071.01	7,311.00	3,169.96	12,212.05
Recycling	32,154.15		10,000.00	22,154.15
Municipal Alliance-Donations	1,004.43			1,004.43
Security Deposits	5,878.88	1,100.00	5,650.00	1,328.88
Escrow/Performance Deposits	48,445.26	9,250.00	2,904.51	54,790.75
Builders Escrow	93,813.31	132,806.71	137,717.46	88,902.56
Premium on Tax Sale	42,300.00	9,100.00	22,500.00	28,900.00
Public Defender	967.60	1,739.50		2,707.10
Fire Fines and Penalties	21,042.64			21,042.64
Police Donations	4,896.01	800.00	750.00	4,946.01
Mountainside Beautification - Donation	50.00			50.00
Police Outside Overtime	375.34	0.78		376.12
Police Miscellaneous	2,271.20			2,271.20
Police Vests	2,770.00			2,770.00
Board of Health Settlement	8,960.80			8,960.80
Outside Liens	3,437.55			3,437.55
Federal Confiscated Funds	26,129.19	70.61	7,369.34	18,830.46
Flu Immunization	11,869.97	585.00	11,488.00	966.97
Sewer - TV Inspection	2,000.00			2,000.00
Snow Removal	63,961.99		11,435.00	52,526.99
	<u>\$ 446,026.51</u>	<u>\$ 176,735.36</u>	<u>\$ 226,580.27</u>	<u>\$ 396,181.60</u>

REF.

B

B-2

B-2

B

BOROUGH OF MOUNTAINSIDE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND-ANIMAL CONTROL FUND

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011 - (Due from)	B	\$ <u>4.00</u>

BOROUGH OF MOUNTAINSIDE
TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ANNUAL INSTALLMENTS</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>COLLECTED</u>
711-86	Sanitary Sewer-Prospect Ave., Summit Lane and Sylvan Lane	10	6-30-2009-2012	\$ <u>820.00</u>	\$ <u>820.00</u>
				<u>REF.</u> B	B-1:B-2

"B-13"

BOROUGH OF MOUNTAINSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	820.00
Decreased by:			
Collections to Fund Balance	B-1	\$	<u>820.00</u>

"B-14"

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2010	B	\$	577.93
Increased by:			
Cash Receipts	B-2		<u>1,492,875.89</u>
		\$	<u>1,493,453.82</u>
Decreased by:			
Cash Disbursements	B-2		<u>1,492,218.63</u>
Balance, December 31, 2011	B	\$	<u>1,235.19</u>

BOROUGH OF MOUNTAINSIDE
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH

	<u>REF.</u>		
Balance, December 31, 2010	C	\$	904,009.50
Increased by Receipts:			
Budget Appropriations:			
Improvement Costs	C-6	\$	312,763.00
Capital Improvement Fund	C-7		75,000.00
Due Current Fund	C-4		3,435.46
Due Swim Pool Utility Capital Fund	C-15		32,500.00
State Aid Receivable	C-12		502,396.94
Bond Anticipation Notes	C-16		2,846,000.00
Premium on Bond Anticipation Notes	C-1		13,774.64
Reserve for Road Improvements	C-17		81,738.50
			<u>3,867,608.54</u>
		\$	4,771,618.04
Decreased by Disbursements:			
Due Current Fund	C-4	\$	85,173.96
Contracts Payable	C-8		829,068.79
Bond Anticipation Notes	C-16		2,846,000.00
			<u>3,760,242.75</u>
Balance, December 31, 2011	C	\$	<u><u>1,011,375.29</u></u>

"C-3"

BOROUGH OF MOUNTAINSIDE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2011
Fund Balance	\$ 71,362.63
Capital Improvement Fund	310,809.65
Improvement Authorizations Funded as Set Forth on "C-9"	94,965.63
Unfunded Improvements Expended - Listed on "C-6"	(145,818.99)
Due Current Fund	(89,120.83)
Due Swimming Pool Utility Capital Fund	(97,496.00)
Accounts Payable - Reserve for Recreation	16,535.50
Contracts Payable	779,146.63
Reserve for Recreation	2,232.01
Reserve for Road Improvements	81,738.50
State Aid Receivable	(156,353.06)
Unexpended Proceeds of Bond Anticipation Note - Listed on "C-6"	<u>143,373.62</u>
	<u>\$ 1,011,375.29</u>
<u>REF.</u>	C

"C-4"

BOROUGH OF MOUNTAINSIDE
GENERAL CAPITAL FUND
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2010 (Due From)	C	\$	7,382.33
Increased by:			
Cash Disbursements	C-2		85,173.96
		\$	<u>92,556.29</u>
Decreased by:			
Cash Receipts	C-2		<u>3,435.46</u>
Balance, December 31, 2011 (Due From)	C	\$	<u><u>89,120.83</u></u>

"C-5"

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

Balance, December 31, 2010	C	\$	2,713,889.65
Decreased by:			
2011 Budget Appropriation to Pay Bonds	C-11	\$	355,000.00
2011 Budget Appropriation to Pay NJEDA Loan	C-10		<u>45,777.93</u>
			<u>400,777.93</u>
Balance, December 31, 2011	C	\$	<u><u>2,313,111.72</u></u>

BOROUGH OF MOUNTAINSIDE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2010	REDUCED BY:		BALANCE DECEMBER 31, 2011	ANALYSIS OF BALANCE - DECEMBER 31, 2011		UNEXPENDED IMPROVEMENT AUTHORIZATIONS
			NOTES PAID BY BUDGET APPROPRIATION	FUNDED BY BUDGET APPROPRIATION		BOND ANTICIPATION NOTE	EXPENDITURES	
<u>General Improvements:</u>								
	Various Capital Improvements -							
1036-01	Road Improvement Program Phase II	\$ 305,074.75	\$ 3,900.00	\$ 119,620.34	\$ 181,554.41	\$ 142,200.00	\$ 39,354.41	\$
1060-03	Purchase of Fire Truck	193,142.66		193,142.66				
1126-07	Improvements to Recreation Facilities and Purchase of Recreation Equipment	106,464.58			106,464.58		106,464.58	
1131-07	Phase III of the Borough-Wide Road Improvement Program	2,776,900.00	73,100.00		2,703,800.00	2,703,800.00		
		<u>\$ 3,381,581.99</u>	<u>\$ 77,000.00</u>	<u>\$ 312,763.00</u>	<u>\$ 2,991,818.99</u>	<u>\$ 2,846,000.00</u>	<u>\$ 145,818.99</u>	<u>\$</u>
<u>REF.</u>		C	C-16	C-2	C	C-16	C-3	
	Improvement Authorizations Unfunded							\$ 143,373.62
	Less: Unexpended Proceed of Bond Anticipation Note - Ordinance Number 1131-07							<u>\$ 143,373.62</u>

"C-7"

BOROUGH OF MOUNTAINSIDE
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2010	C	\$	275,834.32
Increased by:			
2011 Budget Appropriation	C-2	\$	75,000.00
Improvement Authorizations Canceled	C-9	<u>14,975.33</u>	
			89,975.33
		\$	<u>365,809.65</u>
Decreased by:			
2011 Improvement Authorizations	C-9		<u>55,000.00</u>
Balance, December 31, 2011	C	\$	<u><u>310,809.65</u></u>

"C-8"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2010	C	\$	622,025.26
Increased by:			
Charges to Improvement Authorizations	C-9		<u>986,190.16</u>
		\$	1,608,215.42
Decreased by:			
Cash Disbursements	C-2		<u>829,068.79</u>
Balance, December 31, 2011	C	\$	<u><u>779,146.63</u></u>

BOROUGH OF MOUNTAINSIDE
 GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2010		2011 AUTHORIZATIONS	NET PAID OR CHARGED	AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2011	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
General Improvements:										
1031-00	Various Capital Improvements - Borough Infrastructure	07/18/00	\$ 2,700,000.00	\$ 2,455.12	\$	\$	\$	\$	\$ 2,455.12	\$
1108-06	Resurfacing of Central Avenue	05/16/06	240,000.00							
1131-07	Phase III of Borough - Wide Road Improvement Program	09/18/07	3,000,000.00		885,379.69					
1146-08	Purchase of New Firearms for the Patrol Division	11/25/08	10,000.00	944.60			742,006.07		944.60	143,373.62
	Channel Clearing, Scour Protection, & Headwall									
1151-09	Reconstruction on Branch 1 Nomahegan Brook	05/19/09	90,750.00	90,750.00					90,750.00	
1161-09	Resurfacing of Cherry Hill Road	12/15/09	250,000.00							
1162-09	Purchase of Police Vehicles	12/15/09	50,000.00	1,823.00				1,823.00		
1174-10	Construction of Basketball Court	07/20/10	30,000.00	12,972.33				12,972.33	0.00	
1177-10	Replace Traffic Signals	08/17/10	10,100.00	180.00				180.00		
1185-11	Pembroke Road DOT	03/15/11	190,000.00			190,000.00	190,000.00			
1187-11	A/C Second Floor	05/17/11	7,000.00			7,000.00	6,833.09		166.91	
1188-11	DPW Truck	06/21/11	42,000.00			42,000.00	41,812.00		188.00	
1190-11	Traffic Light Upgrade	10/18/11	6,000.00			6,000.00	5,539.00		461.00	
				<u>\$ 109,125.05</u>	<u>\$ 885,379.69</u>	<u>\$ 245,000.00</u>	<u>\$ 986,190.16</u>	<u>\$ 14,975.33</u>	<u>\$ 94,965.63</u>	<u>\$ 143,373.62</u>
		REF.		C	C		C-8	C-7	C:C-3	C:C-6
	Capital Improvement Fund	C-7				\$ 55,000.00				
	State Aid Receivable	C-12				<u>190,000.00</u>				
						<u>\$ 245,000.00</u>				

BOROUGH OF MOUNTAINSIDE

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY LOAN PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOAN OUTSTANDING DECEMBER 31, 2011</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Municipal Building Renovations	1/1/95	\$ 915,558.60	1/1/12-15	\$ 45,777.93	1.5%	\$ <u>228,889.65</u>	\$ <u>45,777.93</u>	\$ <u>183,111.72</u>
					<u>REF.</u>	C	C-5	C

"C-11"

BOROUGH OF MOUNTAINSIDE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2011</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Improvement	8/01/01	\$ 5,000,000.00	8/01/12-8/01/14	\$ 355,000.00	4.375%	\$	\$	\$
			8/01/15	355,000.00	4.500%			
			8/01/16	355,000.00	4.625%			
			8/01/17	355,000.00	4.700%			
								<u>2,485,000.00</u>
					\$ <u>2,485,000.00</u>	\$ <u>355,000.00</u>	\$ <u>2,130,000.00</u>	
					<u>REF.</u>	C	C-5	C

BOROUGH OF MOUNTAINSIDE
GENERAL CAPITAL FUND
SCHEDULE OF STATE AID RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 468,750.00
Increased by:		
Grant Awarded	C-9	190,000.00
		\$ <u>658,750.00</u>
Decreased by:		
Receipts	C-2	<u>502,396.94</u>
Balance, December 31, 2011	C	\$ <u><u>156,353.06</u></u>

ANALYSIS OF BALANCE

New Jersey Department of Transportation:		
Ordinance #1147-09		\$ 46,353.06
Ordinance #1161-09		62,500.00
Ordinance #1185-11		<u>47,500.00</u>
		\$ <u><u>156,353.06</u></u>

"C-13"

BOROUGH OF MOUNTAINSIDE
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR RECREATION

REF.

Balance, December 31, 2010 and
December 31, 2011

C

\$ 2,232.01

"C-14"

SCHEDULE OF ACCOUNTS PAYABLE - RESERVE FOR RECREATION

Balance, December 31, 2010 and
December 31, 2011

C

\$ 16,535.50

BOROUGH OF MOUNTAINSIDE

GENERAL CAPITAL FUND

SCHEDULE OF DUE SWIMMING POOL UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance, December 31, 2010 (Due From)	C	\$ 129,996.00
Decreased by:		
Cash Receipts	C-2	<u>32,500.00</u>
Balance, December 31, 2011 (Due From)	C	\$ <u><u>97,496.00</u></u>

BOROUGH OF MOUNTAINSIDE
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>General Improvements:</u>									
1036-01	Phase II of Borough-Wide Road Improvement Program	11/09/07	11/04/11	11/02/12	1.50%	\$ 146,100.00	\$ 142,200.00	\$ 146,100.00	\$ 142,200.00
1131-07	Phase III of Borough-Wide Road Improvement Program	11/09/07	11/04/11	11/02/12	1.50%	<u>2,776,900.00</u>	<u>2,703,800.00</u>	<u>2,776,900.00</u>	<u>2,703,800.00</u>
						<u>\$ 2,923,000.00</u>	<u>\$ 2,846,000.00</u>	<u>\$ 2,923,000.00</u>	<u>\$ 2,846,000.00</u>
					<u>REF.</u>	C	C-2		C:C-6
					Paid by Budget Appropriation	C-6		\$ 77,000.00	
					Disbursements	C-2		<u>2,846,000.00</u>	
								<u>\$ 2,923,000.00</u>	

BOROUGH OF MOUNTAINSIDE
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR RECREATION

	<u>REF.</u>	
Increased by:		
Cash Receipts	C-2	\$ 81,738.50
Balance, December 31, 2011	C	\$ <u>81,738.50</u>

BOROUGH OF MOUNTAINSIDE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2011</u>
1036-01	Road Improvement Program Phase I	\$ 39,354.41
1126-07	Improvements to Recreation Facilities and Purchase of Recreation Equipment	<u>106,464.58</u>
		<u>\$ 145,818.99</u>

BOROUGH OF MOUNTAINSIDE
SWIMMING POOL UTILITY FUND
SCHEDULE OF SWIMMING POOL UTILITY CASH

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2010	D	\$ <u>120,521.79</u>	\$ <u>-0-</u>
Increased by Receipts:			
Membership Fees	D-3	309,573.00	
Miscellaneous	D-3	34,567.62	
Budget Appropriations:			
Costs of Improvements - Improvement to Municipal Swimming Pool	D-9		32,500.00
		\$ <u>344,140.62</u>	\$ <u>32,500.00</u>
Decreased by Disbursements:			
2011 Appropriations	D-4	280,271.55	
2010 Appropriation Reserves	D-7	22,835.50	
Due Payroll Account	D-15	0.60	
Due General Capital Fund	D-13		32,500.00
		\$ <u>303,107.65</u>	\$ <u>32,500.00</u>
Balance, December 31, 2011	D	\$ <u><u>161,554.76</u></u>	\$ <u><u>-0-</u></u>

BOROUGH OF MOUNTAINSIDE
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	D	\$	23,201.71
Increased by:			
Charges to 2011 Budget	D-4		<u>14,223.84</u>
			37,425.55
Decreased by:			
Transferred to Appropriation Reserves	D-7		<u>23,201.71</u>
Balance, December 31, 2011	D	\$	<u><u>14,223.84</u></u>

BOROUGH OF MOUNTAINSIDE
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>	<u>ACCOUNTS</u> <u>PAYABLE</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:					
Salaries and Wages	\$ 8,917.80	\$	\$ 8,917.80	\$	\$ 8,917.80
Other Expenses	<u>30,641.55</u>	<u>8,167.47</u>	<u>38,809.02</u>	<u>7,802.26</u>	<u>31,006.76</u>
<u>Operating Total</u>	<u>\$ 39,559.35</u>	<u>\$ 8,167.47</u>	<u>\$ 47,726.82</u>	<u>\$ 7,802.26</u>	<u>\$ 39,924.56</u>
Capital Improvements:					
Capital Outlay	<u>98.93</u>	<u>15,034.24</u>	<u>15,133.17</u>	<u>15,033.24</u>	<u>99.93</u>
	<u>\$ 39,658.28</u>	<u>\$ 23,201.71</u>	<u>\$ 62,859.99</u>	<u>\$ 22,835.50</u>	<u>\$ 40,024.49</u>
<u>REF.</u>	D	D-6		D-5	D-1

"D-8"

BOROUGH OF MOUNTAINSIDE
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF DUE SWIMMING POOL CAPITAL FUND

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	D	\$ <u>1,244.11</u>

"D-9"

SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2010	D	\$ 801,107.06
Increased by:		
Budget Appropriation - Costs of Improvements Authorized - Ordinance Number 1097-2005 - Improvement to Municipal Swimming Pool	D-5	<u>32,500.00</u>
Balance, December 31, 2011	D	\$ <u>833,607.06</u>

"D-10"

BOROUGH OF MOUNTAINSIDE

SWIMMING POOL UTILITY CAPITAL FUND

ANALYSIS OF SWIMMING POOL UTILITY CAPITAL
CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2011
Fund Balance	\$ 1,244.11
Improvement Authorization - Ordinance # 1097-2005	(269,996.00)
Due To General Capital Fund	97,496.00
Due From Swimming Pool Utility Operating Fund	(1,244.11)
Reserve for Amortization - Ordinance # 1097-2005	<u>172,500.00</u>
	<u>\$ -0-</u>
<u>REF.</u>	D

"D-11"

SCHEDULE OF FIXED CAPITAL

Balance, December 31, 2010 and December 31, 2011	D	\$ <u>661,107.06</u>
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BOROUGH OF MOUNTAINSIDE

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010 AND</u> <u>31, 2011</u>
		<u>DATE</u>	<u>AMOUNT</u>	<u>UNFUNDED</u>
1097-2005	Improvement to Municipal Swimming Pool	09/20/2005	\$ 275,000.00	\$ <u>269,996.00</u>
				\$ <u><u>269,996.00</u></u>
		<u>REF.</u>		D

BOROUGH OF MOUNTAINSIDE
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF DUE GENERAL CAPITAL FUND

	<u>REF.</u>		
Balance, December 31, 2010	D	\$	129,996.00
Decreased by:			
Cash Disbursements	D-5		<u>32,500.00</u>
Balance, December 31, 2011	D	\$	<u><u>97,496.00</u></u>

"D-14"

BOROUGH OF MOUNTAINSIDE
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF CHANGE FUND

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	D	\$ <u>50.00</u>

"D-15"

SCHEDULE OF DUE PAYROLL ACCOUNT

Increased by:		
Cash Disbursements	D-5	\$ 0.60
Balance, December 31, 2011	D	\$ <u>0.60</u>

BOROUGH OF MOUNTAINSIDE

PART II

INDEPENDENT AUDITOR'S 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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S 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 Borough Committee
Borough of Mountainside
County of Union
Mountainside, New Jersey 07092

We have audited the accompanying financial statements - regulatory basis of the Borough of Mountainside, County of Union, New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated February 29, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Mountainside prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Mountainside's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

This report is intended solely for the information of the Borough of Mountainside, County of Union, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

February 29, 2012

BOROUGH OF MOUNTAINSIDE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	RECEIVED	EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2011
			FROM	TO				
<u>U.S. Department of Housing and Urban Development</u>								
Pass Through County of Union:								
Community Development Block Grant	14.218	01-034	9/1/01	8/31/02	\$ 15,860.57	\$ 15,860.57	\$	\$ 15,860.57
Community Development Block Grant	14.218	03-503	9/1/03	8/31/04	8,049.64	8,049.64		8,049.64
Community Development Block Grant	14.218	06-241	9/1/06	8/31/07	6,391.00	0.75		6,391.00
Community Development Block Grant	14.218	09-241	9/1/09	8/31/10	6,391.00		4.00	6,391.00
Community Development Block Grant	14.218	10-240	9/1/10	8/31/11	8,676.00	8,676.00	6,340.17	8,676.00
Community Development Block Grant	14.218	10-241	9/1/10	8/31/11	6,691.00	6,691.00	4,889.62	6,691.00
Community Development Block Grant	14.218	10-431	9/1/10	8/31/11	1,476.65	1,476.65	847.75	1,476.65
Community Development Block Grant	14.218	10-240	9/1/11	8/31/12	7,808.00		2,792.64	2,792.64
Community Development Block Grant	14.218	10-241	9/1/11	8/31/12	6,022.00		3,359.45	3,359.45
Community Development Block Grant	14.218	10-431	9/1/11	8/31/12	2,000.00		1,071.00	1,071.00
						\$ 40,754.61	\$ 19,304.63	\$ 60,758.95
	<u>TOTAL</u>					\$ 40,754.61	\$ 19,304.63	\$ 60,758.95

BOROUGH OF MOUNTAINSIDE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2011

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>FROM</u>	<u>TO</u>	<u>GRANT AWARD AMOUNT</u>	<u>RECEIVED</u>	<u>EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2011</u>
<u>Department of Environmental Protection</u>							
Clean Communities Program	4900-765-004-2007-178900	1/1/10	12-31-10	\$ 12,211.02	\$	\$ 5,634.41	\$ 12,211.02
Clean Communities Program	4900-765-004-2007-178900	1/1/11	12-31-11	11,760.92	11,760.92	10,087.45	10,087.45
Recycling Tonnage Grant	4900-752-001-2007-178810	1/1/11	12-31-11	9,445.03	9,445.03	9,445.03	9,445.03
					<u>\$ 21,205.95</u>	<u>\$ 25,166.89</u>	<u>\$ 31,743.50</u>
<u>Department of Law and Public Safety</u>							
Drunk Driving Enforcement Fund	6400-100-078-YYYY	1-1-10	12-31-10	3,077.26	\$	\$ 1,012.51	\$ 3,077.26
Drunk Driving Enforcement Fund	6400-100-078-YYYY	1-1-11	12-31-11	5,516.00	5,516.00	2,407.38	2,407.38
					<u>\$ 5,516.00</u>	<u>\$ 3,419.89</u>	<u>\$ 5,484.64</u>
<u>Department of Health</u>							
Alcohol, Education, Rehabilitation and Enforcement	9735-750-060000-60	1/1/00	12/31/00	1,624.50	\$	\$	\$ 1,018.29
Alcohol, Education, Rehabilitation and Enforcement	9735-750-060000-60	1/1/01	12/31/01	1,767.93			
Alcohol, Education, Rehabilitation and Enforcement	9735-750-060000-60	1/1/03	12/31/03	2,294.54			
Alcohol, Education, Rehabilitation and Enforcement	9735-750-060000-60	1/1/04	12/31/04	1,487.21			136.51
Alcohol, Education, Rehabilitation and Enforcement	9735-750-060000-60	1/1/10	12/31/10	1,113.83			
Alcohol, Education, Rehabilitation and Enforcement	9735-750-060000-60	1/1/11	12/31/11	452.46			
					<u>\$</u>	<u>\$</u>	<u>\$ 1,154.80</u>
<u>Pass Through From County of Union</u>							
<u>Department of Health</u>							
Municipal Alliance Grant	10-ALL-115.	1/1/10	12/31/10	15,769.00	\$ 9,840.25	\$ 9,543.25	\$ 15,769.00
Municipal Alliance Grant	11-ALL-115.	1/1/11	12/31/11	9,054.07	2,566.74	3,339.88	3,339.88
					<u>\$ 12,406.99</u>	<u>\$ 12,883.13</u>	<u>\$ 19,108.88</u>

BOROUGH OF MOUNTAINSIDE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2011

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>FROM</u>	<u>TO</u>	<u>GRANT AWARD AMOUNT</u>	<u>RECEIVED</u>	<u>EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2011</u>
<u>Division of Criminal Justice</u>							
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	7/1/06	6/30/07	\$ 6,147.94	\$	2,352.80	\$ 6,147.94
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	7/1/07	6/30/08	2,081.27		1,114.88	1,114.88
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	7/1/08	6/30/09	2,349.72			700.00
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	7/1/09	6/30/10	2,141.87			
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	7/1/10	6/30/11	1,037.19			
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	7/1/11	6/30/12	2,234.63			
				\$		\$ 3,467.68	\$ 7,962.82
<u>Department of Transportation:</u>							
State Aid Projects:							
Blaxo Terrace & Iris Drive	6320-480-078-6320-AJ3-TCAP-2008			175,000.00	\$ 43,750.00	\$ 43,750.00	\$ 131,250.00
Resurfacing of Glen Road	6320-480-078-6320-AKE-TCAP-6010			175,000.00	128,646.94	128,646.94	128,646.94
Resurfacing of Cherry Hill Road & Maple Court	6320-480-078-6320-AKN-TCAP-6010			250,000.00	187,500.00	187,500.00	187,500.00
Resurfacing of Pembroke Road				190,000.00	142,500.00		
				\$	\$ 502,396.94	\$ 359,896.94	\$ 447,396.94
Total State Financial Assistance				\$	\$ 541,525.88	\$ 404,834.53	\$ 512,851.58

BOROUGH OF MOUNTAINSIDE

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2010

NOTE 1. GENERAL

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state financial assistance programs of the Borough of Mountainside, County of Union, New Jersey. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - statutory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - STATUTORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the Borough's statutory basis financial statements. These amounts are reported in either the Current Fund, General Capital Fund, or Trust Other Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS -STATUTORY BASIS (CONTINUED)

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 82,540.00	\$ 44,351.05	\$ 46,774.88	\$ 173,665.93
General Capital Fund		80,000.00		80,000.00
Trust Other Fund	<u>10,891.63</u>			<u>10,891.63</u>
	<u>\$ 93,431.63</u>	<u>\$ 124,351.05</u>	<u>\$ 46,774.88</u>	<u>\$ 264,557.56</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$	\$ 48,145.04	\$ 87,388.45	\$ 135,533.49
General Capital Fund		80,000.00		80,000.00
Trust Other Fund	<u>11,997.96</u>			<u>11,997.96</u>
	<u>\$ 11,997.96</u>	<u>\$ 128,145.04</u>	<u>\$ 87,388.45</u>	<u>\$ 227,531.45</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.

PART III

BOROUGH OF MOUNTAINSIDE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2011</u>		<u>YEAR 2010</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,335,000.00	4.12%	\$ 1,275,000.00	4.05%
Miscellaneous - From Other Than Local				
Property Tax Levies	2,636,478.61	8.14%	2,614,513.68	8.30%
Collection of Delinquent Taxes and				
Tax Title Liens	253,490.85	0.78%	320,762.68	1.02%
Collection of Current Tax Levy	<u>28,178,877.83</u>	<u>86.96%</u>	<u>27,271,273.37</u>	<u>86.63%</u>
<u>Total Income</u>	<u>\$ 32,403,847.29</u>	<u>100.00%</u>	<u>\$ 31,481,549.73</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 10,350,401.76	33.36%	\$ 9,989,066.52	33.21%
County Taxes	7,348,418.31	23.69%	7,221,013.52	24.01%
Local School Taxes	13,303,684.50	42.88%	12,852,382.50	42.73%
Other Expenditures	<u>21,429.34</u>	<u>0.07%</u>	<u>14,070.99</u>	<u>0.05%</u>
<u>Total Expenditures</u>	<u>\$ 31,023,933.91</u>	<u>100.00%</u>	<u>\$ 30,076,533.53</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,379,913.38		\$ 1,405,016.20	
Adjustments to Income Before Surplus:				
Expenditures Included above which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>60,000.00</u>		<u> </u>	
Statutory Excess to Fund Balance	\$ 1,439,913.38		\$ 1,405,016.20	
Fund Balance, January 1	<u>1,770,946.39</u>		<u>1,640,930.19</u>	
	\$ 3,210,859.77		\$ 3,045,946.39	
Less: Utilization as Anticipated Revenue	<u>1,335,000.00</u>		<u>1,275,000.00</u>	
Fund Balance, December 31	<u>\$ 1,875,859.77</u>		<u>\$ 1,770,946.39</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
 IN FUND BALANCE - SWIMMING POOL UTILITY
 OPERATING FUND

	YEAR 2011		YEAR 2010	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 34,192.00	8.17%	\$ 36,192.00	9.31%
Membership Fees	309,573.00	74.00%	292,289.50	75.21%
Miscellaneous From Other Than Membership Fees	<u>74,592.11</u>	<u>17.83%</u>	<u>60,151.52</u>	<u>15.48%</u>
<u>Total Income</u>	<u>\$ 418,357.11</u>	<u>100.00%</u>	<u>\$ 388,633.02</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 261,582.00	78.27%	\$ 256,582.00	74.12%
Capital Improvement	28,110.00	8.41%	48,110.00	13.90%
Deferred Charges and Statutory Expenditures	<u>44,500.00</u>	<u>13.32%</u>	<u>41,500.00</u>	<u>11.99%</u>
<u>Total Expenditures</u>	<u>\$ 334,192.00</u>	<u>100.00%</u>	<u>\$ 346,192.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 84,165.11		\$ 42,441.02	
Fund Balance:				
Balance, January 1	<u>56,467.69</u>		<u>100,218.67</u>	
	\$ 140,632.80		\$ 142,659.69	
Decreased by:				
Utilized by Swimming Pool Operating Budget	\$ 34,192.00		\$ 36,192.00	
Utility Operating Surplus to Current Fund	<u>0.00</u>		<u>50,000.00</u>	
	\$ 34,192.00		\$ 86,192.00	
Fund Balance, December 31	<u>\$ 106,440.80</u>		<u>\$ 56,467.69</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$5.829</u>	<u>\$5.626</u>	<u>\$5.310</u>
Appointment of Tax Rate:			
Municipal	1.490	1.528	1.406
Municipal Library	0.117		
County	1.447	1.411	1.359
County Open Space	0.052	0.057	0.060
Local School	<u>2.723</u>	<u>2.630</u>	<u>2.485</u>

Assessed Valuation:

Year 2011	\$ <u>488,657,995.00</u>		
Year 2010		\$ <u>488,774,125.00</u>	
Year 2009			\$ <u>489,567,389.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2011	\$ 28,550,686.74	\$ 28,178,877.83	98.70%
2010	\$ 27,669,775.83	\$ 27,271,273.37	98.56%
2009	\$ 26,053,330.37	\$ 25,622,451.61	98.35%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2011	\$ 27,090.75	\$ 211,700.81	\$ 238,791.56	0.86%
2010	\$ 27,090.75	\$ 253,490.85	\$ 280,581.60	1.01%
2009	\$ 27,090.75	\$ 320,762.68	\$ 347,853.43	1.34%

PROPERTY ACQUIRED BY TAX TITLE
LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2011	\$ 3,875.00
2010	\$ 3,875.00
2009	\$ 3,875.00

EQUALIZED VALUATIONS – REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2011	\$ 1,726,381,542.00
2010	\$ 1,708,905,528.00
2009	\$ 1,866,499,046.00

COMPARATIVE SCHEDULE OF FUND BALANCES

Current Fund	2011	\$ 1,875,859.77	\$ 1,335,000.00 *
	2010	\$ 1,770,946.39	\$ 1,335,000.00
	2009	\$ 1,640,930.19	\$ 1,275,000.00
	2008	\$ 1,642,462.38	\$ 1,253,000.00
	2007	\$ 1,752,719.51	\$ 1,315,206.00
Swim Pool Utility Operating Fund	2011	\$ 106,440.80	\$ 73,643.00 *
	2010	\$ 56,467.69	\$ 34,192.00
	2009	\$ 100,218.67	\$ 36,192.00
	2008	\$ 354,332.00	\$ 30,244.00
	2007	\$ 337,346.00	\$ 23,632.00

* Per introduced budget

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Paul N. Mirabelli	Mayor		
Jeffrey R. Wass	Councilman		
Robert W. Messler	Councilman		
Glenn Mortimer	Councilman		
Keith C. Turner	Councilman		
William R. Lane	Councilman		
Deanna Andre	Councilwoman		
James J. Debbie, Jr.	Administrator, Police Chief	*	
Jill Goode	Tax Collector	\$1,000,000.00	Municipal Essex Liability Joint Insurance Fund
Martha Lopez	Borough Clerk, Registrar of of Vital Statistics	*	
Jill Goode	Chief Financial Officer, Treasurer	\$1,000,000.00	Municipal Essex Liability Joint Insurance Fund
Vivian J. Hoff	Court Administrator	**	Municipal Essex Liability Joint Insurance Fund
Debra Velard	Deputy Court Administrator	**	Municipal Essex Liability Joint Insurance Fund

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Frank Sahaj	Municipal Prosecutor	**	Municipal Essex Liability Joint Insurance Fund
James DeRose	Municipal Judge	**	Municipal Essex Liability Joint Insurance Fund
Cynthia West	Violations Clerk	**	Municipal Essex Liability Joint Insurance Fund
John N. Post, Esq.	Borough Attorney	*	
Ronald Romak	DPW Manager	*	
Jerry Eger	Construction Official	*	
Michael Frangella	Tax Assessor	*	
Frank Masella	Recreation Director	*	

All of the Bonds were examined and were properly executed.

*Public employees bonded by blanket position bond, from the Municipal Essex Liability Joint Insurance Fund, in force covering each employee for \$1,000,000.00.

**Municipal Court employees bonded by blanket position bond, from the Municipal Essex Liability Joint Insurance Fund, in force covering each employee for \$1,000,000.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-4 was increased to \$26,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$26,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

- Sewer Line Inspection
- Resurfacing of Roads
- Pothole Repairs

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.

GENERAL COMMENTS (CONTINUED)

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were advertised during 2011 for the following professional services:

- Auditor and Financial Advisor
- Attorney
- Engineer

In addition, purchases utilizing state contracts were made for the following:

Vehicles

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 4, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

"BE IT RESOLVED by the Governing Body of the Borough of Mountainside that the rate of interest on delinquent taxes and assessments owed to the said Borough of Mountainside, be and it hereby is set at eight percent (8%) on the first One Thousand Five Hundred Dollars (\$1,500.00) of taxes due and eighteen percent (18%) of any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). Such interest shall not be charged, however, on payments made within ten (10) days from the due date."

"BE IT FURTHER RESOLVED there will be a six percent (6%) penalty on delinquency of Ten Thousand Dollars (\$10,000.00) or more at the end of the calendar year."

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 15, 2011 and was complete.

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 on December 31 of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2011	3
2010	3
2009	3

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

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 the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2012 Taxes	25
Payments of 2011 Taxes	25
Delinquent Taxes	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

NONE



