

REPORT OF AUDIT
BOROUGH OF HALEDON
COUNTY OF PASSAIC
DECEMBER 31, 2010

BOROUGH OF HALEDON, N.J.

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BOROUGH OF HALEDON

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2010

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Haledon
Haledon, New Jersey 07508

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Borough of Haledon in the County of Passaic, as of and for the years ended December 31, 2010 and 2009, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2010. These financial statements are the responsibility of the Borough of Haledon's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

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



In our opinion, because of the Borough of Haledon's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Haledon, New Jersey as of December 31, 2010 and 2009 or the results of its operations for the years then ended.

The financial statements referred to above do not include a statement of general fixed assets as required by the Division of Local Government Services. The amount that should be recorded is not known. This is more fully described in Note 1 to the financial statements.

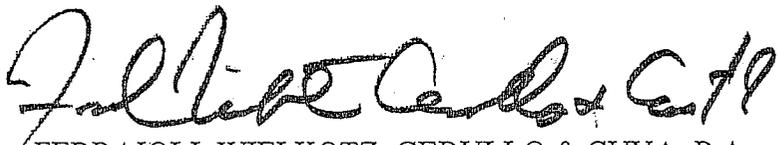
However, in our opinion, the financial statements referred to above, with the exception of the Length of Services Awards Program, and the effect described in the preceding paragraph, present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the Borough of Haledon, New Jersey at December 31, 2010 and 2009, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 21, 2011 on our consideration of the Borough of Haledon's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing results of our audit.

Our audit was for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, schedules and exhibits listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the Division of Local Government Services. This information has been subjected to the tests and other auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



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



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

September 21, 2011

Borough of Haledon, N.J.

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Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	3,077,878.52	2,510,777.81
Change Fund	A-6	400.00	400.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-8	21,059.88	19,059.88
		<u>3,099,338.40</u>	<u>2,530,237.69</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	440,844.25	453,579.06
Tax Title Liens	A-10	34,478.35	38,357.43
Property Acquired for Taxes -			
Assessed Valuation	A-11	9,975.00	9,975.00
Due from Haledon M.U.A.	A-12		31,269.14
Various Reimbursements Receivable	A-13	49,292.16	95,236.22
Due from the County of Passaic	A-22	4,342.60	6,772.90
Revenue Accounts Receivable	A-14	14,027.79	19,938.81
Interfund Receivables:			
Federal and State Grant Fund	A-15	10,599.55	230,877.73
Dog License Fund	A-15	7,863.99	7,507.52
Water Operating Fund	A-15	69,242.40	353,406.68
General Capital Fund	A-15		230,077.43
Public Assistance Fund #1	A-15	297.41	5,753.44
Public Assistance #2	A-15		24,941.42
Other Trust Fund	A-15		49,409.75
Water Capital	A-15	78,605.48	297,599.48
		<u>719,568.98</u>	<u>1,854,702.01</u>
Deferred Charges:			
Special Emergency Authorizations	A-16	90,000.00	120,000.00
		<u>3,908,907.38</u>	<u>4,504,939.70</u>
Federal and State Grant Fund:			
Grants Receivable	A-24	352,027.92	786,342.46
Total Assets		<u>4,260,935.30</u>	<u>5,291,282.16</u>

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

Borough of Haledon, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-17	668,808.18	648,419.11
Encumbrances Payable	A-18	85,959.47	204,373.99
Prepaid Taxes	A-19	42,928.02	107,674.46
Interfunds Payable:			
Other Trust	A-15	5.81	
General Capital	A-15	351,441.57	
Public Assistance #2	A-15	4,390.19	
Local School Taxes Payable	A-20		390,115.17
Regional High School Taxes Payable	A-21		312,671.84
Tax Overpayments	A-23	33,051.84	37,164.54
Due to State of New Jersey:			
Marriage Surcharge	A-23	375.00	150.00
Burial Surcharge	A-23		5.00
Building Surcharge	A-23	544.00	560.00
Accounts Payable	A-23	32,125.16	32,125.16
Reserve for:			
Sewer Connection Deposits	A-23	50.00	50.00
LOSAP	A-23	12,532.20	3,332.20
Sewer Legion Field	A-23	7,000.00	7,000.00
Tax Map Update	A-23	0.00	10,408.82
Master Plan	A-23	8,868.02	50,000.00
Sale of Assets	A-23	99,222.43	602,722.43
D.A.R.E. Contributions	A-23	12,397.48	12,397.48
		<u>1,359,699.37</u>	<u>2,419,170.20</u>
Reserve for Receivables	Contra	719,568.98	1,854,702.01
Fund Balance	A-1	<u>1,829,639.03</u>	<u>231,067.49</u>
		<u>3,908,907.38</u>	<u>4,504,939.70</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-15	10,599.55	230,877.73
Appropriated Reserve for Grants	A-25	328,503.19	537,886.20
Unappropriated Reserve for Grants	A-26	12,925.18	17,578.53
		<u>352,027.92</u>	<u>786,342.46</u>
Total Liabilities, Reserves and Fund Balances		<u>4,260,935.30</u>	<u>5,291,282.16</u>

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

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

Current Fund

Year Ended December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	92,000.00	
Miscellaneous Revenue Anticipated	A-2	2,406,908.03	2,853,162.49
Receipts from Delinquent Taxes	A-2	460,740.20	436,228.51
Receipts from Current Taxes	A-2	18,628,910.98	17,661,163.50
Non-Budget Revenue	A-2	188,936.13	143,730.55
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	442,972.09	259,396.74
Due From Manchester Utility Authority	A-12	31,269.14	
Miscellaneous Reimbursement Receivable	A-13	45,944.06	48,658.76
Approp. Grants Cancelled	A-25	201,000.00	
Reimbursement of Prior Year Expense			16,614.94
Reduction in Due From County of Passaic	A-22	2,430.30	
Interfunds Returned Less Anticipated Revenue	A-15	860,573.45	934,383.36
		<u>23,361,684.38</u>	<u>22,353,338.85</u>
Total Revenues and Other Income			
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	3,268,222.00	3,366,705.70
Other Expenses	A-3	2,778,625.00	2,713,610.00
Deferred Charges and Statutory Expenditures -			
Municipal - Within Caps	A-3	462,583.00	474,865.00
Operations - Excluded from Caps:			
Other Expenses	A-3	1,165,898.08	958,861.24
Capital Improvement Fund - Excluded from Caps	A-3		210,500.00
Municipal Debt Service - Excluded from Caps	A-3	585,339.24	546,441.98
Deferred Charges and Statutory Expenditures -			
Municipal - Excluded from Caps	A-3	30,000.00	30,000.00
Local District School Tax	A-20	5,433,847.50	5,329,812.00
Regional High School Tax	A-21	3,885,753.03	3,648,785.03
County Taxes including Added Taxes	A-22	3,681,652.41	3,667,714.05
Grants Receivable Cancelled	A-24	201,000.00	
Refund of Prior Year's Revenue	A-4	11,583.75	40,025.74
Interfund Advances	A-15	166,608.83	1,199,573.45
		<u>21,671,112.84</u>	<u>22,186,894.19</u>
Total Expenditures			

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

Current Fund

Year Ended December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Excess (Deficit) Revenue Over Expenditures		1,690,571.54	166,444.66
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year		<hr/>	<hr/>
Statutory Excess to Fund Balance		1,690,571.54	166,444.66
Fund Balance, January 1,	A	<u>231,067.49</u>	<u>64,622.83</u>
		1,921,639.03	231,067.49
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>92,000.00</u>	<hr/>
Fund Balance, December 31,	A	<u><u>1,829,639.03</u></u>	<u><u>231,067.49</u></u>

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

Borough of Haledon, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	92,000.00	92,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-14	12,000.00	12,217.60	217.60
Other	A-2	7,300.00	9,521.00	2,221.00
Fees and Permits	A-2	3,400.00	5,116.50	1,716.50
Fines and Costs:				
Municipal Court	A-14	280,000.00	243,808.76	(36,191.24)
Interest and Costs on Taxes	A-4	95,000.00	129,107.24	34,107.24
Interest on Investments and Deposits	A-14	20,000.00	7,349.66	(12,650.34)
Sewer Privileges	A-14	45,000.00	46,675.56	1,675.56
Energy Receipts Tax	A-14	570,596.00	570,596.00	
Consolidated Municipal Property Tax Relief Aid	A-14	121,476.00	120,806.10	(669.90)
Transitional Aid	A-14	300,000.00	300,000.00	
Uniform Construction Code Fees	A-14	42,000.00	43,006.00	1,006.00
Special Items of General Revenue Anticipated				
With Prior written Consent of Director of Local Government Services:				
Public and Private Revenues:				
Clean Communities Program	A-24	9,567.09	9,567.09	
Municipal Alliance on Alcoholism and Drug Abuse	A-24	17,400.00	17,400.00	
Recycling Tonnage Grant	A-24	5,835.11	5,835.11	
Drunk Driving Enforcement Fund	A-24	2,176.33	2,176.33	
H1N1 Influenza Grant	A-24	17,104.00	17,104.00	
NJ Div. of Highway Safety - Over the Limit Under Arrest	A-24	4,400.00	4,400.00	
Body Armor Replacement Fund	A-24	1,761.55	1,761.55	
Other Special Items:				
Uniform Fire Safety Act	A-14	18,812.00	15,974.72	(2,837.28)
General Capital Surplus	A-4	1,157.20	1,157.20	
Reserve for Debt Service	A-4	827.61	827.61	
Interfund - General Capital Fund	A-15	35,000.00	35,000.00	
Interfund - Other Trust Fund	A-15	49,000.00	49,000.00	
Interfund - Water Operating Fund	A-15	100,000.00	100,000.00	
Interfund - Water Capital Fund	A-15	125,000.00	125,000.00	
Interfund - Public Assistance	A-15	30,000.00	30,000.00	
Sale of Property	A-23	503,500.00	503,500.00	
Total Miscellaneous Revenues	A-1	2,418,312.89	2,406,908.03	(11,404.86)
Receipts from Delinquent Taxes	A-1/A-2	450,001.19	460,740.20	10,739.01
Subtotal General Revenues		2,960,314.08	2,959,648.23	(665.85)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2/A-9	5,955,355.00	6,103,229.04	147,874.04
Budget Totals		8,915,669.08	9,062,877.27	147,208.19
Non-Budget Revenue	A-1/A-2		188,936.13	188,936.13
		8,915,669.08	9,251,813.40	336,144.32
Adopted Budget	A-3	8,892,403.53		
Appropriated by N.J.S. 40A:4-87	A-3	23,265.55		
		8,915,669.08		

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

Borough of Haledon, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2010

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-9	18,628,910.98
Allocated to School and County Taxes	A-9	<u>13,150,681.94</u>
Balance for Support of Municipal Budget Appropriations		5,478,229.04
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>625,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>6,103,229.04</u>
Receipts from Delinquent Taxes:		
Tax Title Liens	A-10	7,161.14
Delinquent Taxes	A-9	<u>453,579.06</u>
	A-2	<u>460,740.20</u>
Licenses - Other:		
Clerk	A-14	6,135.00
Registrar of Vital Statistics	A-14	186.00
Board of Health	A-14	<u>3,200.00</u>
	A-2	<u>9,521.00</u>
Fees and Permits - Other:		
Clerk	A-14	2,114.50
Fence/Telephone/Sidewalk/Soil Permits - Building	A-14	752.00
Planning Board/Board of Adjustment	A-14	<u>2,250.00</u>
	A-2	<u>5,116.50</u>

Borough of Haledon, N.J.
 Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2010

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Revenues Accounts Receivable:			
Borough Clerk	A-14	870.21	
Registrar of Vital Statistics	A-14	1,860.00	
Police Department	A-14	<u>1,996.44</u>	
			4,726.65
Recycling Program		18,504.10	
Duplicate Tax Bills		147.00	
Health Insurance Reimbursement		14,173.66	
Void Checks		45,070.81	
Street Lighting Refunds		3,006.24	
Cable T.V. Franchise Fee		28,059.68	
Miscellaneous General		18,260.88	
Uniform Fire Safety Fees		9,794.00	
Senior Citizen & Veteran Deduction Handling Fee		980.00	
Firearms		335.00	
NJDMV Inspection Fines		4,050.00	
Fire Safety Fines		7,351.00	
Various Reimbursements		<u>34,477.11</u>	
	A-4		<u>184,209.48</u>
	A-2		<u><u>188,936.13</u></u>

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

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Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations - within "CAPS"						
Administrative and Executive						
Salaries and Wages		1,200.00	1,200.00	1,166.00	34.00	
Mayor and Council						
Salaries and Wages		13,500.00	13,500.00	10,012.50	3,487.50	
Other Expenses		10,000.00	5,000.00	2,543.35	2,456.65	
Municipal Clerk						
Salaries and Wages		143,981.00	143,981.00	142,679.71	1,301.29	
Other Expenses		37,000.00	42,000.00	28,436.42	13,563.58	
Elections						
Salaries and Wages		1,700.00	1,700.00	1,257.88	442.12	
Other Expenses		4,900.00	4,900.00	4,855.98	44.02	
Financial Administration						
Treasurer						
Salaries and Wages		74,000.00	72,300.00	72,196.87	103.13	
Other Expenses		16,300.00	11,300.00	6,841.42	4,458.58	
Annual Audit		27,500.00	27,500.00	19,000.00	8,500.00	
Miscellaneous Other Expenses		22,500.00	42,500.00	30,717.50	11,782.50	
Chief Financial Officer						
Salaries and Wages		16,400.00	16,400.00	15,067.50	1,332.50	
Collection of Taxes						
Salaries and Wages		41,000.00	38,500.00	37,644.93	855.07	
Other Expenses		14,250.00	12,550.00	7,272.20	5,277.80	
Tax Search Officer						
Salaries and Wages		1,244.00	1,244.00	1,220.20	23.80	
Assessment of Taxes						
Salaries and Wages		15,100.00	15,100.00	14,399.10	700.90	
Other Expenses		5,775.00	5,775.00	4,824.10	950.90	
Legal Services and Costs						
Other Expenses		133,000.00	233,000.00	201,084.70	31,915.30	

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Engineering Services and Costs						
Other Expenses		40,000.00	37,000.00	25,733.03	11,266.97	
Other Expenses - Contractual		60,000.00	60,000.00	60,000.00		
Ethics Board						
Salaries and Wages		585.00	585.00		585.00	
Other Expenses		500.00	500.00		500.00	
Municipal Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		9,305.00	9,305.00	8,824.76	480.24	
Other Expenses		4,750.00	4,750.00	1,698.03	3,051.97	
Insurance:						
Other Insurance Premiums		381,600.00	321,600.00	242,987.91	78,612.09	
Group Insurance Plan for Employees		724,000.00	705,000.00	654,881.23	50,118.77	
Unemployment Compensation Insurance		3,000.00	3,000.00	3,000.00		
Public Safety:						
Police						
Salaries and Wages		1,666,400.00	1,648,400.00	1,610,754.13	37,645.87	
Other Expenses		81,250.00	81,250.00	49,300.04	31,949.96	
Uniforms		12,800.00	12,800.00	12,000.00	800.00	
School Crossing Guards						
Salaries and Wages		58,000.00	48,500.00	46,547.50	1,952.50	
Other Expenses		4,000.00				
Special Police						
Salaries and Wages		25,000.00	28,000.00	24,582.75	3,417.25	
Other Expenses		400.00	400.00		400.00	

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Police Radio and Communications						
Salaries and Wages		140,000.00	158,000.00	148,270.29	9,729.71	
Other Expenses		2,800.00	2,800.00	868.18	1,931.82	
Emergency Management Services						
Other Expenses		1,250.00	1,250.00	432.09	817.91	
Fire						
Salaries and Wages		585.00	585.00	500.00	85.00	
Other Expenses		67,950.00	67,950.00	51,065.53	16,884.47	
Other Expenses - OSHA Physicals		1,000.00	1,000.00		1,000.00	
Other Expenses - OSHA Hepatitis B		5,000.00	5,000.00		5,000.00	
First Aid Squad Contribution		12,500.00	12,500.00		12,500.00	
Fire Prevention Bureau						
Other Expenses		525.00	525.00	238.68	286.32	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Fire Official						
Salaries and Wages		21,552.00	21,552.00	21,541.74	10.26	
Other Expenses		4,950.00	2,950.00	2,508.22	441.78	
Fire Alarm System						
Other Expenses		1,200.00	1,200.00		1,200.00	
Housing Inspectors						
Other Expenses		350.00	350.00		350.00	
Municipal Prosecutor						
Salaries and Wages		12,400.00	12,400.00	12,387.87	12.13	
Municipal Court:						
Salaries and Wages		127,710.00	127,710.00	120,553.60	7,156.40	
Other Expenses		13,300.00	13,300.00	7,519.35	5,780.65	
Public Defender						
Salaries and Wages		5,650.00	5,650.00	5,379.63	270.37	

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Public Works Function:						
Road Repairs and Maintenance		333,000.00	338,500.00	332,927.78	5,572.22	
Salaries and Wages		113,950.00	113,950.00	73,427.96	40,522.04	
Other Expenses						
Garbage and Trash Removal		319,668.00	327,668.00	322,752.94	4,915.06	
Salaries and Wages		32,800.00	32,800.00	32,631.83	168.17	
Other Expenses		275,000.00	255,000.00	192,522.42	62,477.58	
Solid Waste Disposal Costs						
Recycling		45,098.00	40,098.00	32,704.49	7,393.51	
Salaries and Wages		7,650.00	7,650.00	5,760.65	1,889.35	
Other Expenses						
Public Buildings and Grounds		20,000.00				
Salaries and Wages		282,500.00	302,500.00	293,416.69	9,083.31	
Other Expenses						
Sewer System						
Salaries and Wages		2,275.00	2,275.00	1,436.43	838.57	
Miscellaneous Other Expenses		12,750.00	12,750.00	11,622.12	1,127.88	
Contractual		3,000.00	3,000.00	2,465.00	535.00	
Municipal Services Act (P.L. 1993, Ch. 6)						
Garbage and Trash Removal		20,000.00	20,000.00	8,316.00	11,684.00	
Other Expenses						
Health and Welfare:						
Board of Health		27,361.00	27,361.00	22,938.60	4,422.40	
Salaries and Wages		5,900.00	5,900.00	1,443.62	4,456.38	
Other Expenses		7,000.00	7,000.00	5,337.00	1,663.00	
Other Expenses - Contractual						
Administration of Public Assistance		6,449.00	6,449.00	6,222.44	226.56	
Salaries and Wages		1,300.00	1,300.00	304.91	995.09	
Other Expenses						

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Senior Citizens' Transportation		18,490.00	8,490.00	5,002.86	3,487.14	
Salaries and Wages		2,800.00	2,800.00	2,242.80	557.20	
Other Expenses						
Recreation and Education:						
Board of Recreation Commissioners (N.J.S. 40:12-1)		520.00	520.00	327.42	192.58	
Salaries and Wages		83,200.00	74,100.00	50,445.65	23,654.35	
Other Expenses						
Celebration of Public Events Anniversary						
or Holiday		8,500.00	8,500.00	430.97	8,069.03	
Other Expenses						
Construction Code Official						
Salaries and Wages		43,264.00	43,264.00	43,263.99	0.01	
Building Inspector						
Salaries and Wages		33,500.00	33,500.00	32,813.87	686.13	
Other Expenses		3,650.00	3,650.00	1,781.00	1,869.00	
Plumbing Inspector						
Other Expenses		200.00	200.00	73.34	126.66	
Electrical Inspector						
Salaries and Wages		4,325.00	4,325.00	4,325.00	200.00	
Other Expenses		200.00	200.00			
Fire Protection Official						
Salaries and Wages		8,160.00	8,160.00	8,000.23	159.77	
Other Expenses		200.00	200.00		200.00	
Zoning and Housing Maintenance Enforcement						
Salaries and Wages		63,000.00	63,000.00	62,141.52	858.48	
Other Expenses		3,475.00	2,475.00	1,134.74	1,340.26	

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>General Appropriations</u>						
Unclassified:						
Street Lighting		55,000.00	65,000.00	61,491.60	3,508.40	
Gasoline		85,000.00	90,000.00	86,396.12	3,603.88	
Fire Hydrant Service		50,000.00	50,000.00	24,682.42	25,317.58	
Total Operations within "CAPS"		6,048,847.00	6,046,847.00	5,443,579.33	603,267.67	
Detail:						
Salaries and Wages	A-1	3,300,422.00	3,268,222.00	3,169,844.53	98,377.47	
Other Expenses	A-1	2,748,425.00	2,778,625.00	2,273,734.80	504,890.20	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges:						
Deficit - Dog License Fund		5,652.00	5,652.00	5,652.00		
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		76,547.00	76,547.00	76,547.00		
Social Security System (O.A.S.I.)		185,000.00	187,000.00	181,435.74	5,564.26	
Police and Firemen's Retirement System		193,384.00	193,384.00	193,384.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	460,583.00	462,583.00	457,018.74	5,564.26	
Total General Appropriations for Municipal Purposes within "CAPS"		6,509,430.00	6,509,430.00	5,900,598.07	608,831.93	

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		227,895.00	227,895.00	227,895.00		
(P.L. 1985, Ch. 82-541)		540,000.00	540,000.00	530,023.75	9,976.25	
Passaic Valley Sewer Commission - Contractual		40,000.00	40,000.00		40,000.00	
Emergency Services Volunteer Length of Service Award		61,605.00	61,605.00	61,605.00		
Public Employees' Retirement System		189,935.00	189,935.00	189,935.00		
Police and Firemen's Retirement System of NJ		10,000.00	10,000.00		10,000.00	
Reserve for Tax Appeals						
Public and Private Programs Offset by Revenues						
Clean Communities Program		9,567.09	9,567.09	9,567.09		
N.J. Division of Criminal Justice - Body Armor Grant		1,761.55	1,761.55	1,761.55		
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		17,400.00	17,400.00	17,400.00		
Drunk Driving Enforcement Fund - Police		2,176.33	2,176.33	2,176.33		
Recycling Tonnage Grant		5,835.11	5,835.11	5,835.11		
NJ Department of Health - HIN1 Grant		17,104.00	17,104.00	17,104.00		
N.J. Div. of Highway Safety - Over the Limit Under Arrest		4,400.00	4,400.00	4,400.00		
BPP Tax Adjustment for School Purposes						
Local School District		22,476.00	22,476.00	22,476.00		
Regional High School District		15,743.00	15,743.00	15,743.00		
Total Operations - Excluded from "CAPS"		<u>1,165,898.08</u>	<u>1,165,898.08</u>	<u>1,105,921.83</u>	<u>59,976.25</u>	
Detail:						
Other Expenses	A-1	<u>1,165,898.08</u>	<u>1,165,898.08</u>	<u>1,105,921.83</u>	<u>59,976.25</u>	

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Municipal Debt Service:						
Payment of Bond Principal		280,000.00	280,000.00	280,000.00		
Interest on Bonds		286,775.00	286,775.00	286,773.76		1.24
Green Trust Loan Program Principal		12,772.00	12,772.00	12,771.69		0.31
Interest		5,794.00	5,794.00	5,793.79		0.21
Total Municipal Debt Service-Excluded from "CAPS"	A-1	585,341.00	585,341.00	585,339.24		1.76
Deferred Charges:						
Special Emergency Authorizations - 5 years		30,000.00	30,000.00	30,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	30,000.00	30,000.00	30,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		1,781,239.08	1,781,239.08	1,721,261.07	59,976.25	1.76
Subtotal General Appropriations		8,290,669.08	8,290,669.08	7,621,859.14	668,808.18	1.76
Reserve for Uncollected Taxes		625,000.00	625,000.00	625,000.00		
Total General Appropriations		8,915,669.08	8,915,669.08	8,246,859.14	668,808.18	1.76
Adopted Budget	A-2		8,892,403.53			
Appropriated by N.J.S. 40A:4-87	A-2		23,265.55			
			<u>8,915,669.08</u>			

A

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2010

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>Analysis of Paid or Charged</u>						
Cash Disbursed	A-4			7,447,655.59		
Encumbrances Payable	A-18			85,959.47		
Special Emergency Authorization	A-16			30,000.00		
Reserve for Uncollected Taxes	A-2			625,000.00		
Reserve for Federal and State Grants	A-24			58,244.08		
				<u>8,246,859.14</u>		

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

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Borough of Haledon, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2010 and 2009

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Dog License Fund:			
Cash	B-1	2,085.50	1,893.95
Operating Deficit	B-4	5,774.69	5,641.57
Due to State Department of Health	B-5	3.80	
		<u>7,863.99</u>	<u>7,535.52</u>
Other Trust Funds:			
Cash	B-1	464,196.90	493,748.36
Interfund - Current Fund - Other	B-6	5.81	
Other Receivables	B-2	12,345.21	
		<u>476,547.92</u>	<u>493,748.36</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Cash in Plan	B-1	222,498.99	200,912.21
Contributions Receivable	B-3	21,275.00	25,587.50
		<u>243,773.99</u>	<u>226,499.71</u>
Total Assets		<u><u>728,185.90</u></u>	<u><u>727,783.59</u></u>

Borough of Haledon, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2010 and 2009

Liabilities & Reserves

Dog License Fund:

Due to State Department of Health	B-5		28.00
Interfund - Current Fund	B-6	7,863.99	7,507.52
		<u>7,863.99</u>	<u>7,535.52</u>

Other Trust Fund:

Interfund - Current Fund - Other	B-6		49,409.75
Payroll Deductions Payable	B-7	250.29	250.29
Reserve for:			
Unemployment Insurance	B-8	9,751.75	7,584.45
Escrow Deposits	B-8	104,238.34	77,753.73
Community Fund	B-8	1,051.00	1,051.00
Recreation	B-8	32,067.60	30,960.12
Senior Recreation	B-8	3,069.65	3,069.65
Special Police Outside Duty	B-8	-	26,952.08
Affordable Housing	B-8	175,000.00	175,000.00
Recreation Improvements	B-8	10,000.00	10,000.00
Other Escrow	B-8	4,451.00	4,451.00
Sale of Assets	B-8	5,200.00	
Fireworks Donations	B-8	500.00	
Junior Police Academy	B-8	3,150.00	
Premium on Tax Sale	B-8	105,900.00	85,200.00
Restitution	B-8	146.05	146.05
Uniform Fire Safety Penalty Funds	B-8	4,828.00	4,828.00
Centennial	B-8	4,359.43	5,849.43
Municipal Court - P.O.A.A.	B-8	12,584.81	11,242.81
		<u>476,547.92</u>	<u>493,748.36</u>

Emergency Services Volunteer Length of
Service Award Program (Unaudited):

Net Assets Available for Benefits	B-9	243,773.99	226,499.71
Total Liabilities & Reserves		<u>728,185.90</u>	<u>727,783.59</u>

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

Borough of Haledon, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2010 and 2009

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Cash	C-2/C-3	630,657.82	35,309.11
Interfund - Current Fund	C-4	351,441.57	
Interfund - Water Capital Fund	C-5	812,375.84	812,375.84
Due From NJEIT	C-6	1,538,000.00	
Various Receivables	C-7	391,051.45	
Deferred Charges to Future Taxation:			
Funded	C-8	7,726,094.58	6,480,866.27
Unfunded	C-9	2,036,551.45	2,394,500.00
		<u>13,486,172.71</u>	<u>9,723,051.22</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfund - Current Fund	C-4		230,077.43
NJEIT Trust/Loan	C-10	1,538,000.00	
General Serial Bonds	C-11	5,908,000.00	6,188,000.00
Green Acres Loan Payable	C-12	280,094.58	292,866.27
Bond Anticipation Notes	C-13	1,582,000.00	
Improvement Authorizations:			
Funded	C-14	1,809,145.64	692,121.75
Unfunded	C-14	1,805,704.08	2,252,000.00
Capital Improvement Fund	C-15	46,000.96	66,000.96
Reserve for:			
Debt Service	C-16	122,300.00	827.61
Various Grants Receivable	C-17	391,051.45	
Fund Balance	C-1	3,876.00	1,157.20
		<u>13,486,172.71</u>	<u>9,723,051.22</u>

Footnote: There were \$604,500.00 and \$2,394,500.00 of Bonds and Notes Authorized But Not Issued per Exhibit C-18 on December 31, 2010 and 2009

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

Borough of Haledon, N.J.

Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	C	1,157.20
Increased by:		
Premium on Sale of Bond Anticipation Notes	C-2	3,876.00
		<u>5,033.20</u>
Decreased by:		
Appropriated to Finance Improvement		
Appropriated to Current Year Budget Revenue	C-2	1,157.20
		<u>1,157.20</u>
Balance - December 31, 2010	C,C-3	<u><u>3,876.00</u></u>

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

Borough of Haledon, N.J.

Page 1 of 2

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2010 and 2009

	<u>Ref</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	89,862.27	107,235.32
Change Fund	D-6	100.00	100.00
Other Miscellaneous Receivables	D-7	68,904.46	68,904.46
Due from Manchester Utility Authority Operating	D-8	161,105.50	1,389,162.36
Due from Manchester Utility Authority Service Agreement	D-9	660,962.61	
Total Operating Fund		<u>980,934.84</u>	<u>1,565,402.14</u>
Capital Fund:			
Cash	D-5/D-10	8,726.55	128,648.41
Due from Manchester Utility Authority	D-11		98,994.00
Interfund - Water Utility Operating Fund	D-12	852,959.38	1,153,502.24
Fixed Capital	D-13	9,897,583.42	8,682,631.79
Fixed Capital Authorized and Uncompleted	D-14		1,295,000.00
Total Capital Fund		<u>10,759,269.35</u>	<u>11,358,776.44</u>
Total Assets		<u><u>11,740,204.19</u></u>	<u><u>12,924,178.58</u></u>

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

Borough of Haledon, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2010 and 2009

	<u>Ref</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Due to Current Fund	D-12	69,242.40	353,406.68
Interfund - Water Utility Capital Fund	D-12	852,959.38	1,153,502.24
Accrued Interest on Bonds	D-15	8,221.63	8,221.63
Reserve for Water Key Deposits	D-16	21,375.00	21,375.00
		<u>951,798.41</u>	<u>1,536,505.55</u>
Reserve for Receivables	Contra		
Fund Balance	D-1	<u>29,136.43</u>	<u>28,896.59</u>
Total Operating Fund		<u>980,934.84</u>	<u>1,565,402.14</u>
Capital Fund:			
Serial Bonds Payable	D-17	2,030,000.00	2,175,000.00
Improvement Authorizations:			
Funded	D-18		77,298.37
Unfunded	D-18		2,750.00
Capital Improvement Fund	D-19	0.61	0.61
Interfund - Current Fund	D-12	78,605.48	297,599.48
Reserve for Amortization	D-20	7,838,287.42	7,731,335.79
Reserve for Deferred Amortization	D-21		7,250.00
Interfund - General Capital Fund	D-22	812,375.84	812,375.84
Fund Balance	D-2		255,166.35
Total Capital Fund		<u>10,759,269.35</u>	<u>11,358,776.44</u>
Total Liabilities, Reserves and Fund Balances		<u>11,740,204.19</u>	<u>12,924,178.58</u>

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

There were bonds and notes authorized but not issued of \$29,296.00 and \$64,046.00 on December 31, 2010 and 2009 - Per Exhibit D-23

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

Borough of Haledon, N.J.

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

Water Utility Operating Fund

for the Years Ended December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:			
Water Capital Surplus	D-3	32,000.00	
Service Agreement Manchester			
Utilities Authority	D-3	575,789.66	745,788.15
Non-budget Revenue	D-3	239.84	1,259.03
		<hr/>	<hr/>
Total Income		608,029.50	747,047.18
Expenditures:			
Operating	D-4	307,432.00	378,509.54
Debt Service	D-4	245,520.00	246,932.50
Deferred Charges and			
Statutory Expenditures	D-4	54,837.66	120,346.11
		<hr/>	<hr/>
Total Expenditures		607,789.66	745,788.15
Excess in Revenue over Expenditures		239.84	1,259.03
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years		<hr/>	<hr/>
Statutory Excess to Surplus		239.84	1,259.03
Fund Balance - January 1,	D	28,896.59	27,637.56
		<hr/>	<hr/>
		29,136.43	28,896.59
Decreased by:			
Utilized as Anticipated Revenue		<hr/>	<hr/>
Fund Balance - December 31,	D	<u>29,136.43</u>	<u>28,896.59</u>

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

Borough of Haledon, N.J.

Statement of Fund Balance - Regulatory Basis

Water Utility Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	255,166.35
Increased by:		
Improvement Authorization Cancelled	D-18	77,298.37
		<u>332,464.72</u>
Decreased by:		
Appropriated per MUA Agreement		300,464.72
Appropriated to Budget Revenue	D-5	<u>32,000.00</u>
		<u>332,464.72</u>
Balance - December 31, 2010	D/D-9	<u><u>0.00</u></u>

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Water Capital Surplus	D-1/D-5	32,000.00	32,000.00	0.00
Service Agreement Manchester Utilities Authority	D-1/D-5	<u>668,164.00</u>	<u>575,789.66</u>	<u>(92,374.34)</u>
Budget Totals	D-4	700,164.00	607,789.66	(92,374.34)
Non-Budget Revenue	D-1		239.84	239.84
		<u>700,164.00</u>	<u>608,029.50</u>	<u>(92,134.50)</u>

Analysis of Non-budget Revenues

Interest on Deposits:				
Water Operating Fund	D-5		161.70	
Interfund - Water Capital Fund	D-11		<u>78.14</u>	
				<u>239.84</u>

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

Borough of Haledon, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2010

	Ref.	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
		Budget	Budget		Paid or Charged	Reserved	
Operating:							
Salaries and Wages		296,000.00	301,000.00	301,000.00	298,531.55	2,468.45	
Other Expenses		104,000.00	98,800.00	98,800.00	8,900.45	89,899.55	
Total Operating	D-1	400,000.00	399,800.00	399,800.00	307,432.00	92,368.00	
Debt Service:							
Payment of Bond Principal		145,000.00	145,000.00	145,000.00	145,000.00		
Interest on Bonds		100,520.00	100,520.00	100,520.00	100,520.00		
Total Debt Service	D-1	245,520.00	245,520.00	245,520.00	245,520.00		
Deferred Charges and Statutory Expenditures:							
Deferred Charges:							
Ordinance 10-03-01		32,000.00	32,000.00	32,000.00	32,000.00		
Statutory Expenditures:							
Contribution to:							
Social Security System (O.A.S.I.)		22,644.00	22,844.00	22,844.00	22,837.66	6.34	
Total Deferred Charges and Statutory Expenditures	D-1	54,644.00	54,844.00	54,844.00	54,837.66	6.34	
		<u>700,164.00</u>	<u>700,164.00</u>	<u>700,164.00</u>	<u>607,789.66</u>	<u>92,374.34</u>	
			D-3				
Cash Disbursed	D-5				507,269.66		
Interest on Bonds	D-14				100,520.00		
					<u>607,789.66</u>		

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

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Borough of Haledon , N.J.

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash	E-1	88,643.59	102,036.89
Interfund - Current Fund	E-7	4,390.19	
		<u>93,033.78</u>	<u>102,036.89</u>
<u>Liabilities</u>			
Reserve for Public Assistance	E-6	92,736.37	71,342.03
Interfund - Current Fund	E-7	297.41	30,694.86
		<u>93,033.78</u>	<u>102,036.89</u>

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

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BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Borough of Haledon have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Haledon (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Free Public Library and Volunteer Fire Department which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

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

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

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds:

All Other Trust Funds - These funds are established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Operating and Water Capital Funds - Account for the operations and acquisition of capital facilities of the municipality-owned water utility.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

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

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Haledon. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Water Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

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

Basis of Accounting, (continued)

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund and water operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

General Capital Fund	Trust Funds
Public Assistance Fund	Water Capital Fund
Payroll Fund	

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2010, the Borough Council increased the original current fund budget by \$23,265.55. This increase was funded by additional aid allotted to the Borough. In addition, several budget transfers were approved by the governing body.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

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

Basis of Accounting, (continued)

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

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

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

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

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

Basis of Accounting, (continued)

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

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

Fixed Assets - Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and were not capitalized. Beginning January 1, 1986, the Division of Local Government Services, Department of Community Affairs, requires a fixed asset accounting system to account for all fixed assets acquired and disposed of after January 1, 1986.

Property and equipment purchased by the Water Utility Funds are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in these utility capital funds represent charges to improvements. The utilities do not record depreciation on fixed assets.

Fixed Assets acquired through December 31, 1985 may be valued at either historical cost (estimated) or any other reasonable basis adequately disclosed in the local units financial statements.

There is no requirement for the local unit to record depreciation on General Fixed Assets. However, for cost analysis or grant reimbursement purposes it may be desirable to consider and/or record depreciation.

The Borough of Haledon does not maintain a fixed asset accounting system, therefore, a statement of general fixed assets is not presented. The amount to be recorded is unknown, which could be material to the financial statements.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

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

Basis of Accounting, (continued)

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2010, \$-0- of the Borough's bank balance of \$5,434,438.72 was exposed to custodial credit risk.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

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

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of December 31, 2010, the Borough had \$15,158.90 on deposit with the New Jersey Cash Management Fund.

Unaudited Investments

As more fully described in Note 10, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by the Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2010 and 2009 amounted to \$222,498.99 and \$200,912.21, respectively.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

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

Unaudited Investments, (continued)

The following investments represent 5% or more of the total invested with the Lincoln Financial Group on December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Growth	\$65,686.01	\$56,358.13
Fixed Income	119,782.52	113,748.50
Growth and Income	21,453.81	16,386.41
All Others	<u>15,576.65</u>	<u>14,419.17</u>
Total	<u>\$222,498.99</u>	<u>\$200,912.21</u>

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2010 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Other Liabilities:					
Loans Payable	\$292,866.27	\$	\$12,771.69	\$280,094.58	\$13,028.41
N.J. Environmental Infrastructure:					
Trust		385,000.00		385,000.00	15,000.00
Loan		1,153,000.00		1,153,000.00	60,684.21
Deferred Pension Liability	231,878.00			231,878.00	
Compensated Absences	455,726.76	27,666.05	5,872.01	477,520.80	
Bonds Payable:					
General Capital	6,188,000.00		280,000.00	5,908,000.00	295,000.00
Water Capital	<u>2,175,000.00</u>		<u>145,000.00</u>	<u>2,030,000.00</u>	<u>160,000.00</u>
	<u>\$9,343,471.03</u>	<u>\$1,565,666.05</u>	<u>\$443,643.70</u>	<u>\$10,465,493.38</u>	<u>\$543,712.62</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Issued:</u>			
General Bonds, Loans and Notes	\$9,308,094.58	\$6,480,866.27	\$6,453,000.00
Water Utility - Bonds and Notes	<u>2,030,000.00</u>	<u>2,175,000.00</u>	<u>2,315,000.00</u>
Total Issued	<u>11,338,094.58</u>	<u>8,655,866.27</u>	<u>8,768,000.00</u>
 <u>Authorized But Not Issued</u>			
General Bonds and Notes	604,500.00	2,394,500.00	142,500.00
Water Utility - Bonds and Notes	<u>29,296.00</u>	<u>64,046.00</u>	<u>164,046.00</u>
Total Authorized But Not Issued	<u>633,796.00</u>	<u>2,458,546.00</u>	<u>306,546.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$11,971,890.58</u>	<u>\$11,114,412.27</u>	<u>\$9,074,546.00</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.41%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$480,000.00	\$480,000.00	\$0.00
Water Utility Debt	2,059,296.00	2,059,296.00	0.00
General Debt	<u>9,912,594.58</u>	<u>272,248.55</u>	<u>9,640,346.03</u>
	<u>\$12,451,890.58</u>	<u>\$2,811,544.55</u>	<u>\$9,640,346.03</u>

Net Debt \$9,640,346.03 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$684,842,105.67 equals 1.41%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$23,969,473.69
Net Debt	<u>9,640,346.03</u>
Remaining Borrowing Power	<u>\$14,329,127.66</u>

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

Cash receipts from fees, rents or other charges for year		\$608,029.50
Deductions:		
Operating and Maintenance Cost	\$330,269.66	
Debt Service per Water Account	<u>245,520.00</u>	
Total Deductions		<u>575,789.66</u>
 Excess in Revenue - Self-Liquidating		 <u>\$32,239.84</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

The foregoing debt information is not in agreement with the annual debt statement filed by the Chief Financial Officer.

The Borough's long term debt consisted of the following at December 31, 2010:

	<u>Amount Outstanding</u>
<u>Paid by Current Fund:</u>	
\$2,233,000.00 General Improvement Bonds - issued with variable interest rates of 4.5% to 4.875% on March 15, 2002, due through March 15, 2017	\$1,813,000.00
\$4,220,000.00 General Improvement Bonds - issued with variable interest rates of 4.00% to 5.50% on January 22, 2010, due through September 1, 2025	<u>4,095,000.00</u>
Total Serial Bonds	<u>\$5,908,000.00</u>
 \$270,000.00 Green Acres Loan dated April 15, 2009 payable in semiannual installments through October 15, 2028. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$8,394.73 are applied first to interest and then to principal.	 \$252,744.40
 \$28,561.00 Green Acres Loan dated September 18, 2009 payable in annual installments through March 18, 2029. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$888.01 are applied first to interest and then to principal.	 <u>27,350.18</u>
Total Green Acres Loans	<u>\$280,094.58</u>

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

	<u>Amount Outstanding</u>
<u>Paid by Current Fund. (continued):</u>	
\$385,000.00 New Jersey Environmental Infrastructure Trust - Series 2010A, dated March 10, 2010, payable in annual installments from August 1, 2011 through August 1, 2029. Interest is paid semiannually at variable interest rates between 3.50% to 5.00%.	\$385,000.00
\$1,153,000.00 New Jersey Environmental Infrastructure Trust Fund - winter 2010, dated March 10, 2010, payable in semiannual installments on February 1 and August 1 commencing on February 1, 2011 with a zero percent interest rate.	<u>1,153,000.00</u>
Total New Jersey Environmental Infrastructure Loans Payable	<u>\$1,538,000.00</u>
<u>Paid by Water Utility Fund:</u>	
\$2,990,000.00 Water Utility Bonds - issued with variable interest rates of 4.5% to 5.00% on March 15, 2002, due through March 15, 2022	<u>\$2,030,000.00</u>

General Capital and Water Capital Serial Bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or Water Utility Revenues.

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

General Capital	\$604,500.00
Water Capital	29,296.00

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

<u>Year</u>	<u>General</u>			<u>Water Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$295,000.00	\$274,111.25	\$569,111.25	\$160,000.00	\$93,657.50	\$253,657.50
2012	345,000.00	260,673.75	605,673.75	170,000.00	86,232.50	256,232.50
2013	360,000.00	245,186.25	605,186.25	170,000.00	78,582.50	248,582.50
2014	380,000.00	228,906.25	608,906.25	170,000.00	70,847.50	240,847.50
2015	400,000.00	211,481.25	611,481.25	170,000.00	62,942.50	232,942.50
2016-2020	1,938,000.00	804,736.25	2,742,736.25	850,000.00	190,761.25	1,040,761.25
2021-2025	2,190,000.00	360,618.75	2,550,618.75	340,000.00	17,000.00	357,000.00
	<u>\$5,908,000.00</u>	<u>\$2,385,713.75</u>	<u>\$8,293,713.75</u>	<u>\$2,030,000.00</u>	<u>\$600,023.75</u>	<u>\$2,630,023.75</u>

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR GREEN ACRES LOANS ISSUED AND OUTSTANDING

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$13,028.41	\$5,537.07	\$18,565.48
2012	13,290.28	5,275.20	18,565.48
2013	13,557.41	5,008.07	18,565.48
2014	13,829.90	4,735.57	18,565.47
2015	14,107.90	4,457.59	18,565.49
2016-2020	74,908.72	17,918.68	92,827.40
2021-2025	82,745.82	10,081.55	92,827.37
2026-2029	54,626.14	1,958.29	56,584.43
	<u>\$280,094.58</u>	<u>\$54,972.02</u>	<u>\$335,066.60</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN
AND FUND LOAN

<u>Year</u>	<u>Trust Loan</u>		<u>Fund Loan</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2011	\$15,000.00	\$16,425.00	\$60,684.21
2012	15,000.00	15,825.00	60,684.21
2013	15,000.00	15,075.00	60,684.21
2014	15,000.00	14,325.00	60,684.21
2015	15,000.00	13,575.00	60,684.21
2016-2020	95,000.00	55,325.00	303,421.05
2021-2025	110,000.00	33,975.00	303,421.05
2026-2029	105,000.00	10,675.00	242,736.85
	<u>\$385,000.00</u>	<u>\$175,200.00</u>	<u>\$1,153,000.00</u>

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 4. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2010, the Borough had \$1,582,000.00 in outstanding general capital bond anticipation notes that mature on November 10, 2010 at an interest rate of 1.50%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2010.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Oppenheimer & Co., Inc.	\$ _____	\$1,582,000.00	\$ _____	\$1,582,000.00

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2010</u>	<u>2011 Budget Appropriation</u>	<u>Balance to Succeeding Years Budgets</u>
Current Fund:			
Special Emergency Authorizations	\$90,000.00	\$30,000.00	\$60,000.00
Dog License Fund:			
Deficit	\$5,774.69	\$5,774.69	\$ _____

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 6. REGIONAL HIGH SCHOOL TAX

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

The Borough of Haledon has elected to defer school taxes as follows:

	<u>Regional High School Tax</u>	
	<u>Balance</u>	<u>Balance</u>
	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Balance of Tax	\$2,025,462.11	\$2,188,704.95
Deferred	<u>2,025,462.11</u>	<u>1,876,033.11</u>
Tax Payable	<u>\$0.00</u>	<u>\$312,671.84</u>

NOTE 7. PENSION PLANS

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

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

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

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

Police and Firemens' Retirement System (PFRS)

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

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

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

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

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

Significant Legislation

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

The Borough of Haledon opted for this deferral in the amount of \$231,878.00.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 7. PENSION PLANS, (continued)

Contribution Requirements

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

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

<u>Year Ending</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2010	\$138,152.00	\$383,319.00
2009	73,958.00	186,843.50
2008	79,247.20	307,309.00

Defined Contribution Retirement Program

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

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

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

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 7. PENSION PLANS, (continued)

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

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

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

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

NOTE 8. FUND BALANCES

Fund balances as of December 31, 2010 and 2009 that have been anticipated as revenue in the 2011 and 2010 budgets were as follows:

	<u>2010</u>	<u>2009</u>
Current Fund	\$901,000.00	\$92,000.00
Water Operating Fund	29,000.00	-0-

NOTE 9. ACCRUED SICK AND VACATION BENEFITS

The Borough has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. The current cost of such unpaid compensation has been estimated at \$477,520.80. This amount, which is material to the financial statements, is not reported either as an expenditure or liability. It is expected that the cost of such unpaid compensation would be included in the Borough's operating budget in the year it is used.

NOTE 10. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

In 2003, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Lincoln Financial Group. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 10. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)

The Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of between \$287.50 to \$1,150.00 to each eligible volunteer who accumulates between 30 to 60 or more service points based on criteria established by Borough Ordinance No. 8-9-2001. In addition, the ordinance does not provide for prior years service credit. The amount of the LOSAP award cannot exceed \$1,150.00 annually, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current year's budget.

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

We have reviewed the plan for the year ended December 31, 2010 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 11. INTERFUND BALANCES AND ACTIVITY

\$10,599.55	Due to the Current Fund from the Federal and State Grant Fund for Short Term Loans to pay expenditures.
7,863.99	Due to the Current Fund from the Dog License Fund for Short Term Loans to pay expenditures and interest earnings.
69,242.40	Due to the Current Fund from the Water Operating Fund for Short Term Loans.
4,092.78	Due to the Public Assistance Fund from the Current Fund for Short Term Loans and Interest Earnings:
5.81	Due to the Other Fund from the Current Fund for Short Term Loans.
78,605.48	Due to the Current Fund from the Water Capital Fund for Short Term loans.
351,441.57	Due to the General Capital Fund from the Current Fund for Short Term Loans.
812,375.84	Due to the General Capital Fund from the Water Capital Fund for reimbursement of Water Capital bills paid by the General Capital Fund and for Short Term Loans.
<u>852,959.38</u>	Due to the Water Capital Fund from the Water Operating Fund for Short Term Loans.
<u>\$2,187,186.80</u>	

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

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 12. LEASES

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

NOTE 13. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2010 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Haledon is currently a member of the Suburban Essex Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund (the "Funds"). The Funds provide their members with Liability, Property and Workers' Compensation and Employer Liability Insurance. The Funds are risk-sharing public entity risk pools that are both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Funds are elected.

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

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

Financial statements for the Funds are available at the office of the Funds' Executive Director, Conner Strong/PERMA Risk Management Services.

BOROUGH OF HALEDON, N.J.
Notes to Financial Statements
Years Ended December 31, 2010 and 2009
(continued)

NOTE 14. TAXES COLLECTED IN ADVANCE

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

	<u>Balance</u> <u>Dec 31, 2010</u>	<u>Balance</u> <u>Dec 31, 2009</u>
Prepaid Taxes	<u>\$42,928.02</u>	<u>\$107,674.46</u>
Cash Liability for Taxes Collected in Advance	<u>\$42,928.02</u>	<u>\$107,674.46</u>

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the Borough Counsel that the Borough is involved in several legal suits, none of which appear to be material or are covered by insurance.

NOTE 16. OTHER MATTERS

The Borough council adopted an ordinance dated March 17, 2004 that created the Haledon Municipal Utilities Authority (HMUA). The Borough and the HMUA also entered into an intralocal agreement and a water deficiency agreement in which the HMUA would lease certain employees and equipment from the Borough. Certain fixed assets of the Haledon Water Utility were transferred to the HMUA. The bonds and notes of the Haledon Water Utility will be budgeted for by the HMUA and proceeds paid to the Haledon Water Utility. All new capital projects will be funded by the HMUA whose bonds will be backed by the Borough of Haledon through the deficiency agreement.

SUPPLEMENTARY DATA AND SCHEDULES

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COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate:	<u>5.7580</u>	<u>5.4780</u>	<u>5.3230</u>
Apportionment of Tax Rate:			
Municipal	1.7950	1.6419	1.5166
County - General	1.0880	1.0826	1.0903
County - Open Space	0.0210	0.0222	0.0221
Local School	1.6380	1.6062	1.6158
Regional High School	1.2160	1.1251	1.0782
Assessed Valuations:			
2010	\$331,785,800.00		
2009		\$331,843,618.00	
2008			\$330,471,372.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2010	\$19,116,833.31	\$18,628,910.98	97.44%
2009	18,189,917.44	17,661,163.50	97.09
2008	17,634,426.35	17,100,980.76	96.97

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>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>
2010	\$34,478.35	\$440,844.25	\$475,322.60	2.49%
2009	38,357.43	453,579.06	491,936.49	2.70
2008	28,173.83	445,621.14	473,794.97	2.69

PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

No properties have been acquired in 2010 by foreclosure or deed as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2010	\$9,975.00
2009	9,975.00
2008	9,975.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding</u> <u>Year</u>
2010	\$1,829,639.03	\$901,000.00
2009	231,067.49	92,000.00
2008	64,622.83	0.00
2007	64,563.82	0.00
2006	956,276.10	941,000.00
	<u>Water Utility Operating Fund</u>	
2010	\$29,136.43	\$29,000.00
2009	28,896.59	0.00
2008	27,637.56	0.00
2007	22,593.36	0.00
2006	150,316.03	140,725.00

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>
Dominic Stampone	Mayor	
Domenick Fusco	Councilman	
Maha Kandis	Council President	
Heather Kilminster	Councilwoman	
Reynaldo Martinez	Councilman	
Michael Tirri	Councilman	
Daniel Batelli	Councilman to 8/10/10	
Michael Johnson	Councilman from 9/16/10	
Allan R. Susen	Borough Clerk/Administrator, Assessment Search Officer, Registrar	
Harold P. Cook	Magistrate	(A)
Stephen P. Sanzari	Tax Collector	(A)
Maryann Brindisi	Chief Financial Officer	
Lidia Dabrowska	Tax Search Officer	
Kelly Mullanaphy Ferraioli, Wielkotz, Cerullo & Cuva, P.A.	Court Administrator	(A)
Andrew Oddo	Borough Auditor	
Alaimo Group	Borough Attorney	
John Segreto	Borough Engineer	
Joseph DeMarco	Borough Prosecutor	
	Public Defender	

(A) Coverage provided by the Municipal Excess Liability Joint Insurance Fund of up to \$1,000,000.00 per loss subject to a deductible of \$1,000.00 per loss.

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BOROUGH OF HALEDON, N.J.
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

State Grantor Department	Program Title	State Program/Account Number	Program Amount	Balance Jan. 1, 2010	Receipts	Expended	Balance Dec. 31, 2010	Memo Cumulative Total Expenditures
Department of Community Affairs	Emergency Road & Bridge Repair Special Legislative Grant-Business District	8030-100-04-88-20	6,393.94	1,744.98		1,744.98	4,648.96	
			25,000.00	(15,000.00)		(15,000.00)	25,000.00	
			8,615.57	74.17	74.17	1,938.17	8,615.57	
			15,919.99	15,919.99	468.83	15,919.99	15,919.99	
Division of Motor Vehicles	Drunk Driving Enforcement Fund	1110-448-031020-2200	2,176.33	2,176.33		2,176.33		
			2,072.50		2,072.50	2,072.50		
			1,249.23	390.71		390.71	856.52	
Division of Criminal Justice	Body Armor Fund	1020-718-066-1020-001	2,897.85	1,349.62		1,349.62		
			1,616.19	1,616.19		1,616.19	1,548.23	
			1,805.68	1,805.68		1,805.68		
			1,658.97	1,658.97		1,658.97		
Department of Human Services	General Assistance	7500-150-158010-60 A/C#2	890.69	1,761.55		1,761.55		
				890.69		890.69		
			73,698.00	44,896.82		44,896.82	94,322.50	
Department of Environmental Protection	Clean Communities Program	4900-765-178900-60	8,286.00	6,831.06		6,831.06		
			1,585.20	1,585.20		1,585.20	4,863.89	
			5,846.74	5,846.74	3,408.95	3,422.11		
			6,064.00	6,064.00		6,064.00		
			6,026.16	6,026.16		6,026.16		
			6,318.21	6,318.21		6,318.21		
			7,041.26	7,041.26		7,041.26		
Passaic County Municipal Alliance Grant	Recycling Tonnage Grant	4900-752-042-490	9,567.09	7,458.25		7,458.25		
			9,961.99	9,961.99		9,961.99		
			23,718.15	7,113.05	7,113.05	23,718.15		
			6,610.05	6,610.05	5,787.16	6,610.05	5,787.16	
Department of Transportation	Governor's Alcohol and Drug Abuse Prevention	1110-448-031020-22	1,473.02	1,473.02		1,473.02		
			2,109.62	2,109.62		2,109.62		
			3,798.69	3,798.69		3,798.69		
			7,818.76	7,818.76		7,818.76		
			5,835.11	5,835.11		5,835.11		
			17,400.00	5,634.50	11,654.04	17,400.00		
				798.00	4,010.08		4,010.08	
Department of Transportation	Transportation Trust Fund Hobart and Henry Street Clinton Street Woodside Avenue Summit Avenue Avenue C, Grove, Jasper Sts., Albion Ave. Morrissee Ave., Jasper St., Albion Ave.	6320-480-078	150,000.00	(88,217.47)		(88,217.47)		
			200,000.00	(22,216.66)		(22,216.66)	200,000.00	
			200,000.00	(187,208.74)		(187,208.74)	187,208.74	
			100,000.00	(78,456.60)	166,000.00	166,000.00	96,828.25	
			201,000.00		78,052.00	18,371.65	96,828.25	
			180,000.00		149,948.55	39,168.00	98,168.00	
			460,000.00		122,300.00	110,760.55	98,168.00	
State Pedestrian Safety Program	Pothole Repair Program	6320-480-078-6320-163	40,000.00	6,660.62		6,660.62		
			6,660.62			6,660.62		
				212,355.93	112,182.27	1,180,638.67		
				(213,266.62)	537,804.62	1,180,638.67		

NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04.

Borough of Haledon, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Current Fund</u>
Balance - December 31, 2009	A	2,510,777.81
Increased by Receipts:		
Interest and Costs on Taxes	A-2	129,107.24
General Capital Surplus	A-2	1,157.20
Reserve for Debt Service	A-2	827.61
Miscellaneous Revenue Not Anticipated	A-2	184,209.48
Petty Cash	A-7	250.00
Due From State - Senior Citizen and Veteran Deductions	A-8	49,000.00
Taxes Receivable	A-9	18,923,815.58
Tax Title Liens	A-10	7,161.14
Due from Haledon MUA	A-12	31,269.14
Various Reimbursements Receivable	A-13	45,944.06
Revenue Accounts Receivable	A-14	1,378,528.53
Interfunds	A-15	1,396,173.71
Prepaid Taxes	A-29	42,928.02
Various Cash Liabilities and Reserves	A-23	<u>103,910.80</u>
		<u>22,294,282.51</u>
		24,805,060.32
Decreased by Disbursements:		
Refund Prior Year Revenue	A-1	11,583.75
Current Year Budget Appropriations	A-3	7,447,655.59
Petty Cash	A-7	250.00
Interfunds	A-15	6,101.50
Appropriation Reserves	A-17	409,821.01
Local District School Taxes	A-20	5,823,962.67
Regional High School Taxes	A-21	4,198,424.87
County Taxes Payable	A-22	3,679,222.11
Various Cash Liabilities and Reserves	A-23	<u>150,160.30</u>
		<u>21,727,181.80</u>
Balance - December 31, 2010	A	<u><u>3,077,878.52</u></u>

Borough of Haledon, N.J.

Schedule of Cash - Collector-Treasurer

Grant Fund

Year Ended December 31, 2010

	<u>Ref.</u>		<u>Grant Fund</u>
Balance - December 31, 2009			
Increased by Receipts:			
Grants Receivable	A-24	273,980.09	
Grants Receivable Cancelled	A-24	201,000.00	
Unappropriated Reserve for Grants	A-26	12,925.18	
		<u>487,905.27</u>	<u>487,905.27</u>
Decreased by Disbursements:			
Appropriated Reserve for Grants Cancelled	A-25	201,000.00	
Interfund - Current Fund	A-14	220,278.18	
Appropriated Reserve for Grants	A-25	66,627.09	
		<u>487,905.27</u>	<u>487,905.27</u>
Balance - December 31, 2010			<u><u>487,905.27</u></u>

Exhibit A-6

Borough of Haledon, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	<u>400.00</u>
Balance - December 31, 2010	A	<u>400.00</u>
<u>Analysis of Balance:</u>		
Tax Collector		100.00
Municipal Court		<u>300.00</u>
		<u>400.00</u>

Exhibit A-7

Schedule of Cash - Petty Cash

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009		
Increased by:		
Disbursed	A-4	<u>250.00</u>
		250.00
Decreased by:		
Returned to Treasurer	A-4	<u>250.00</u>
Balance - December 31, 2010		<u>250.00</u>

Borough of Haledon, N.J.

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

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	19,059.88
Increased by:		
Senior Citizens' Deductions Per Tax Billing		15,750.00
Veterans' Deductions Per Tax Billing		36,500.00
Senior Citizens' and Veterans' Allowed		2,000.00
		<u>54,250.00</u>
Less:		
Senior Citizens' and Veterans' Disallowed		3,250.00
	A-9	<u>51,000.00</u>
		70,059.88
Decreased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>49,000.00</u>
Balance - December 31, 2010	A	<u><u>21,059.88</u></u>

Borough of Haledon, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2010

Year	Balance, Dec. 31, 2009	Levy	Added Taxes	Collected 2009	2010	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2010
2007									
2008	6,584.73				6,584.73				
2009	446,994.33			447,994.33	(1,000.00)				
	453,579.06			454,579.06	(1,000.00)				
2010		19,104,226.61	12,606.70	107,674.46	18,469,236.52	52,000.00	3,282.06	43,796.02	440,844.25
	453,579.06	19,104,226.61	12,606.70	107,674.46	18,923,815.58	51,000.00	3,282.06	43,796.02	440,844.25
	A			A-2/A-19	A-2/A-4	A-2/A-8	A-10		A

Analysis of Tax Levy

	Ref.
Tax yield:	
General Purpose Tax	18,973,882.76
Public Utility	130,343.85
Added Tax (R.S. 54:4-63.1 et seq.)	12,606.70
	<u>19,116,833.31</u>
Tax Levy:	
Local District School Tax	5,433,847.50
Regional High School Tax	4,035,182.03
County - General Tax Levy	3,610,577.59
County - Open Space Tax Levy	68,644.51
Added County Taxes	2,430.31
	<u>3,681,652.41</u>
	13,150,681.94
Local Tax for Municipal Purposes	5,955,355.00
Additional Taxes	10,796.37
	<u>5,966,151.37</u>
	<u>19,116,833.31</u>

Borough of Haledon, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2010

Balance - December 31, 2009	<u>Ref.</u> A		38,357.43
Increased by:			
Transfer from Taxes Receivable	A-9	<u>3,282.06</u>	<u>3,282.06</u>
			41,639.49
Decreased by:			
Receipts	A-4		<u>7,161.14</u>
Balance - December 31, 2010	A		<u><u>34,478.35</u></u>

Schedule of Property Acquired for
Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2010

Balance - December 31, 2009	<u>Ref.</u> A	<u>9,975.00</u>
Balance - December 31, 2010	A	<u><u>9,975.00</u></u>

Analysis of Balance

<u>Block</u>	<u>Lot</u>	<u>Amount</u>
2	1/3,9/40	1,750.00
2	4/8	250.00
3	1/3	150.00
3	4/51	2,400.00
4	1/5	250.00
4	11/16	300.00
5	1/6	300.00
7	1/3	150.00
26	5/8	300.00
38	1/2	850.00
50	36	425.00
60A	2/3	700.00
65	8	600.00
77	26	50.00
94	1/2	300.00
129	1/2	<u>1,200.00</u>
		<u><u>9,975.00</u></u>

Borough of Haledon, N.J.

Schedule of Due from Manchester Utilities Authority

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	31,269.14
Decreased by:		
Receipts	A-1,A-4	<u>31,269.14</u>
Balance - December 31, 2010	A	<u><u> </u></u>

Schedule of Various Reimbursements Receivable

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	95,236.22
Decreased by:		
Receipts	A-1,A-4	<u>45,944.06</u>
Balance - December 31, 2010	A	<u><u>49,292.16</u></u>
Analysis of Balance:		
Due from Manchester Reg. High School - Resource Officer		<u>49,292.16</u>
		<u><u>49,292.16</u></u>

Borough of Haledon, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2010

	Ref.	Balance Dec. 31, 2009	Accrued	Collected	Balance Dec. 31, 2010
Clerk:					
Licenses:					
Alcoholic beverages	A-2		12,217.60	12,217.60	
Other	A-2		6,135.00	6,135.00	
Fees and Permits	A-2		2,114.50	2,114.50	
Miscellaneous Revenue not Anticipated	A-2		870.21	870.21	
Registrar of Vital Statistics					
Licenses	A-2		186.00	186.00	
Fees and Permits	A-2				
Miscellaneous Revenue not Anticipated	A-2		1,860.00	1,860.00	
Board of Health					
Licenses	A-2		3,200.00	3,200.00	
Uniform Construction Code:					
Fees and Permits - Building	A-2		43,006.00	43,006.00	
Fees and Permits - Other	A-2		752.00	752.00	
Municipal Court:					
Fines and Costs	A-2	19,785.23	238,042.24	243,808.76	14,018.71
Board of Adjustments/Planning Board					
Fees and Permits	A-2		2,250.00	2,250.00	
Police Department:					
Miscellaneous Revenue not Anticipated	A-2		1,996.44	1,996.44	
Energy Receipts Tax	A-2		570,596.00	570,596.00	
Transitional Aid	A-2		300,000.00	300,000.00	
Consolidated Municipal Property Tax					
Relief Aid	A-2		120,806.10	120,806.10	
Sewer Privileges	A-2		46,675.56	46,675.56	
Interest on Investments and Deposits	A-2	153.56	7,205.18	7,349.66	9.08
Life Hazard Use Fees	A-2		15,974.72	15,974.72	
		<u>19,938.79</u>	<u>1,373,887.55</u>	<u>1,379,798.55</u>	<u>14,027.79</u>
		A			A
Receipts	A-4			1,378,528.53	
Interfunds	A-15			1,270.02	
				<u>1,379,798.55</u>	

Borough of Haledon, N.J.

Schedule of Interfunds Receivables/(Payables)

Current Fund

Year Ended December 31, 2010

Fund	Ref.	Due From/(To) Balance			Due From/(To) Balance Dec. 31, 2010
		Dec. 31, 2009	Increased	Decreased	
Federal and State Grant Fund	A	230,877.73		220,278.18	10,599.55
Dog License Trust	A	7,507.52	6,008.47	5,652.00	7,863.99
Other Trust	A	49,409.75	685.94	50,101.50	(5.81)
General Capital Fund	A	230,077.43	464.75	581,983.75	(351,441.57)
Water Operating Fund	A	353,406.68		284,164.28	69,242.40
Water Capital Fund	A	297,599.48		218,994.00	78,605.48
Public Assistance #1	A	5,753.44	43.97	5,500.00	297.41
Public Assistance #2	A	24,941.42	168.39	29,500.00	(4,390.19)
		<u>1,199,573.45</u>	<u>7,371.52</u>	<u>1,396,173.71</u>	<u>(189,228.74)</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	1,199,573.45			166,608.83
Due From Current Fund					<u>(355,837.57)</u>
		<u>1,199,573.45</u>			<u>(189,228.74)</u>
Disbursed	A-4		6,101.50		
Received	A-4			1,057,173.71	
Realized as Revenue	A-2/A-4			339,000.00	
Interest on Investments	A-14		1,270.02		
			<u>7,371.52</u>	<u>1,396,173.71</u>	

Borough of Haledon, N.J.

Schedule of Deferred Charges - Special Emergency Authorizations

Current Fund

Year Ended December 31, 2010

Purpose	Amount Authorized	Not Less Than 1/5 of Amount Authorized	Balance, Dec. 31, 2009	Reduced in 2010 Budget	Amount Resulting from 2010	Balance, Dec. 31, 2010
Tax Map Update	100,000.00	20,000.00	80,000.00	20,000.00		60,000.00
Revision of Master Plan	50,000.00	10,000.00	40,000.00	10,000.00		30,000.00
			<u>120,000.00</u>	<u>30,000.00</u>		<u>90,000.00</u>
			A	A-3		A

Borough of Haledon, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2010

	Balance, Dec. 31, <u>2009</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	577.86	77.86		77.86
Mayor and Council	842.50	42.50		42.50
Municipal Clerk	3,917.01	217.01		217.01
Elections	656.40	656.40		656.40
Financial Administration	3,143.50	143.50		143.50
Chief Financial Officer	519.56	19.56		19.56
Collection of Taxes	23,500.48	500.48		500.48
Tax Search Officer	788.20	288.20		288.20
Assessment of Taxes	240.29	240.29		240.29
Ethics Board	585.00	585.00		585.00
Planning Board	643.79	643.79		643.79
Police	22,011.26	22,011.26		22,011.26
School Crossing Guards	2,987.77	2,987.77		2,987.77
Special Police	2,094.24	1,094.24		1,094.24
Police Radio and Communications	29,726.96	13,126.96		13,126.96
Emergency Management	500.00	500.00		500.00
Fire	80.38	80.38		80.38
Uniform Fire Safety	364.37	364.37		364.37
Fire Alarm System	510.00	510.00		510.00
Municipal Court	218.72	218.72		218.72
Public Defender	3,655.25	3,655.25		3,655.25
Road Repair and Maintenance	17,527.37	17,527.37		17,527.37
Garbage and Trash Removal	11,641.39	11,641.39		11,641.39
Recycling Program	7,755.33	7,755.33		7,755.33
Sewer System	472.45	693.45	221.00	472.45
Board of Health	1,181.15	1,181.15		1,181.15
Administration of Public Assistance	109.62	109.62		109.62
Senior Citizens Transportation	1,142.05	142.05		142.05
Recreation	287.23	287.23		287.23
Construction Code Official	153.12	153.12		153.12
Building Inspector	1,187.61	1,187.61		1,187.61
Electrical Inspector	3,514.85	3,514.85		3,514.85
Zoning & Housing Maint. Enforcement	3,648.68	3,648.68		3,648.68
Fire Protection Official	36.99	36.99		36.99
Total Salaries and Wages Within "CAPS"	<u>146,221.38</u>	<u>95,842.38</u>	<u>221.00</u>	<u>95,621.38</u>
Other Expenses Within "CAPS":				
Mayor and Council	2,271.09	106.09		106.09
Municipal Clerk	5,917.74	24,948.60	24,896.91	51.69
Elections	572.00	573.52	1.52	572.00

Borough of Haledon, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2010

	Balance, Dec. 31, <u>2009</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Financial Administration				
Treasurer	2,195.08	3,765.22	755.64	3,009.58
Annual Audit	8,500.00	8,500.00	8,500.00	
Miscellaneous - Other	15,186.25	16,098.75	1,912.50	14,186.25
Collection of Taxes	569.54	2,153.20	388.66	1,764.54
Assessment of Taxes	663.39	5,494.52	4,656.57	837.95
Legal Services and Costs	39,642.62	60,769.31	32,805.85	27,963.46
Engineering Services and Costs	15,709.18	21,631.88	7,526.95	14,104.93
Ethics Board	497.98	497.98		497.98
Planning Board	3,917.20	4,156.20	185.00	3,971.20
Other Insurance	3,263.50	89,640.34	76,626.39	13,013.95
Group Insurance	105,909.23	36,987.49	21,082.11	15,905.38
Police	3,928.65	9,757.51	9,322.64	434.87
Police Uniforms	1,600.00	1,600.00		1,600.00
Police Cars	4,908.00	4,908.00		4,908.00
School Crossing Guards	777.28	777.28		777.28
Special Police	352.27	352.27		352.27
Police Radio Communications	4,175.00	2,675.00		2,675.00
Emergency Management	2,500.00	2,500.00		2,500.00
Fire	22,569.68	24,449.33	3,060.12	21,389.21
Fire - OSHA Physicals	1,000.00	1,000.00		1,000.00
Fire - OSHA Hepatitis B	5,000.00	5,000.00		5,000.00
First Aid Squad Contribution	959.04	6,083.00	5,123.96	959.04
Fire Prevention Bureau	70.32	105.04	34.72	70.32
Uniform Fire Safety Act				
Fire Official	248.14	248.14		248.14
Housing Inspectors	350.00	350.00		350.00
Municipal Court	4,114.30	4,866.17	732.94	4,133.23
Road Repairs and Maintenance	36,991.66	59,603.52	20,355.43	39,248.09
Garbage and Trash Removal	8,387.39	14,963.83	6,614.79	8,349.04
Solid Waste Disposal Costs	13,905.79	56,895.35	47,596.59	9,298.76
Recycling Program	2,835.72	4,062.13	767.18	3,294.95
Public Buildings and Grounds	5,779.30	41,636.60	34,575.88	7,060.72
Sewer System				
Contractual	535.00	535.00		535.00
Miscellaneous	0.52	3,979.52	3,979.00	0.52
Municipal Services Act	12,440.00	15,464.00	4,536.00	10,928.00
Board of Health				
Miscellaneous	4,018.74	4,720.69	1,674.44	3,046.25
Contractual	1,723.00	1,723.00		1,723.00
Administrator of Public Assistance	1,385.06	1,419.25	68.38	1,350.87
Senior Citizens Transportation	828.24	2,850.00	2,021.76	828.24
Recreation	22,225.95	24,880.95	974.80	23,906.15

Borough of Haledon, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2010

	Balance, Dec. 31, 2009	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Celebration of Public Events	1,961.48	4,343.96	2,382.48	1,961.48
Building Inspector	1,286.12	1,286.12	167.44	1,118.68
Plumbing Inspector	182.30	300.00		300.00
Electrical Inspector	107.30	225.00		225.00
Zoning and Housing Maintenance Enforcement	3,205.76	4,101.39	999.02	3,102.37
Street Lighting	6,735.58	6,735.58	5,221.43	1,514.15
Gasoline	11,379.08	19,663.19	7,641.53	12,021.66
Fire Hydrant Service	9,301.75	15,913.50	14,751.00	1,162.50
Total Other Expenses Within "CAPS"	402,583.22	625,297.42	351,939.63	273,357.79
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System	2,230.47	2,269.26	309.82	1,959.44
Social Security (O.A.S.I.)	8,418.08	40,418.08	31,763.06	8,655.02
Police and Firemen's Retirement System	0.50	0.50		0.50
Total Deferred Charges and Statutory Expenditures Within "CAPS"	10,649.05	42,687.84	32,072.88	10,614.96
Total Reserves Within "CAPS"	559,453.65	763,827.64	384,233.51	379,594.13
Other Expenses Excluded From "CAPS":				
Reserve for Tax Appeals	15,000.00	15,000.00		15,000.00
Passaic Valley Sewer Commission Contractual	33,965.46	33,965.46		33,965.46
Emergency Services Volunteer - LOSAP	40,000.00	40,000.00	25,587.50	14,412.50
Total Other Expenses Excluded from "CAPS"	88,965.46	88,965.46	25,587.50	63,377.96
Total Reserves Excluded from "CAPS"	88,965.46	88,965.46	25,587.50	63,377.96
Totals	648,419.11	852,793.10	409,821.01	442,972.09
				A-1
	<u>Ref.</u>			
Total Reserves	A	648,419.11		
Prior Year Encumbrances	A-18	204,373.99		
		<u>852,793.10</u>		
Transfer to Accounts Payable	A-23			
Disbursed	A-4		409,821.01	
			<u>409,821.01</u>	

Borough of Haledon, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	204,373.99
Increased by:		
Transfer from Current Appropriations	A-3	<u>85,959.47</u>
		290,333.46
Decreased by:		
Transfer to Appropriation Reserves	A-17	<u>204,373.99</u>
Balance - December 31, 2010	A	<u><u>85,959.47</u></u>

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2010

Balance - December 31, 2009	A	107,674.46
Increased by:		
Receipts - Prepaid 2011 Taxes	A-4	<u>42,928.02</u>
		150,602.48
Decreased by:		
Applied to 2010 Taxes	A-9	<u>107,674.46</u>
Balance - December 31, 2010	A	<u><u>42,928.02</u></u>

Borough of Haledon, N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009		390,115.17
Increased by:		
Levy - Calendar Year 2010	A-1,A-9	<u>5,433,847.50</u>
		5,823,962.67
Decreased by:		
Payments	A-4	<u>5,823,962.67</u>
Balance - December 31, 2010		<u><u> </u></u>

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009			
School Tax Payable	<u>A</u>	312,671.84	
School Tax Deferred		<u>1,876,033.11</u>	2,188,704.95
Increased by:			
Levy School Year - July 1, 2010 to June 30, 2011	A-9		<u>4,035,182.03</u>
			6,223,886.98
Decreased by:			
Payments	A-4		<u>4,198,424.87</u>
Balance - December 31, 2010			
School Tax Payable			
School Tax Deferred		<u>2,025,462.11</u>	<u>2,025,462.11</u>
2010 Liability for Regional High School District Tax:			
Tax Payable - Dec. 31, 2010			
Tax Paid			<u>4,198,424.87</u>
			4,198,424.87
Less: Tax Payable - Dec. 31, 2009			<u>312,671.84</u>
Amount Charged to 2010 Operations	A-1		<u><u>3,885,753.03</u></u>

Borough of Haledon, N.J.

Schedule of County Taxes Payable/(Receivable)

Current Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	A		(6,772.90)
Increased by:			
Levy - General	A-1/A-9	3,610,577.59	
Levy - Open Space	A-1/A-9	68,644.51	
Added and Omitted Taxes	A-1/A-9	<u>2,430.31</u>	<u>3,681,652.41</u>
			3,674,879.51
Decreased by:			
Payments	A-4		<u>3,679,222.11</u>
Balance - December 31, 2010	A		<u><u>(4,342.60)</u></u>

Borough of Haledon, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2010

Liabilities and Reserves	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
<u>Liabilities:</u>				
Tax Overpayments	37,164.54	13,426.77	17,539.47	33,051.84
Due to State of NJ Marriage Surcharge	150.00	1,950.00	1,725.00	375.00
Due to State of NJ - Burial Surcharge	5.00	5.00	10.00	
Due to State of NJ Building Surcharge	560.00	3,016.00	3,032.00	544.00
Accounts Payable	32,125.16			32,125.16
<u>Reserves for:</u>				
Sewer Connection Deposits	50.00			50.00
LOSAP	3,332.20	9,200.00		12,532.20
DARE Contribution	12,397.48			12,397.48
Redemption of Outside Liens		76,063.03	76,063.03	
Tax Map Update	10,408.82		10,408.82	0.00
Master Plan	50,000.00		41,131.98	8,868.02
Sewer - Legion Ave	7,000.00			7,000.00
Sale of Assets	602,722.43		503,500.00	99,222.43
Public Defender Fees		250.00	250.00	
	<u>755,915.63</u>	<u>103,910.80</u>	<u>653,660.30</u>	<u>206,166.13</u>
	A			A
Realized as Anticipated Revenue			503,500.00	
Received		103,910.80		
Disbursed			150,160.30	
		<u>103,910.80</u>	<u>653,660.30</u>	

Borough of Haledon, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2010

Grant	Balance Dec. 31, 2009	Budget Revenue	Received	Transfer from Unappropriated Reserve	Cancelled	Balance Dec. 31, 2010
Municipal Alliance on Alcoholism and Drug Abuse	6,019.54	17,400.00	6,817.54			16,602.00
Recycling Tonnage Grant		5,835.11		5,835.11		
Clean Communities Grant		9,567.09		9,567.09		
Drunk Driving Enforcement Fund		2,176.33		2,176.33		
H1N1 Influenza Grant		17,104.00	17,104.00			
N.J. Transportation Trust Fund	722,172.92		244,052.00		201,000.00	277,120.92
Body Armor Replacement Fund		1,761.55	1,761.55			
Special Legislative Grant - Business District	15,000.00					15,000.00
State Pedestrian Safety Program	40,000.00					40,000.00
NJDEP - Green Communities	3,000.00					3,000.00
Over the Limit Under Arrest	150.00	4,400.00	4,245.00			305.00
	<u>786,342.46</u>	<u>58,244.08</u>	<u>273,980.09</u>	<u>17,578.53</u>	<u>201,000.00</u>	<u>352,027.92</u>
	A	A-2	A-5	A-26	A-1/A-5	A

Borough of Haledon, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2010

Grant	Balance Dec. 31, 2009	Transfer From 2010 Budget	Expended	Cancelled	Balance Dec. 31, 2010
Municipal Alliance on Alcoholism and Drug Abuse					
State Share	11,654.04	17,400.00	15,664.12		13,389.92
Emergency Road & Bridge Repair	1,744.98				1,744.98
Clean Communities Grant	47,170.88	9,567.09	3,408.95		53,329.02
Alcohol Ed. and Rehabilitation Fund	390.71				390.71
Supplemental Safe Neigh. Discretionary Grant - Purchase of Police Car	30.00				30.00
Drunk Driving Enforcement Fund	18,402.16	2,176.33	543.00		20,035.49
Recycling Tonnage Grant	28,923.19	5,835.11	12,900.21		21,858.09
Aid to Distressed Cities					
Transitional Services	195.16				195.16
Pothole Repair Program Grant	6,660.62				6,660.62
Body Armor Replacement Fund	6,430.46	1,761.55			8,192.01
H1N1 Influenza Grant		17,104.00	15,379.16		1,724.84
State Pedestrian Safety Program	40,000.00				40,000.00
NJDEP - Green Communities	3,000.00				3,000.00
Over the Limit Under Arrest	150.00	4,400.00			4,550.00
N.J. Transportation Trust Fund	373,134.00		18,731.65	201,000.00	153,402.35
	<u>537,886.20</u>	<u>58,244.08</u>	<u>66,627.09</u>	<u>201,000.00</u>	<u>328,503.19</u>
	A		A-5	A-1/A-5	A
	<u>Ref.</u>				
Federal and State Grants	A-3	260,255.97			
		<u>260,255.97</u>			

Borough of Haledon, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2010

Grant	Balance	Transfer	Received	Balance
	<u>Dec. 31, 2009</u>	To 2010 <u>Budget</u>	<u>Received</u>	<u>Dec. 31, 2010</u>
Drunk Driving Enforcement Fund	2,176.33	2,176.33	2,072.50	2,072.50
Recycling Tonnage Grant	5,835.11	5,835.11		
Clean Communities Grant	9,567.09	9,567.09	9,961.99	9,961.99
Body Armor Replacement Grant			890.69	890.69
	<u>17,578.53</u>	<u>17,578.53</u>	<u>12,925.18</u>	<u>12,925.18</u>
	A	A-24	A-5	A

Borough of Haledon, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Dog License Fund</u>	<u>Other Trust Funds</u>	<u>Unaudited Emergency Services Volunteer LOSAP</u>
Balance - December 31, 2009	B	<u>1,893.95</u>	<u>493,748.36</u>	<u>200,912.21</u>
Increased by Receipts:				
LOSAP - Contributions Receivable	B-3			25,587.50
Budget Appropriation	B-4	5,652.00		
Dog License Fees - Borough Share	B-4	1,345.80		
Dog License Fees - State Share	B-5	301.20		
Interfund - Current Fund	B-6	6,008.47	685.94	
Other Trust Funds	B-8		363,188.25	
LOSAP - Net Assets Available	B-9			16,305.66
Total Receipts		<u>13,307.47</u>	<u>363,874.19</u>	<u>41,893.16</u>
		<u>15,201.42</u>	<u>857,622.55</u>	<u>242,805.37</u>
Decreased by Disbursements:				
Other Receivables	B-2		12,345.21	
Interfund - Current Fund	B-6	5,652.00	50,101.50	
Reserve for Dog Expenditures	B-4	7,130.92		
State Share - Dog Licenses	B-5	333.00		
Other Trust Funds	B-8		330,978.94	
LOSAP - Net Assets Available	B-9			20,306.38
Total Disbursements		<u>13,115.92</u>	<u>393,425.65</u>	<u>20,306.38</u>
Balance - December 31, 2010	B	<u><u>2,085.50</u></u>	<u><u>464,196.90</u></u>	<u><u>222,498.99</u></u>

Borough of Haledon, N.J.

Schedule of Other Receivables

Trust Funds

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	B	
Increased by:		
Disbursements	B-1	<u>12,345.21</u>
Balance - December 31, 2010	B	<u><u>12,345.21</u></u>

Borough of Haledon, N.J.

Schedule of Emergency Services Volunteer Length
of Service Award Program - Contributions Receivable

Trust Funds

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	B	25,587.50
Increased by:		
Current Year Contributions	B-10	<u>21,275.00</u>
		46,862.50
Decreased by:		
Receipts	B-1	<u>25,587.50</u>
Balance - December 31, 2010	B	<u><u>21,275.00</u></u>

Borough of Haledon, N.J.

Reserve/(Deficit) for Dog Fund Expenditures

Trust Funds

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	B	(5,641.57)
Increased by:		
Budget Appropriation	B-1	5,652.00
Dog License Fees including Late Fees	B-1	<u>1,345.80</u>
		<u>6,997.80</u>
		1,356.23
Decreased by:		
Expenditures R.S. 4:19-1511	B-1	<u>7,130.92</u>
Balance - December 31, 2010	B	<u><u>(5,774.69)</u></u>

License Fees Collected

<u>Year</u>	
2009	1,264.40
2008	<u>1,341.80</u>
	<u><u>2,606.20</u></u>

Schedule of Due to/(from) State Department of Health

Trust Funds

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	B	28.00
Increased by:		
State Fees Collected	B-1	<u>301.20</u>
		329.20
Decreased by:		
Paid to State	B-1	<u>333.00</u>
Balance - December 31, 2010	B	<u><u>(3.80)</u></u>

Borough of Haledon, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2010

	Due to/(from) Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2010</u>
Dog License Trust	7,507.52	6,008.47	5,652.00	7,863.99
Other Trust	49,409.75	685.94	50,101.50	(5.81)
	<u>56,917.27</u>	<u>6,694.41</u>	<u>55,753.50</u>	<u>7,858.18</u>
	B	B-1	B-1	B

Exhibit B-7

Borough of Haledon, N.J.

Schedule of Payroll Deductions Payable

Trust Funds

Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Federal Withholding		
Social Security / Medicare		
State Withholding - New Jersey		
Unemployment Insurance		
Pension	250.29	250.29
Credit Union		
Deferred Compensation		
PBA Dues		
Dues		
Garnish		
Insurance		
Net Payroll		
	<hr/> <u>250.29</u>	<hr/> <u>250.29</u>
	B	B

Borough of Haledon, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2010

	Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2010</u>
Escrow Deposits	77,753.73	42,667.63	16,183.02	104,238.34
Reserve for Unemployment	7,584.45	3,016.17	848.87	9,751.75
Reserve for Restitution	146.05			146.05
Reserve for P.O.A.A.	11,242.81	1,342.00		12,584.81
Reserve for Uniform Fire Safety Penalty	4,828.00			4,828.00
Reserve fo Community Fund	1,051.00			1,051.00
Reserve for Recreation	30,960.12	7,092.03	5,984.55	32,067.60
Reserve for Senior Citizen Recreation	3,069.65			3,069.65
Reserve for Centennial	5,849.43	10.00	1,500.00	4,359.43
Reserve for Special Police Outside Duty	26,952.08	279,510.42	306,462.50	
Reserve for Affordable Housing	175,000.00			175,000.00
Reserve for Recreation Improvements	10,000.00			10,000.00
Other Escrow	4,451.00			4,451.00
Sale of Assets		5,200.00		5,200.00
Fireworks Donations		500.00		500.00
Junior Police Academy		3,150.00		3,150.00
Reserve for Premium on Tax Sale	85,200.00	20,700.00		105,900.00
	<u>444,088.32</u>	<u>363,188.25</u>	<u>330,978.94</u>	<u>476,297.63</u>
	B	B-1	B-1	B

Borough of Haledon, N.J.

Schedule of Emergency Services Volunteer Length
of Service Award Program - Net Assets Available for Benefits

Trust Funds

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	B		226,499.71
Increased by:			
Borough Contributions	B-3	21,275.00	
Appreciation / (Depreciation)	B-1	<u>16,305.66</u>	
			<u>37,580.66</u>
			264,080.37
Decreased by:			
Withdrawals		18,698.94	
Administration Fee		<u>1,607.44</u>	
	B-1		<u>20,306.38</u>
Balance - December 31, 2010	B		<u><u>243,773.99</u></u>

Borough of Haledon, N.J.
Schedule of Cash
General Capital Fund
Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	C		35,309.11
Increased by Receipts:			
Premium Sale of BAN'S	C-1	3,876.00	
Interfund - Current Fund	C-4	464.75	
Various Receivables	C-7	149,948.55	
Bond Anticipation Notes	C-13	1,582,000.00	
Various Reserves	C-16	<u>122,300.00</u>	
			<u>1,858,589.30</u>
			1,893,898.41
Decreased by Disbursements:			
Fund Balance	C-1	1,157.20	
Interfund Current Fund	C-4	581,983.75	
Various Reserves	C-16	827.61	
Improvement Authorizations	C-14	<u>679,272.03</u>	
			<u>1,263,240.59</u>
Balance - December 31, 2010	C		<u><u>630,657.82</u></u>

Borough of Haledon, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Fund Balance	C-1	3,876.00
Due from Current Fund	C-4	(351,441.57)
Due from Water Capital Fund	C-5	(812,375.84)
Due from NJEIT	C-6	(1,538,000.00)
Capital Improvement Fund	C-14	46,000.96
Various Reserves	C-15	122,300.00
Cash on Hand to Pay Bond Anticipation Notes		149,948.55

Improvement Authorizations:

Ordinance

Number

Improvement Description

10-14-98	Various Improvements	114,275.94
04-18-01	Purchase of Communication Equipment	17,110.00
09-17-01	Various Capital Improvements	322,253.71
3-11-04	Various Capital Improvements	100,861.35
11-08-07	Roe Street Field	79,859.20
11-08-07b	Imp. To Municipal Bldg. & Tilt St. Spring	(142,500.00)
06-18-09	Roe Street Sanitary Sewer Rehabilitation	1,174,785.44
08-20-09	Roe Street Sewer Repairs	22,303.94
10-15-09	Construction of Jail Cells	11,668.34
07-01-10	Various Capital Improvements	1,309,731.80

630,657.82

C

Borough of Haledon, N.J.
 Schedule of Interfund - Current Fund
 General Capital Fund
 Year Ended December 31, 2010

	<u>Ref.</u>					
Balance - December 31, 2009 - Due to	C	230,077.43				
Increased by:						
Interest Earned	C-2	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right; border-bottom: 1px solid black;">464.75</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">464.75</td> </tr> </table>	464.75			464.75
464.75						
	464.75					
		230,542.18				
Decreased by:						
Disbursed	C-2	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right; border-bottom: 1px solid black;">581,983.75</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">581,983.75</td> </tr> </table>	581,983.75			581,983.75
581,983.75						
	581,983.75					
Balance - December 31, 2010 - Due from	C, C-3	(351,441.57)				

Schedule of Interfund - Water Capital Fund
 General Capital Fund
 Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009 - Due From	C	812,375.84
Balance - December 31, 2010 - Due From	C, C-3	812,375.84

Schedule of Due From New Jersey Environmental
 Infrastructure Trust
 General Capital Fund
 Year Ended December 31, 2010

	<u>Ref.</u>	
Increased by:		
Loan Awarded	C-10	1,538,000.00
Balance - December 31, 2010	C, C-3	1,538,000.00

Borough of Haledon, N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2010

	<u>Balance</u> Dec. 31, 2009	<u>Grants</u> Approved	<u>Cash</u> Received	<u>Balance</u> Dec. 31, 2010
<u>State of New Jersey</u>				
Transportation Trust Fund:				
Ord. 7/01/10 - Morrisee Ave. etc.		180,000.00		180,000.00
Ord. 7/01/10 - Avenue C etc.		201,000.00	149,948.55	51,051.45
<u>Passaic County - Comm. Dev. Block Grant</u>		160,000.00		160,000.00
Ord. 7/01/10 - ADA Improvements				
		<u>541,000.00</u>	<u>149,948.55</u>	<u>391,051.45</u>
	C	C-17	C-2/C-9/C-17	C

Borough of Haledon, N.J.

Schedule of Deferred Charges to Future
Taxation - Funded

General Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	C		6,480,866.27
Increased by:			
Improvement Costs Funded by:			
NJEIT Loan Payable	C-10	<u>1,538,000.00</u>	<u>1,538,000.00</u>
			8,018,866.27
Decreased by:			
Paid by Current Year Budget Appropriations:			
Serial Bonds	C-11	280,000.00	
Greenacres Loan Payable	C-12	<u>12,771.69</u>	
			<u>292,771.69</u>
Balance - December 31, 2010	C		<u><u>7,726,094.58</u></u>

Borough of Haledon, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Funded	Balance Dec. 31, 2010	Analysis of Balance - Dec. 31, 2010		
						Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
11-08-07B	Imp. To Municipal Bldg. & Tilt St. Spring	142,500.00			142,500.00		142,500.00	
06-18-09	Roe Street Sanitary Sewer Rehabilitation	2,000,000.00	1,538,000.00		462,000.00			462,000.00
08-20-09	Roe Street Sewer Repairs	166,500.00			166,500.00	166,500.00		
10-15-09	Construction of Jail Cells	85,500.00			85,500.00	85,500.00		
07-01-10	Various Capital Improvements		1,330,000.00	149,948.55	1,180,051.45	1,180,051.45		
		<u>2,394,500.00</u>	<u>1,330,000.00</u>	<u>1,687,948.55</u>	<u>2,036,551.45</u>	<u>1,432,051.45</u>	<u>142,500.00</u>	<u>462,000.00</u>
		C	C-14/C-18		C			
	Grant Receipts		Ref. C-7	149,948.55				
	Transfer to Deferred Charges Funded		C-8	<u>1,538,000.00</u>				
				<u>1,687,948.55</u>				
	Improvement Authorizations Unfunded						C-14	1,805,704.08
	Less: Unexpended Proceeds of Bond							
	Anticipation Notes - Ord. #						08-20-09	22,303.94
							10-15-09	11,668.34
							07-01-10	<u>1,309,731.80</u>
								<u>1,343,704.08</u>
								<u>462,000.00</u>

Borough of Haledon, N.J.

Schedule of New Jersey Environmental Infrastructure Trust/Loan

General Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Total</u>	<u>Trust</u>	<u>Loan</u>
Increased by:				
Loans Awarded	C-6/C-18	<u>1,538,000.00</u>	<u>385,000.00</u>	<u>1,153,000.00</u>
Balance - December 31, 2010	C	<u><u>1,538,000.00</u></u>	<u><u>385,000.00</u></u>	<u><u>1,153,000.00</u></u>

Borough of Haledon, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2010		Interest Rate	Balance Dec. 31, 2009	Decreased	Balance Dec. 31, 2010
			Date	Amount				
General Improvement Bonds	3/15/2002	3,253,000.00	3/15/2011	225,000.00	4.50%	2,028,000.00	215,000.00	1,813,000.00
			3/15/2012	240,000.00	4.50%			
			3/15/2013	250,000.00	4.50%			
			3/15/2014	260,000.00	4.60%			
			3/15/2015	270,000.00	4.70%			
			3/15/2016	280,000.00	4.80%			
			3/15/2017	288,000.00	4.875%			
General Improvement Bonds Series 2009	1/22/2009	4,220,000.00	9/1/2011	70,000.00	4.250%	4,160,000.00	65,000.00	4,095,000.00
			9/1/2012	105,000.00	4.250%			
			9/1/2013	110,000.00	4.250%			
			9/1/2014	120,000.00	4.250%			
			9/1/2015	130,000.00	4.250%			
			9/1/2016	140,000.00	4.000%			
			9/1/2017	150,000.00	4.000%			
			9/1/2018	350,000.00	4.000%			
			9/1/2019	360,000.00	4.250%			
			9/1/2020	370,000.00	4.500%			
			9/1/2021	395,000.00	5.000%			
			9/1/2022	405,000.00	5.500%			
			9/1/2023	445,000.00	4.625%			
			9/1/2024	460,000.00	5.500%			
			9/1/2025	485,000.00	5.500%			
						6,188,000.00	280,000.00	5,908,000.00
						C	C-8	C

Borough of Haledon, N.J.
 Schedule of New Jersey Green Acres Loan Payable
 General Capital Fund

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Semi-Annual Maturities		Interest Rate	Balance Dec. 31, 2009	Decreased	Balance Dec. 31, 2010
			Date	Amount				
Roe Street Athletic Field Renovations	4/15/2009	270,000.00	4/15 and 10/15	Various	2.00%	264,305.27	11,560.87	252,744.40
Roe Street Athletic Field Renovations	9/18/2009	28,561.00	3/18 and 9/18	Various	2.00%	28,561.00	1,210.82	27,350.18
						<u>292,866.27</u>	<u>12,771.69</u>	<u>280,094.58</u>
						C	C-8	C

Borough of Haledon, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Original Amount Issued	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
08-20-09	Roe Street Sewer Repairs	166,500.00	11/10/2010	11/10/2010	11/10/2011	1.50%		166,500.00		166,500.00
10-15-09	Construction of Jail Cells	85,500.00	11/10/2010	11/10/2010	11/10/2011	1.50%		85,500.00		85,500.00
07-01-10	Various Capital Improvements	1,330,000.00	11/10/2010	11/10/2010	11/10/2011	1.50%		1,330,000.00		1,330,000.00
								<u>1,582,000.00</u>		<u>1,582,000.00</u>
							C			C

Ref.
C-2/C-18

Issued for Cash

Borough of Haledon, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2009		2010 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2010		
				Funded	Unfunded				Funded	Unfunded	
General Improvements:											
10-14-98	Various Improvements	11/11/1998	2,155,000.00	114,275.94					114,275.94		
04-18-01	Purchase of Communication Equipment	5/16/2001	33,000.00	17,110.00					17,110.00		
09-17-01	Various Capital Improvements	10/17/2001	900,000.00	322,253.71					322,253.71		
03-11-04	Various Capital Improvements	4/21/2004									
	Downtown Redevelopment		1,250,000.00	40,777.34		33,521.48			7,255.86		
	Acq. of DPW Equipment		175,000.00	8,636.96		1,350.00			7,286.96		
	Renovate DPW Office		175,000.00	97,114.53		10,796.00			86,318.53		
11-08-07	Various Capital Improvements	11/29/2007							79,859.20		
11-08-07a	Imp. To Roe Street Field		1,148,500.00	79,859.20					1,174,785.44	462,000.00	
06-18-09	Roe Street Sanitary Sewer Rehabilitation	7/16/2009	2,000,000.00		2,000,000.00		363,214.56				
08-20-09	Roe Street Sewer Repairs	9/17/2009	175,000.00	7,594.07	166,500.00		151,790.13			22,303.94	
10-15-09	Construction of Jail Cells	11/12/2009	90,000.00	4,500.00	85,500.00		78,331.66			11,668.34	
07-01-10	Various Capital Improvements	7/22/2010	1,350,000.00			1,350,000.00	40,268.20			1,309,731.80	
				C		C-2		C		C	
				692,121.75	2,252,000.00	1,350,000.00	679,272.03		1,809,145.64	1,805,704.08	

Deferred Charges to Future Taxation - Unfunded
 Capital Improvement Fund

Ref. C-9	1,330,000.00
C-15	20,000.00
	<u>1,350,000.00</u>

Borough of Haledon, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	C	66,000.96
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-14	<u>20,000.00</u>
Balance - December 31, 2010	C/C-3	<u><u>46,000.96</u></u>

Borough of Haledon, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2009	D	<u>107,235.32</u>	<u>128,648.41</u>
Increased by Receipts:			
Water Capital Surplus	D-3	32,000.00	
Svc. Agree. Manchester Utilities Auth.	D-3	575,789.66	
Due from Manchester Utilities Auth.	D-8	567,094.25	
Interest on Deposits	D-3/D-12	161.70	78.14
Interfund Receipts	D-12		300,464.72
Manchester Utilities Authority	D-11		98,994.00
Reserve for Amortization	D-20		32,000.00
		<u>1,175,045.61</u>	<u>431,536.86</u>
		<u>1,282,280.93</u>	<u>560,185.27</u>
Decreased by Disbursements:			
Capital Fund Balance to Revenue	D-2		332,464.72
Budget Appropriations	D-4	507,269.66	
Interest on Bonds	D-15	100,520.00	
Interfund Disbursements	D-12	584,629.00	
Interfund - Current Fund	D-12		218,994.00
		<u>1,192,418.66</u>	<u>551,458.72</u>
Balance - December 31, 2010	D	<u><u>89,862.27</u></u>	<u><u>8,726.55</u></u>

Borough of Haledon, N.J.

Schedule of Change Funds

Water Utility Fund

Year Ended December 31, 2010

<u>Office</u>	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2010</u>
Water Utility Collector	100.00 <u>D</u>	100.00 <u>D</u>

Schedule of Other Miscellaneous Receivables

Water Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	<u>68,904.46</u>
Balance - December 31, 2010	D	<u>68,904.46</u>

Schedule of Due from Manchester Utilities Authority
Operating

Water Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	D		1,389,162.36
Dereased by:			
Receipts	D-5	567,094.25	
Transfer to Receivable Service Agreement	D-9	<u>660,962.61</u>	
			<u>1,228,056.86</u>
Balance - December 31, 2010	D		<u>161,105.50</u>

Borough of Haledon, N.J.

Schedule of Due from Manchester Utilities Authority
Per Service Agreement

Water Utility Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	
Increased by:		
Transfer from Receivable Operating	D-8	<u>660,962.61</u>
Balance - December 31, 2010	D	<u><u>660,962.61</u></u>

Schedule of Water Utility Capital Cash

Water Utility Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Capital Improvement Fund	D-19	0.61
Interfund - Water Operating Fund	D-12	(852,959.38)
Interfund - Current Fund	D-12	78,605.48
Interfund - General Capital Fund	D-22	812,375.84
 <u>Improvement Authorizations</u>		
<u>Ordinance</u>		
<u>Number</u>		
10/03/01 Replacement of Water Main		(29,296.00)
	D	<u><u>8,726.55</u></u>

Borough of Haledon, N.J.
Schedule of Due from Manchester Utilities Authority
Water Utility Capital Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	98,994.00
Decreased by:		
Received	D-5	<u>98,994.00</u>
Balance - December 31, 2010	D	<u><u> </u></u>

Schedule of Interfund Accounts Receivable (Payable)
Water Utility Fund
Year Ended December 31, 2010

	<u>Ref.</u>	<u>Total</u>	<u>Water Operating Fund</u>	<u>Water Capital Fund</u>	<u>Current Fund</u>	<u>Current Fund</u>
Balance - December 31, 2009	D	(1,506,908.92)	(1,153,502.24)	(353,406.68)	(297,599.48)	
Increased by:						
Disbursed	D-5	584,629.00	300,464.72	284,164.28	218,994.00	
Interest on Deposits	D-3/D-5	78.14	78.14			
		<u>584,707.14</u>	<u>300,542.86</u>	<u>284,164.28</u>	<u>218,994.00</u>	
Balance - December 31, 2010	D	<u><u>(922,201.78)</u></u>	<u><u>(852,959.38)</u></u>	<u><u>(69,242.40)</u></u>	<u><u>(78,605.48)</u></u>	

Borough of Haledon, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year Ended December 31, 2010

<u>Account Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2009</u>	<u>Additions</u>	<u>Balance Dec. 31, 2010</u>
	Intangible Plant:			
303	Miscellaneous Intangible Plant	1,252,159.24		1,252,159.24
	Source of Supply Plant:			
312	Collecting and Impounding Reservoirs	210,540.45		210,540.45
314	Wells and Springs	2,926.00		2,926.00
316	Supply Mains	8,838.60		8,838.60
317	Other Water Source Plant	469,099.90		469,099.90
	Pumping Plant:			
321	Structures and Improvements	26,890.79		26,890.79
325	Electric Pumping Equipment	15,474.17		15,474.17
327	Hydraulic Pumping Equipment	4,106.79		4,106.79
	Water Treatment Plant:			
331	Structures and Improvements	342,335.55		342,335.55
	Transmission and Distribution Plant:			
341	Structures and Improvements	939,628.53		939,628.53
342	Distribution Reservoirs and Standpipes	9,721.21		9,721.21
343	Transmission and Distribution Mains	4,608,106.13	1,214,951.63	5,823,057.76
345	Services	54,852.07		54,852.07
346	Meters	586,214.91		586,214.91
348	Hydrants	35,878.01		35,878.01
349	Other Transmission and Distribution Plant	298.00		298.00
	General Plant:			
379	Other General Equipment	115,561.44		115,561.44
		<u>8,682,631.79</u>	<u>1,214,951.63</u>	<u>9,897,583.42</u>
		D	D-14	D

Borough of Haledon, N.J.
 Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Operating Fund
 Year Ended December 31, 2010

<u>Improvement Description</u>	<u>Ordinance</u>	<u>Balance, Dec. 31, 2009</u>	<u>2010 Authorizations</u>	<u>Costs to Fixed Capital</u>	<u>Authorizations Cancelled</u>	<u>Balance, Dec. 31, 2010</u>
Improvements to the Water System	07/17/97A	1,150,000.00	1,150,000.00	1,108,288.05	41,711.95	
Various Water Improvements	10/14/98A	145,000.00	145,000.00	106,663.58	38,336.42	
		<u>1,295,000.00</u>		<u>1,214,951.63</u>	<u>80,048.37</u>	
		D		D-13	D-18	D

Borough of Haledon, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	8,221.63
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	100,520.00
		<u>108,741.63</u>
Decreased by:		
Interest Paid	D-5	100,520.00
		<u>100,520.00</u>
Balance - December 31, 2010	D	<u><u>8,221.63</u></u>

Principal Outstanding <u>Dec. 31, 2010</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	Required <u>Amount</u>	Actual <u>Amount</u>
2,030,000.00	4.50% to 5.00%	09/15/10	12/31/10	105 Days	28,365.75	8,221.63
					<u>28,365.75</u>	<u>8,221.63</u>

Borough of Haledon, N.J.

Schedule of Reserve for Water Key Deposits

Water Utility Operating Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	21,375.00
Increased by:		
Key Deposits Received	D-5	<u>21,375.00</u>
Balance - December 31, 2010	D	<u><u>21,375.00</u></u>

Borough of Haledon, N.J.
Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2009	Increased	Paid by Budget Appropriation	Balance, Dec. 31, 2010
			Date	Amount					
Water Utility Bonds	3/15/2002	2,990,000.00	03/15/11	160,000.00	4.50%	2,175,000.00		145,000.00	2,030,000.00
			04/01/12-2013	170,000.00	4.50%				
			03/15/14	170,000.00	4.60%				
			03/15/15	170,000.00	4.70%				
			03/15/16	170,000.00	4.80%				
			03/15/17	170,000.00	4.875%				
			04/01/18-2022	170,000.00	5.00%				
						2,175,000.00		145,000.00	2,030,000.00
						D		D-21	D

Exhibit D-19

Borough of Haledon, N.J.
Schedule of Capital Improvement Fund
Water Utility Capital Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	0.61
Balance - December 31, 2010	D/D-10	0.61

Exhibit D-20

Schedule of Reserve for Amortization
Water Utility Capital Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	7,731,335.79
Increased by:		
Transfer from Deferred Reserve for Amortization	D-21	7,250.00
Budget Appropriation - Refunding Bond Ordinance	D-5/D-23	32,000.00
Serial Bonds Paid by Budget	D-17	145,000.00
		184,250.00
		7,915,585.79
Decreased by:		
Authorizations Cancelled	D-18	77,298.37
Balance - December 31, 2010	D	7,838,287.42

Borough of Haledon, N.J.
 Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2009</u>	<u>To Reserve for Amortization</u>	<u>Balance, Dec. 31, 2010</u>
10/14/98A	Installation of Water Main	11/11/98	7,250.00	7,250.00	
			7,250.00	7,250.00	
			D	D-20	D

Borough of Haledon, N.J.

Schedule of Interfund General Capital Fund

Water Utility Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	D	<u>812,375.84</u>
Balance - December 31, 2010	D/D-10	<u>812,375.84</u>

Borough of Haledon, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2009</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2010</u>
10/14/98A	Replacement of Water Main	2,750.00	2,750.00	
11/10/99	Imp. to the Water System	61,296.00	32,000.00	29,296.00
10/03/01	Replacement of Water Main			
04/21/04	Refunding Bond Ordinance			
		<u>64,046.00</u>	<u>34,750.00</u>	<u>29,296.00</u>
		Footnote D		Footnote D
	Reserve for Amortization		32,000.00	
	Cancelled Improvement Authorizations		2,750.00	
			<u>34,750.00</u>	

Borough of Haledon, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2010

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2009	E	102,036.89	20,187.67	81,849.22
Increased by Receipts:				
State Aid		121,700.00		121,700.00
Other Receipts		2,536.22	43.97	2,492.25
Supplemental Security Income		9,047.67		9,047.67
		<u>133,283.89</u>	<u>43.97</u>	<u>133,239.92</u>
		235,320.78	20,231.64	215,089.14
Decreased by Disbursements:				
Public Assistance - 2010		111,677.19		111,677.19
Supplemental Security Income		35,000.00	5,500.00	29,500.00
Interfund - Current Fund		<u>146,677.19</u>	<u>5,500.00</u>	<u>141,177.19</u>
Balance - December 31, 2010	E	<u>88,643.59</u>	<u>14,731.64</u>	<u>73,911.95</u>

Borough of Haledon , N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2010	E-1	<u>88,643.59</u>
Increased by:		
Cash Receipts Record		<u>34,441.43</u>
		<u>34,441.43</u>
		<u>123,085.02</u>
Decreased by:		
Cash Disbursements Record		<u>50,338.00</u>
		<u>50,338.00</u>
Balance - June 30, 2011		<u><u>72,747.02</u></u>

	<u>P.A.T.F.</u> <u>Account #1</u>	<u>P.A.T.F.</u> <u>Account #2</u>	<u>TOTAL</u>
<u>Reconciliation - June 30, 2011</u>			
Balance on Deposit per Statement of:			
TD Bank - Checking	14,712.26	31,625.91	46,338.17
TD Banknorth			
Welfare Director Petty Cash	30.12	29,558.03	29,588.15
	<u>14,742.38</u>	<u>61,183.94</u>	<u>75,926.32</u>
Less: Outstanding Checks		<u>3,179.30</u>	<u>3,179.30</u>
Balance - June 30, 2011	<u><u>14,742.38</u></u>	<u><u>58,004.64</u></u>	<u><u>72,747.02</u></u>

Borough of Haledon , N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2010

Balance - December 31, 2009	102,036.89
Increased by Receipts:	
Cash Receipts Record	133,283.89
	133,283.89
	235,320.78
Decreased by Disbursements:	
Cash Disbursements Record	146,677.19
	146,677.19
Balance - December 31, 2010	88,643.59

<u>Reconciliation - December 31, 2010</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:			
TD Bank - Checking	14,701.52	65,717.78	80,419.30
TD Banknorth			
Welfare Director Petty Cash	30.12	11,521.17	11,551.29
	14,731.64	77,238.95	91,970.59
Add: Bank Charges			0.00
Less: Outstanding Checks		(3,327.00)	(3,327.00)
Balance - December 31, 2010	14,731.64	73,911.95	88,643.59

Borough of Haledon, N.J.

Schedule of Revenues - Cash Basis

Public Assistance Fund

Year Ended December 31, 2010

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
State Aid Payments	121,700.00		121,700.00
Less: Refunds to the State			
Net State Aid Payments	121,700.00		121,700.00
Interest Earned	212.36	43.97	168.39
Refund State Matched Assistance	2,313.00		2,313.00
Petty Cash Interest Earned	10.86		10.86
Supplemental Security Income			
State/Municipal Refund	9,047.67		9,047.67
Client Refund			
Total Revenues (P.A.T.F.)	133,283.89	43.97	133,239.92
Inter-Fund Transfers - Current Fund			
Total Receipts	<u>133,283.89</u>	<u>43.97</u>	<u>133,239.92</u>

Exhibit E-5

Schedule of Expenditures - Cash Basis

Public Assistance Fund

Year Ended December 31, 2010

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Reported:			
Current Year Assistance (State Matching):			
Maintenance Payments	42,495.19		42,495.19
Other:			
Emergency Assistance - Utilities	2,444.00		2,444.00
Emergency Assistance - Rent	2,748.00		2,748.00
Emergency Assistance - Relocation Costs	1,288.00		1,288.00
Emergency Assistance - House Furnishings	579.00		579.00
Transportation	130.00		130.00
Work Related Expenses	4,010.00		4,010.00
Temporary Rental Assistance	57,983.00		57,983.00
Total Payments Reported	<u>111,677.19</u>		<u>111,677.19</u>
Payments for Eligible Assistance Not Reported			
Total P.A.T.F. Eligible Payments	<u>111,677.19</u>		<u>111,677.19</u>
Inter-Fund Transfers - Current Fund	35,000.00	5,500.00	29,500.00
SSI Payments:			
Reimbursement to Clients	<u>35,000.00</u>	<u>5,500.00</u>	<u>29,500.00</u>
Total Disbursements (P.A.T.F.)	<u>146,677.19</u>	<u>5,500.00</u>	<u>141,177.19</u>

Borough of Haledon , N.J.
 Schedule of Reserve for Public Assistance
 Public Assistance Fund
 Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	E	71,342.03
Increased by:		
Receipts		<u>133,071.53</u>
		204,413.56
Decreased by:		
Disbursements		<u>111,677.19</u>
Balance - December 31, 2010	E	<u><u>92,736.37</u></u>
<u>Analysis of Balance:</u>		
Account #1		26,445.21
Account #2		<u>66,291.16</u>
		<u><u>92,736.37</u></u>

Schedule of Interfund - Current Fund
 Public Assistance Fund
 Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	E	30,694.86
Increased by:		
Receipts		<u>212.36</u>
		<u>30,907.22</u>
Decreased by:		
Disbursed		<u>35,000.00</u>
Balance - December 31, 2010	E	<u><u>(4,092.78)</u></u>
<u>Analysis of Balance:</u>		
Account #1	Due To	297.41
Account #2	Due From	<u>(4,390.19)</u>
		<u><u>(4,092.78)</u></u>