

TOWNSHIP OF DENVILLE

COUNTY OF MORRIS

REPORT OF AUDIT

2008

*NISIVOCCIA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF DENVILLE

COUNTY OF MORRIS

REPORT OF AUDIT

2008

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TOWNSHIP OF DENVILLE

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2008



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Independent Auditors' Report

The Honorable Mayor and Members
of the Township Council
Township of Denville
Denville, New Jersey

We have audited the financial statements of the various funds of the Township of Denville in the County of Morris (the "Township") as of and for the years ended December 31, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

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

We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2008 and 2007 stated at \$22,806,628 and \$21,329,199, respectively.

In our opinion, because the Township prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, and the results of its operations for the years then ended.

The Honorable Mayor and Members
of the Township Council
Township of Denville
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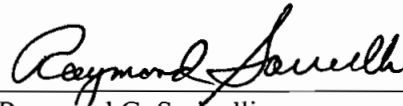
However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the general fixed assets been audited, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Denville at December 31, 2008 and 2007, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2009, on our consideration of the Township of Denville'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 on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis and are required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*; and New Jersey's OMB Circular NJOMB-04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audits 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 to the financial statements and Note 2 to the schedules of expenditures of federal and state awards.

May 12, 2009
Mount Arlington, New Jersey

NISIVOCCIA & COMPANY LLP



Raymond G. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 383

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
CURRENT FUND

TOWNSHIP OF DENVILLE
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2008	2007
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 6,996,748.87	\$ 7,434,571.51
Change Funds		350.00	350.00
		<u>6,997,098.87</u>	<u>7,434,921.51</u>
Due From State of New Jersey			
Senior Citizen and Veterans Deductions		20,316.70	16,652.12
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	739,272.58	757,919.79
Tax Title Liens Receivable	A-8	420,740.81	323,527.28
Property Acquired for Taxes - Assessed Valuation		546,132.00	546,132.00
Revenue Accounts Receivable	A-9	53,736.65	181,303.88
Trash Collection Fees Receivable	A-10	119,556.10	104,581.26
Due from Animal Control Fund	B	32,845.38	
Due from Other Trust Fund	B	4,145.04	
Due from General Capital Fund	C	40.26	
		<u>1,916,468.82</u>	<u>1,913,464.21</u>
Total Receivables and Other Assets			
		<u>\$ 8,933,884.39</u>	<u>\$ 9,365,037.84</u>
<u>TOTAL ASSETS</u>			

TOWNSHIP OF DENVILLE
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31	
		2008	2007
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 1,057,588.71	\$ 610,428.31
Encumbered	A-3;A-11	353,428.84	488,863.89
Total Appropriation Reserves		<u>1,411,017.55</u>	<u>1,099,292.20</u>
Accounts Payable - Vendors		5,595.05	9,494.80
Tax Sale Premiums		207,700.00	221,700.00
Tax Overpayments		13,200.70	7,267.00
Prepaid Taxes		268,175.35	241,967.34
Third Party Tax Title Lien Redemptions			21,262.60
Due to State of New Jersey - Building Surcharge Fees		2,394.00	6,683.00
Due to Other Trust Funds	B		206,561.59
Local District School Taxes Payable	A-12	231,532.17	123,587.00
Due County for Added & Omitted Taxes		39,409.39	55,449.18
Reserve for Pending Tax Appeals		180,000.00	175,000.00
Reserve for Revaluation of Real Property		16,560.00	16,560.00
Reserve for Garden State Preservation			12,155.93
Reserve for Forfeited Bail		6,459.80	5,689.64
Appropriated Grant Reserves:			
Alcohol Education Rehabilitation Grants			3,918.00
Unappropriated Grant Reserves:			
Recycling Tonnage Grants		55,086.67	33,621.56
Alcohol Education Rehabilitation Grants		13,372.68	13,372.68
Body Armor Replacement Fund		267.96	127.44
Drunk Driving Enforcement Funds		12,191.39	8,751.84
Clean Communities Grant		3,959.34	3,959.34
Bulletproof Vest Partnership Grant		4,376.28	6,320.28
		<u>2,471,298.33</u>	<u>2,272,741.42</u>
Reserve for Receivables and Other Assets	A	1,916,468.82	1,913,464.21
Fund Balance	A-1	<u>4,546,117.24</u>	<u>5,178,832.21</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 8,933,884.39</u>	<u>\$ 9,365,037.84</u>

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

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

	Ref.	Year Ended December 31,	
		2008	2007
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	2,900,000.00	\$ 2,703,321.00
Miscellaneous Revenue Anticipated		5,456,586.34	6,396,668.06
Receipts from Delinquent Taxes		725,879.87	633,103.24
Receipts from Current Taxes		58,164,688.30	54,909,787.43
Nonbudget Revenue		480,269.20	375,084.83
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		354,149.63	450,583.40
Decrease in Due from Municipal Library			17,006.00
Cancellation of Tax Overpayments			121,663.79
Total Income		<u>68,081,573.34</u>	<u>65,607,217.75</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		17,501,101.96	17,103,057.81
County Taxes		8,243,672.36	8,041,253.90
Local District School Tax		24,253,807.00	23,156,303.00
Regional High School Tax		14,999,752.39	13,788,146.02
Municipal Open Space Tax		685,195.69	682,200.49
Prior Year Veterans and Senior Citizens Disallowed		3,903.42	5,549.31
Refund of Prior Year Revenue		50,300.31	
Increase in Reserve for Pending Tax Appeals		39,524.50	140,875.21
Interfunds Advanced		37,030.68	
Total Expenditures		<u>65,814,288.31</u>	<u>62,917,385.74</u>
Statutory Excess in Revenue		2,267,285.03	2,689,832.01
<u>Fund Balance</u>			
Balance January 1		<u>5,178,832.21</u>	<u>5,192,321.20</u>
Decreased by:		<u>7,446,117.24</u>	<u>7,882,153.21</u>
Utilization as Anticipated Revenue		<u>2,900,000.00</u>	<u>2,703,321.00</u>
Balance December 31	A	<u>\$ 4,546,117.24</u>	<u>\$ 5,178,832.21</u>

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

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

	Anticipated		Realized	Excess or Deficit *
	Budget	Added by N.J.S.A 40A:4-87		
Fund Balance Anticipated	\$ 2,900,000.00		\$ 2,900,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverage	20,000.00		29,203.90	\$ 9,203.90
Other	4,000.00		10,385.00	6,385.00
Fees and Permits	41,593.00		71,133.51	29,540.51
Municipal Court Fines and Costs	320,000.00		386,786.19	66,786.19
Interest and Costs on Taxes	100,000.00		151,404.74	51,404.74
Parking Meters	14,000.00		14,940.76	940.76
Interest on Investments & Deposits	172,571.00		184,868.18	12,297.18
Off-Street Parking Permits	50,000.00		78,891.50	28,891.50
Senior Citizens' Committee	2,000.00		2,624.60	624.60
Board of Health:				
Licenses	59,000.00		51,624.79	7,375.21 *
Fees and Permits	30,000.00		57,002.66	27,002.66
User Fee - Collection of Garbage	1,300,000.00		1,384,090.97	84,090.97
Energy Receipts Taxes	2,162,911.00		2,162,911.00	
Consolidated Municipal Property Tax Relief Aid	164,561.00		164,561.00	
Reserve for Garden State Preservation Trust Fund	12,155.00		12,155.93	0.93
Uniform Construction Code Official	350,000.00		325,828.62	24,171.38 *
Boonton Township Health Service	19,830.00		19,960.34	130.34
Morris Hills High School SRO Services	45,000.00		45,000.00	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Anticipated		Realized	Excess or Deficit *
	Budget	Added by N.J.S.A 40A:4-87		
Miscellaneous Revenue:				
Reserve for Recycling Tonnage Grant	\$ 33,620.00		\$ 33,620.00	
Reserve for Drunk Driving Enforcement Fund	8,700.00		8,700.00	
Clean Communities	21,490.00		21,490.00	
Municipal Alliance on Alcoholism and Drug Abuse	13,337.00			\$ 13,337.00 *
Pandemic Influenza Preparedness Grant		\$ 6,981.00	6,981.00	
Body Armor Replacement Fund Grant	3,655.00		3,655.00	
Reserve for Bulletproof Vest Partnership Grant	4,300.00		4,300.00	
Division of Highway Safety - Click It or Ticket Grant		4,000.00	3,800.00	200.00 *
Division of Highway Safety - Obey the Signs Grant		4,000.00	4,000.00	
NACCHO Health Grant		16,666.65	16,666.65	
Utility Operating Surplus of Prior Year - Sewer	100,000.00		100,000.00	
Reserve to Pay Debt Service	100,000.00		100,000.00	
Total Miscellaneous Revenue	5,152,723.00	31,647.65	5,456,586.34	272,215.69
Receipts from Delinquent Taxes	500,000.00		725,879.87	225,879.87
Amount to be Raised by Taxes for Support of Municipal Local Tax for Municipal Purposes	10,618,380.00		11,678,563.86	1,060,183.86
Budget Totals	19,171,103.00	31,647.65	20,761,030.07	1,558,279.42
Nonbudget Revenue			480,269.20	480,269.20
Totals	\$ 19,171,103.00	\$ 31,647.65	\$ 21,241,299.27	\$ 2,038,548.62

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008
(Continued)

Allocation of Current Tax Collections:

Revenue from Collections	\$ 58,164,688.30
Allocated to School, County and Open Space Taxes	48,182,427.44
Balance for Support of Municipal Budget Appropriations	9,982,260.86
Add: Appropriation "Reserve for Uncollected Taxes"	1,696,303.00
Realized for Support of Municipal Budget Appropriations	\$ 11,678,563.86

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 722,827.35
Tax Title Lien Collections	3,052.52
	\$ 725,879.87

Fees and Permits - Other:

Township Clerk	\$ 35,185.78	
Police Department	8,782.60	
Fire Official	26,901.13	
Tax Searches	264.00	
		\$ 71,133.51

Interest on Investments & Deposits:

Collections	\$ 168,328.94
Due from Other Trust Funds	16,498.98
Due from General Capital Fund	40.26
	\$ 184,868.18

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008
(Continued)

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Cable TV Franchise Fee	\$	71,781.37	
Uniform Fire Safety Fees		35,563.08	
Planning and Zoning Review Fees		38,548.87	
Payment In Lieu of Taxes		42,104.82	
Cooks Pond		17,564.00	
Farm Land Lease		2,000.00	
Hotel Tax		85,991.33	
Recycling Reimbursement		11,666.13	
Other		43,970.53	
			\$ 349,190.13

Revenue Accounts Receivable:

Collection of Prior Year Grants-			
Over the Limit Grant		4,350.00	
Community Development ADA Lift		20,000.00	
Homeland Security		70,000.00	
Municipal Alliance - 2007		9,201.85	
			103,551.85

Statutory Excess in Animal Control Fund			32,845.38
			485,587.36

Less: Refunded			(5,318.16)
			\$ 480,269.20

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

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
Department of Administration:					
Salaries and Wages	\$ 153,832.00	\$ 153,832.00	\$ 146,421.36	\$ 7,410.64	
Other Expenses	60,700.00	60,700.00	28,143.54	32,556.46	
Division of Human Resources:					
Salaries and Wages	10,500.00	10,500.00	8,214.11	2,285.89	
Other Expenses	45,100.00	45,100.00	35,080.41	10,019.59	
Office of the Mayor:					
Salaries and Wages	6,000.00	6,000.00	6,000.00		
Other Expenses	19,000.00	19,000.00	5,216.03	13,783.97	
Municipal Council and Township Clerk's Office:					
Salaries and Wages	151,202.00	154,556.00	154,555.42	0.58	
Other Expenses	52,000.00	52,000.00	41,998.24	10,001.76	
Financial Administration:					
Salaries and Wages	113,643.00	107,589.00	105,321.67	2,267.33	
Other Expenses	26,050.00	26,050.00	13,024.32	13,025.68	
Audit Services:					
Other Expenses	29,979.00	29,979.00	25,228.71	4,750.29	
Collection of Taxes:					
Salaries and Wages	89,774.00	89,774.00	85,532.95	4,241.05	
Other Expenses	21,120.00	21,120.00	14,643.61	6,476.39	
Assessment of Taxes:					
Salaries and Wages	131,939.00	131,939.00	130,907.89	1,031.11	
Other Expenses	50,130.00	50,130.00	46,589.95	3,540.05	
Legal Services and Costs:					
Other Expenses	204,000.00	204,000.00	131,877.37	72,122.63	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
Engineering Services and Costs:					
Salaries and Wages	\$ 161,064.00	\$ 161,064.00	\$ 130,427.51	\$ 30,636.49	
Other Expenses	64,300.00	64,300.00	55,249.01	9,050.99	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	34,095.00	34,095.00	33,766.44	328.56	
Other Expenses	95,175.00	95,175.00	50,172.68	45,002.32	
Zoning Board of Adjustment:					
Salaries and Wages	67,127.00	67,127.00	66,431.71	695.29	
Other Expenses	46,380.00	46,380.00	20,614.78	25,765.22	
PUBLIC SAFETY:					
Municipal Court:					
Salaries and Wages	175,334.00	175,334.00	173,665.96	1,668.04	
Other Expenses	26,050.00	26,050.00	17,353.16	8,696.84	
Public Defender:					
Other Expenses	13,000.00	13,000.00	11,600.00	1,400.00	
Police Department:					
Salaries and Wages	3,500,134.00	3,483,134.00	3,458,368.01	24,765.99	
Other Expenses	360,540.00	360,540.00	333,593.58	26,946.42	
Police Dispatch/911:					
Salaries and Wages	284,955.00	301,955.00	299,249.72	2,705.28	
Other Expenses	30,715.00	30,715.00	16,608.63	14,106.37	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
PUBLIC SAFETY:					
Office of Emergency Management:					
Salaries and Wages	\$ 7,751.00	\$ 7,751.00	\$ 6,851.83	\$ 899.17	
Other Expenses	5,770.00	5,770.00	3,343.62	2,426.38	
Aid to Volunteer Fire Companies:					
Salaries and Wages:					
Fire Chief	3,000.00	3,000.00	3,000.00		
Clerical	25,067.00	25,067.00	25,067.00		
Other Expenses	137,500.00	137,500.00	132,744.08	4,755.92	
Aid to Volunteer Ambulance Companies:					
Other Expenses	59,300.00	59,300.00	58,871.19	428.81	
Uniform Fire Safety Act:					
Salaries and Wages	56,924.00	56,924.00	52,539.64	4,384.36	
Other Expenses	5,450.00	5,450.00	5,000.59	449.41	
Municipal Prosecutor's Office:					
Salaries and Wages	32,881.00	32,881.00	30,400.00	2,481.00	
Other Expenses	1,000.00	1,000.00	500.00	500.00	
Streets and Roads Maintenance:					
Salaries and Wages	956,038.00	956,038.00	937,630.24	18,407.76	
Other Expenses	257,700.00	292,700.00	283,122.07	9,577.93	
Snow Removal:					
Salaries and Wages	110,000.00	110,000.00	75,833.66	34,166.34	
Other Expenses	150,500.00	150,500.00	126,194.81	24,305.19	
Maintenance of Off-Street Parking Meters:					
Other Expenses	9,900.00	9,900.00	5,680.40	4,219.60	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
PUBLIC WORKS:					
Solid Waste Collections:					
Salaries and Wages	\$ 141,127.00	\$ 141,127.00	\$ 139,739.03	\$ 1,387.97	
Other Expenses	745,000.00	705,000.00	615,579.41	89,420.59	
Building and Grounds:					
Salaries and Wages	67,357.00	69,557.00	63,042.33	6,514.67	
Other Expenses	214,900.00	214,900.00	193,193.83	21,706.17	
Beautification Committee:					
Other Expenses	13,000.00	13,000.00	2,702.13	10,297.87	
Shade Tree:					
Other Expenses	26,000.00	26,000.00	25,860.00	140.00	
Mosquito/Insect Control:					
Other Expenses	2,500.00	2,500.00	725.00	1,775.00	
HEALTH AND HUMAN SERVICES:					
Division of Health:					
Salaries and Wages	258,032.00	258,032.00	223,918.93	34,113.07	
Other Expenses	42,750.00	42,750.00	30,368.44	12,381.56	
Animal Control Services:					
Salaries and Wages	22,804.00	22,804.00	22,804.00		
Other Expenses	9,200.00	9,200.00	8,512.38	687.62	
Administration of Public Assistance:					
Salaries and Wages	36,141.00	36,641.00	36,637.84	3.16	
Other Expenses	4,750.00	4,750.00	2,565.30	2,184.70	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
PARKS AND RECREATION FUNCTIONS:					
Recreation Services:					
Salaries and Wages	\$ 111,244.00	\$ 111,244.00	\$ 101,530.08	\$ 9,713.92	
Other Expenses	61,650.00	61,650.00	44,403.75	17,246.25	
Maintenance of Parks:					
Salaries and Wages	316,351.00	316,351.00	284,763.03	31,587.97	
Other Expenses	153,125.00	143,125.00	134,814.99	8,310.01	
OTHER COMMON OPERATING FUNCTIONS:					
Accumulated Leave Compensation:					
Salaries and Wages	70,000.00	70,000.00	57,447.64	12,552.36	
Senior Citizens' Commission:					
Salaries and Wages	76,455.00	76,455.00	75,878.04	576.96	
Other Expenses	23,750.00	23,750.00	19,280.06	4,469.94	
Celebration of Public Events:					
Other Expenses	14,000.00	14,000.00	8,282.49	5,717.51	
Community Television:					
Other Expenses	11,000.00	11,000.00	263.65	10,736.35	
UTILITY EXPENSE AND BULK PURCHASES:					
Electricity	211,000.00	241,000.00	224,001.05	16,998.95	
Street Lighting	175,000.00	175,000.00	149,085.87	25,914.13	
Telephone	105,200.00	110,200.00	106,858.43	3,341.57	
Water	7,000.00	7,000.00	6,004.34	995.66	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
UTILITY EXPENSE AND BULK PURCHASES:					
Natural Gas	\$ 100,000.00	\$ 100,000.00	\$ 69,885.29	\$ 30,114.71	
Sewerage Processing and Disposal	3,200.00	3,200.00		3,200.00	
Solid Waste Disposal Costs	698,850.00	678,850.00	625,130.62	53,719.38	
Storm Water Management:					
Other Expenses	15,000.00	15,000.00		15,000.00	
STATE UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries and Wages	317,184.00	317,184.00	303,877.22	13,306.78	
Other Expenses	32,850.00	32,850.00	19,867.36	12,982.64	
Insurance:					
General Liability	165,000.00	145,767.18	144,339.04	1,428.14	
Workers Compensation	130,000.00	149,232.82	149,232.82		
Employee Group Health	1,096,075.00	1,096,075.00	1,067,522.78	28,552.22	
Unemployment Insurance	5,000.00	5,000.00	5,000.00		
Total Operations Within "CAPS"	13,325,114.00	13,325,114.00	12,355,753.07	969,360.93	
Contingent	1,000.00	1,000.00		1,000.00	
Total Operations Including Contingent Within "CAPS"	13,326,114.00	13,326,114.00	12,355,753.07	970,360.93	
Detail:					
Salaries and Wages	7,487,955.00	7,487,955.00	7,239,823.26	248,131.74	
Other Expenses	5,838,159.00	5,838,159.00	5,115,929.81	722,229.19	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	\$ 420,000.00	\$ 420,000.00	\$ 394,268.82	\$ 25,731.18	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	420,000.00	420,000.00	394,268.82	25,731.18	
Total General Appropriations for Municipal Purposes Within "CAPS"	13,746,114.00	13,746,114.00	12,750,021.89	996,092.11	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library (PL 1988, Ch.82):					
Other Expenses	1,162,463.00	1,162,463.00	1,162,463.00		
Statutory Expenses:					
Contribution to:					
Police & Firemens' Retirement System	670,063.00	670,063.00	670,063.00		
Public Employees' Retirement System	187,279.00	187,279.00	187,279.00		
Recycling Tonnage Tax	21,000.00	21,000.00		21,000.00	
Interlocal Agreement Boonton Township:					
Health Services	19,830.00	19,830.00	19,830.00		
Public & Private Programs Offset by Revenue:					
Drunk Driving Enforcement Fund	8,700.00	8,700.00	4,377.08	4,322.92	
Clean Communities Program - Board of Health	21,490.00	21,490.00	12,899.31	8,590.69	
Recycling Tonnage Grant	33,620.00	33,620.00	33,620.00		
Body Armor Replacement Grant	3,655.00	3,655.00	3,655.00		
Bulletproof Vest Partnership	4,300.00	4,300.00	4,098.56	201.44	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Public & Private Programs Offset by Revenue (Cont'd):					
Pandemic Influenza Preparedness Grant (N.J.S.A 40A:4-87, +\$6,981.00)		\$ 6,981.00	\$ 6,981.00		
New Jersey Division of Highway Safety:					
Click -It or Ticket Grant (N.J.S.A 40A:4-87, +\$4,000.00)		4,000.00	3,800.00		\$ 200.00
Obey the Signs Grant (N.J.S.A 40A:4-87, +\$4,000.00)		4,000.00	4,000.00		
NACCHO Health Grant (N.J.S.A 40A:4-87, +\$16,666.65)		16,666.65	16,666.65		
Municipal Alliance Grant	\$ 13,337.00	13,337.00	8,192.60		5,144.40
Municipal Alliance Grant Match	3,334.00	3,334.00	2,048.15	\$ 1,285.85	
Total Operations - Excluded from "CAPS"	2,149,071.00	2,180,718.65	2,139,973.35	35,400.90	5,344.40
Detail:					
Other Expenses	2,149,071.00	2,180,718.65	2,139,973.35	35,400.90	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Purchase of Police Equipment	28,520.00	28,520.00	28,327.30	192.70	
Acquisition of Fire Gear	18,500.00	18,500.00	18,317.00	183.00	
Evaluation of Cook's Pond Dam	10,000.00	10,000.00		10,000.00	
Purchase DPW Equipment	25,000.00	25,000.00	9,280.00	15,720.00	
Total Capital Improvements - Excluded from "CAPS"	132,020.00	132,020.00	105,924.30	26,095.70	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	\$ 376,650.00	\$ 376,650.00	\$ 376,650.00		
Payment of Bond Anticipation Notes	150,000.00	150,000.00	150,000.00		
Interest on Bonds	74,001.00	74,001.00	74,001.00		
Interest on Notes	95,000.00	95,000.00	94,999.13		\$ 0.87
Morris County Improvement Authority Lease Principal	265,452.00	265,452.00	265,452.00		
Morris County Improvement Authority Lease Interest	486,492.00	486,492.00	486,491.58		0.42
Total Municipal Debt Service - Excluded from "CAPS"	1,447,595.00	1,447,595.00	1,447,593.71		1.29
Total General Appropriations - Excluded from "CAPS"	3,728,686.00	3,760,333.65	3,693,491.36	\$ 61,496.60	5,345.69
Subtotal General Appropriations	17,474,800.00	17,506,447.65	16,443,513.25	1,057,588.71	5,345.69
Reserve for Uncollected Taxes	1,696,303.00	1,696,303.00	1,696,303.00		
Total General Appropriations	\$ 19,171,103.00	\$ 19,202,750.65	\$ 18,139,816.25	\$ 1,057,588.71	\$ 5,345.69
<u>Ref.</u>				A	

TOWNSHIP OF DENVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 19,171,103.00	
Added by N.J.S.A. 40A:4-87		<u>31,647.65</u>	
		<u>\$ 19,202,750.65</u>	
Cash Disbursed			\$ 16,356,699.89
Encumbrances	A		353,428.84
Reserve for Uncollected Taxes			<u>1,696,303.00</u>
			18,406,431.73
Less: Appropriation Refunds			<u>266,615.48</u>
			<u>\$ 18,139,816.25</u>

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

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
TRUST FUNDS

TOWNSHIP OF DENVILLE
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31	
		2008	2007
<u>ASSETS</u>			
Assessment Trust Fund:			
Due From Sewer Assessment Fund	E	\$ 1,321.16	\$ 1,321.16
		<u>1,321.16</u>	<u>1,321.16</u>
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	71,873.38	37,127.42
Collector	B-4A	385.20	
		<u>72,258.58</u>	<u>37,127.42</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	3,262,801.53	3,270,311.86
Due From Current Fund	A		206,561.59
		<u>3,262,801.53</u>	<u>3,476,873.45</u>
<u>TOTAL ASSETS</u>		<u>\$ 3,336,381.27</u>	<u>\$ 3,515,322.03</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Trust Fund:			
Fund Balance	B-1	\$ 1,321.16	\$ 1,321.16
		<u>1,321.16</u>	<u>1,321.16</u>
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-6	39,028.00	37,127.42
Due To State of New Jersey		385.20	
Due To Current Fund	A	32,845.38	
		<u>72,258.58</u>	<u>37,127.42</u>

TOWNSHIP OF DENVILLE
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31	
		2008	2007
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Other Trust Funds:			
Due To Current Fund	A	\$ 4,145.04	
Special Deposits		65,821.09	\$ 65,821.09
Developers Deposits - Escrow		613,507.13	654,794.52
Developers Deposits - Affordable Housing		1,141,077.19	1,038,344.08
Miscellaneous Deposits		7,227.82	6,523.84
Planning and Zoning Deposits		59,982.53	61,677.67
Reserve for:			
Road Openings		10,000.00	10,000.00
Site Engineering Fees		31,086.15	31,086.15
Tree Harvesting		1,000.00	1,000.00
Unemployment Compensation Insurance		13,711.76	40,430.11
Open Space		578,985.84	466,099.95
Norman Dean Beautification		8,333.00	8,333.00
Community Park		20,000.00	20,000.00
Community Police		13.20	13.20
Police Outside Services		24,487.78	30,482.03
Parking Offense Adjudication Act		2,640.94	1,868.94
Accrued Sick & Vacation		349,993.20	607,840.45
Snow Removal		246,025.06	333,547.00
Denville Television		39,823.52	39,823.52
Tsunami Recovery Fund		5,751.85	10,597.20
Junior Police Academy		10,152.44	9,941.04
Recreation - General Activities		14,954.46	15,006.34
Recreation - Cook's Pond Activities		14,081.53	23,643.32
		<u>3,262,801.53</u>	<u>3,476,873.45</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 3,336,381.27</u>	<u>\$ 3,515,322.03</u>

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

TOWNSHIP OF DENVILLE
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2007	B	\$ <u>1,321.16</u>
Balance December 31, 2008	B	\$ <u><u>1,321.16</u></u>

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

TOWNSHIP OF DENVILLE
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

TOWNSHIP OF DENVILLE
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

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

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
GENERAL CAPITAL FUND

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2008	2007
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 565,902.49	\$ 2,559,827.12
Due from County of Morris:			
Community Development Block Grant			30,983.74
Deferred Charges to Future Taxation:			
Funded		13,444,042.40	14,249,494.40
Unfunded	C-4	5,774,572.42	3,662,000.03
<u>TOTAL ASSETS</u>		<u>\$ 19,784,517.31</u>	<u>\$ 20,502,305.29</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 2,065,000.00	\$ 2,605,000.00
Bond Anticipation Notes Payable	C-7	2,991,540.00	3,241,540.00
Morris County Improvement Authority Leases Payable	C-9	11,379,042.40	11,644,494.40
Due from Current Fund	A	40.26	
Improvement Authorizations:			
Funded	C-5	451,286.68	657,842.46
Unfunded	C-5	2,154,814.73	1,594,229.42
Capital Improvement Fund	C-6	112,911.08	102,697.31
Reserve:			
To Pay Debt Service		464,250.00	564,250.00
For Police Pistol Range		1,000.00	1,000.00
For Flood Control		15,000.00	15,000.00
For Improvement of Drainage Facilities - Savage Road		20,865.00	20,865.00
Reserve for Preliminary Expenses - Pedestrian Cross Walk		10,000.00	10,000.00
Reserve for Donations - South Shore Park		1,101.00	1,101.00
Fund Balance	C-1	117,666.16	44,285.70
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 19,784,517.31</u>	<u>\$ 20,502,305.29</u>

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

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2007	C	\$ 44,285.70
Increased by:		
Cancellation of Fully Funded Ordinances		<u>73,380.46</u>
Balance December 31, 2008	C	<u>\$ 117,666.16</u>

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

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
WATER UTILITY FUND

TOWNSHIP OF DENVILLE
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31	
		2008	2007
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 2,066,184.86	\$ 2,240,151.45
Change Fund		200.00	200.00
		<u>2,066,384.86</u>	<u>2,240,351.45</u>
Due from Water Utility Capital Fund	D	95.58	
		<u>2,066,480.44</u>	<u>2,240,351.45</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-6	100,590.75	119,803.90
Water Liens Receivable	D-6A	1,787.14	1,687.14
Inventory	D-6B	43,152.43	43,697.53
		<u>145,530.32</u>	<u>165,188.57</u>
Total Operating Fund		<u>2,212,010.76</u>	<u>2,405,540.02</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	852,249.22	527,998.64
Fixed Capital	D-7	8,465,058.20	8,309,007.78
Fixed Capital Authorized and Uncompleted	D-8	1,337,000.00	859,900.00
Total Capital Fund		<u>10,654,307.42</u>	<u>9,696,906.42</u>
<u>TOTAL ASSETS</u>		<u>\$ 12,866,318.18</u>	<u>\$ 12,102,446.44</u>

TOWNSHIP OF DENVILLE
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31	
		2008	2007
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 350,380.87	\$ 133,274.79
Encumbered	D-3;D-9	26,755.66	156,615.91
		<u>377,136.53</u>	<u>289,890.70</u>
Accounts Payable - Vendors		1,000.00	17,372.00
Accrued Interest on Leases		10,264.74	10,552.64
Water Rent Overpayments		4,440.81	3,300.56
		<u>392,842.08</u>	<u>321,115.90</u>
Reserve for Receivables and Inventory	D	145,530.32	165,188.57
Fund Balance	D-1	1,673,638.36	1,919,235.55
		<u>1,673,638.36</u>	<u>1,919,235.55</u>
Total Operating Fund		<u>2,212,010.76</u>	<u>2,405,540.02</u>
Capital Fund:			
Morris County Improvement Authority Leases Payable	D-15	740,478.80	757,752.80
Improvement Authorizations:			
Funded	D-10	304,752.37	180,597.37
Unfunded	D-10	862,000.00	520,000.00
Capital Improvement Fund	D-11	400,456.32	200,456.32
Due to Water Utility Operating Fund	D	95.58	
Reserve for Preliminary Costs - Engineering Fees		5,450.00	5,450.00
Deferred Reserve for Amortization	D-12	475,000.00	339,900.00
Reserve for Amortization	D-12A	7,724,579.40	7,551,254.98
Fund Balance	D-1A	141,494.95	141,494.95
		<u>141,494.95</u>	<u>141,494.95</u>
Total Capital Fund		<u>10,654,307.42</u>	<u>9,696,906.42</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 12,866,318.18</u>	<u>\$ 12,102,446.44</u>

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

TOWNSHIP OF DENVILLE
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2008	2007
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 877,190.00	\$ 877,190.00
Water Rents		2,284,861.25	2,302,736.47
Miscellaneous		40,203.40	41,773.18
Nonbudget Revenue		58,693.11	109,626.95
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		3,125.07	123,520.58
		<u>3,264,072.83</u>	<u>3,454,847.18</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,966,910.00	1,800,468.00
Capital Improvements		400,000.00	470,000.00
Debt Service		48,644.02	47,413.74
Deferred Charges and Statutory Expenditures		216,926.00	189,307.00
		<u>2,632,480.02</u>	<u>2,507,188.74</u>
Excess Revenue/Statutory Excess to Fund Balance		631,592.81	947,658.44
<u>Fund Balance</u>			
Balance January 1	D	1,919,235.55	1,848,767.11
		<u>2,550,828.36</u>	<u>2,796,425.55</u>
Decreased by:			
Utilized by Water Utility Operating Budget		877,190.00	877,190.00
		<u>877,190.00</u>	<u>877,190.00</u>
Balance December 31	D	<u>\$ 1,673,638.36</u>	<u>\$ 1,919,235.55</u>

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

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2007	D	<u>\$ 141,494.95</u>
Balance December 31, 2008	D	<u><u>\$ 141,494.95</u></u>

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

TOWNSHIP OF DENVILLE
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 877,190.00	\$ 877,190.00	
Rents	1,725,291.00	2,284,861.25	\$ 559,570.25
Miscellaneous Revenue Anticipated	<u>30,000.00</u>	<u>40,203.40</u>	<u>10,203.40</u>
	2,632,481.00	3,202,254.65	569,773.65
Nonbudget Revenue		<u>58,693.11</u>	<u>58,693.11</u>
	<u>\$ 2,632,481.00</u>	<u>\$ 3,260,947.76</u>	<u>\$ 628,466.76</u>

Nonbudget Revenue:

Treasurer:

Interest on Investments

\$ 39,727.12

Other Water Fees

4,990.12

Collector:

Interest on Investments

4,440.38

Due from Water Utility Capital Fund:

Interest on Investments

9,535.49

\$ 58,693.11

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

TOWNSHIP OF DENVILLE
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

	<u>Appropriation</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 686,267.00	\$ 686,267.00	\$ 640,114.61	\$ 46,152.39	
Other Expenses	587,593.00	587,593.00	447,400.44	140,192.56	
Group Insurance Plan for Employees	336,050.00	336,050.00	317,379.25	18,670.75	
Morris County Municipal Utility Authority:					
Purchase of Water	357,000.00	357,000.00	321,548.04	35,451.96	
Capital Improvements:					
Capital Improvement Fund	275,000.00	275,000.00	275,000.00		
Capital Outlay	125,000.00	125,000.00	19,946.42	105,053.58	
Debt Service:					
Morris County Municipal Utility Authority -					
Loan Principal and Interest	48,645.00	48,645.00	48,644.02		\$ 0.98
Deferred Charges and Statutory Expenditures:					
Deferred Charges to Future Revenue	100,000.00	100,000.00	100,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	62,427.00	62,427.00	62,427.00		
Unemployment Insurance	2,000.00	2,000.00	2,000.00		
Social Security System (O.A.S.I.)	52,499.00	52,499.00	47,639.37	4,859.63	
	<u>\$ 2,632,481.00</u>	<u>\$ 2,632,481.00</u>	<u>\$ 2,282,099.15</u>	<u>\$ 350,380.87</u>	<u>\$ 0.98</u>

Ref.

D

TOWNSHIP OF DENVILLE
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Ref.</u>	<u>Analysis of Paid or Charged</u>
Cash Disbursed		\$ 2,226,093.54
Accrued Interest on Leases		31,370.02
Encumbrances Payable	D	<u>26,755.66</u>
		2,284,219.22
Less: Appropriation Refunds		<u>2,120.07</u>
		<u>\$ 2,282,099.15</u>

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

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
SEWER UTILITY FUND

TOWNSHIP OF DENVILLE
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2008	2007
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-4	\$ 2,685,866.33	\$ 3,327,940.83
Due from Sewer Utility Capital Fund	E	2.11	
Due from Sewer Utility Assessment Fund	E	3,830.65	672.50
		<u>2,689,699.09</u>	<u>3,328,613.33</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-6	89,620.56	98,400.35
Sewer Liens Receivable	E-6A	4,950.00	4,650.00
Inventory	E-6B	332.00	380.45
		<u>94,902.56</u>	<u>103,430.80</u>
Total Operating Fund		<u>2,784,601.65</u>	<u>3,432,044.13</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	E-4	519,743.61	1,917,147.67
Assessments Receivable	E-9	2,283,260.24	2,711,179.57
Due from Sewer Utility Capital Fund	E	1,500,000.00	
Total Assessment Trust Fund		<u>4,303,003.85</u>	<u>4,628,327.24</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	836,799.42	209,940.51
Due from New Jersey Environmental Infrastructure Trust		2,937,525.79	5,763,877.79
Fixed Capital	E-10	22,783,582.80	22,759,475.59
Fixed Capital Authorized and Uncompleted	E-11	7,200,000.00	7,200,000.00
Total Capital Fund		<u>33,757,908.01</u>	<u>35,933,293.89</u>
<u>TOTAL ASSETS</u>		<u>\$ 40,845,513.51</u>	<u>\$ 43,993,665.26</u>

TOWNSHIP OF DENVILLE
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31	
		2008	2007
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-12	\$ 213,967.36	\$ 93,785.28
Encumbered	E-3;E-12	3,713.46	21,525.79
Total Appropriation Reserves		<u>217,680.82</u>	<u>115,311.07</u>
Accounts Payable - Vendors			1,017.50
Accrued Interest on Bonds		1,389.38	1,779.38
Accrued Interest on Leases		10,264.74	10,552.64
Due City of Jersey City		10,766.70	10,766.70
		<u>240,101.64</u>	<u>139,427.29</u>
Reserve for Receivables and Inventory	E	94,902.56	103,430.80
Fund Balance	E-1	2,449,597.45	3,189,186.04
		<u>2,784,601.65</u>	<u>3,432,044.13</u>
Total Operating Fund			
Assessment Trust Fund:			
Due to Developer - Italian Chalet		21,105.63	21,105.63
Due to Sewer Utility Operating Fund	E	3,830.65	672.50
Due to Trust Assessment Fund	B	1,321.16	1,321.16
Reserve for Assessments and Liens	E-13	2,283,260.24	2,711,179.57
Fund Balance	E-1A	1,993,486.17	1,894,048.38
		<u>4,303,003.85</u>	<u>4,628,327.24</u>
Total Assessment Trust Fund			

TOWNSHIP OF DENVILLE
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31	
		2008	2007
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Capital Fund:			
Serial Bonds	E-19A	\$ 285,000.00	\$ 365,000.00
Morris County Improvement Authority Leases Payable	E-17	740,478.80	757,752.80
Environmental Wastewater Trust Loan	E-17A		539,263.60
Environmental Infrastructure Trust Loan	E-17B	6,052,041.00	6,052,041.00
Improvement Authorizations:			
Funded	E-14	2,164,541.47	5,615,859.45
Unfunded	E-14	503,538.72	997,538.52
Capital Improvement Fund	E-15	179,646.84	154,646.84
Due to Sewer Utility Operating Fund	E	2.11	
Due to Sewer Utility Assessment Fund	E	1,500,000.00	
Reserve for Sewer Improvements		63,222.00	63,222.00
Reserve for Amortization	E-16	21,758,104.00	21,074,833.10
Deferred Reserve for Amortization	E-16A	350,000.00	172,626.09
Fund Balance	E-1B	161,333.07	140,510.49
		<u>33,757,908.01</u>	<u>35,933,293.89</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 40,845,513.51</u>	<u>\$ 43,993,665.26</u>

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

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

	Ref.	Year Ended December 31	
		2008	2007
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,077,039.00	\$ 985,974.00
Sewer Service Charges - Fees		1,905,659.66	1,877,048.48
Capacity Charges		46,800.00	61,200.00
Sewer Assessment Fund Balance		324,240.00	324,240.00
Nonbudget Revenue		247,517.82	427,774.26
Other Credits to Income:			
Cancellation of Accounts Payable		1,017.50	
Unexpended Balance of Appropriation Reserves		12,702.45	139,814.45
Total Income		<u>3,614,976.43</u>	<u>3,816,051.19</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating		2,134,373.00	2,018,630.00
Capital Improvements		50,000.00	100,000.00
Debt Service		674,020.02	674,501.17
Deferred Charges and Statutory Expenditures		319,133.00	237,307.00
Total Expenditures		<u>3,177,526.02</u>	<u>3,030,438.17</u>
Excess Revenue/Statutory Excess to Fund Balance		437,450.41	785,613.02
<u>Fund Balance</u>			
Balance January 1	E	<u>3,189,186.04</u>	<u>3,389,547.02</u>
		3,626,636.45	4,175,160.04
Decreased by:			
Utilized by Sewer Utility Operating Budget		1,077,039.00	985,974.00
Utilized by Current Fund Budget		100,000.00	
Balance December 31	E	<u>\$ 2,449,597.45</u>	<u>\$ 3,189,186.04</u>

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

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2007	E	\$ 1,894,048.38
Increased by:		
Collection of Unpledged Assessments		423,677.79
		<u>2,317,726.17</u>
Decreased by:		
Anticipated Revenue - Sewer Utility Budget		<u>324,240.00</u>
Balance December 31, 2008	E	<u>\$ 1,993,486.17</u>

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2007	E	\$ 140,510.49
Increased by:		
Cancellation of Fully Funded Ordinances		<u>\$ 20,822.58</u>
Balance December 31, 2008	E	<u>\$ 161,333.07</u>

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

TOWNSHIP OF DENVILLE
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 1,077,039.00	\$ 1,077,039.00	
Sewer Service Charges	1,750,000.00	1,905,659.66	\$ 155,659.66
Sewer Capacity Charges	60,000.00	46,800.00	13,200.00 *
Sewer Assessment Surplus	324,240.00	324,240.00	
	<u>3,211,279.00</u>	<u>3,353,738.66</u>	<u>168,859.66</u>
Nonbudget Revenue		<u>247,517.82</u>	<u>247,517.82</u>
	<u>\$ 3,211,279.00</u>	<u>\$ 3,601,256.48</u>	<u>\$ 416,377.48</u>

Nonbudget Revenue:

Treasurer:

Interest on Investments	\$ 57,161.22
Other Miscellaneous	9,720.57

Due from Sewer Assessment Trust Fund:

Interest on Investments	27,579.75
Interest on Assessments	127,549.96

Due from Sewer Utility Capital Fund:

Interest on Investments	6,812.30
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Collector:

Interest on Sewer Rents	\$ 6,273.29	
Miscellaneous Sewer Fees	8,430.00	
Interest on Investments	<u>3,990.73</u>	
		<u>18,694.02</u>
		<u>\$ 247,517.82</u>

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

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

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

TOWNSHIP OF DENVILLE
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

	<u>Appropriation</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 715,110.00	\$ 715,110.00	\$ 646,327.75	\$ 68,782.25	
Other Expenses	396,213.00	396,213.00	290,004.57	106,208.43	
Group Insurance Plan for Employees	336,050.00	336,050.00	317,374.02	18,675.98	
RVRSA (R.S. 40:14A - Contribution)	687,000.00	687,000.00	677,092.16	9,907.84	
Capital Improvements:					
Capital Improvement Fund	25,000.00	25,000.00	25,000.00		
Capital Outlay	25,000.00	25,000.00	22,825.21	2,174.79	
Debt Service:					
Payment of Bond Principal	80,000.00	80,000.00	80,000.00		
Payment of Lease Principal	17,274.00	17,274.00	17,274.00		
Interest on Bonds	19,013.00	19,013.00	18,622.50		\$ 390.50
Interest on Lease	31,371.00	31,371.00	31,370.06		0.94
Environmental Infrastructure Loan - Principal & Interest	560,115.00	560,115.00	526,753.46		33,361.54
Deferred Charges and Statutory Expenditures:					
Deferred to Future Revenue - Ordinance 16-06	200,000.00	200,000.00	200,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employee Retirement System	62,427.00	62,427.00	62,426.80	0.20	
Unemployment Compensation Insurance	2,000.00	2,000.00	2,000.00		
Social Security System (O.A.S.I.)	54,706.00	54,706.00	46,488.13	8,217.87	
Total Sewer Utility Appropriations	\$ 3,211,279.00	\$ 3,211,279.00	\$ 2,963,558.66	\$ 213,967.36	\$ 33,752.98

Ref.

E

TOWNSHIP OF DENVILLE
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Ref.</u>	<u>Analysis of Paid or Charged</u>
Cash Disbursed		\$ 2,909,852.64
Encumbrances Payable	E	3,713.46
Accrued Interest on Leases Payable		31,370.06
Accrued Interest on Bonds		<u>18,622.50</u>
		<u>\$ 2,963,558.66</u>

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

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

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

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
PUBLIC ASSISTANCE FUND

TOWNSHIP OF DENVILLE
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2008	2007
Cash and Cash Equivalents	F-1	\$ 112,122.20	\$ 80,592.61
<u>TOTAL ASSETS</u>		\$ 112,122.20	\$ 80,592.61
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		\$ 112,122.20	\$ 80,592.61
<u>TOTAL LIABILITIES AND RESERVES</u>		\$ 112,122.20	\$ 80,592.61

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

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
GENERAL FIXED ASSET ACCOUNT GROUP
(UNAUDITED)

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

	December 31,	
	2008	2007
<u>ASSETS</u>		
Land	\$ 7,898,331.00	\$ 7,898,331.00
Buildings and Improvements	3,783,659.00	3,743,577.00
Equipment	11,127,638.00	9,687,291.00
<u>TOTAL ASSETS</u>	<u>\$ 22,809,628.00</u>	<u>\$ 21,329,199.00</u>
 <u>LIABILITIES AND RESERVES</u> 		
Reserve for Fixed Assets	\$ 22,809,628.00	\$ 21,329,199.00
<u>TOTAL LIABILITIES AND RESERVES</u>	<u>\$ 22,809,628.00</u>	<u>\$ 21,329,199.00</u>

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

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Description of Funds

The accounting policies of the Township of Denville conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Denville accounts for its financial transactions through the following separate funds:

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

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

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

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

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

B. Description of Funds (Cont'd)

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

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

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

C. Basis of Accounting

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

The accounting policies of the Township of Denville conform to the accounting principles applicable to municipalities which have been prescribed by the Division which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Federal and state grants are generally recognized on the cash basis, except for certain assistance which is not realized until anticipated in the Township's budget in the Current Fund. Grant revenue is realized in the Capital Funds when improvements are authorized. The amounts recorded as property taxes receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

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

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

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

C. Basis of Accounting (Cont'd)

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

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; and federal and state grants and assistance would be recognized when earned, not when received.

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

D. Deferred Charges to Future Taxation

The Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans, or by capital lease purchase agreements.

E. Other significant accounting policies include:

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

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

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

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

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

E. Other significant accounting policies include: (Cont'd)

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

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

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets, except for the Utility Operating Funds. The amounts reflected as inventories on the Utility Fund balance sheets are offset by reserves.

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

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

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

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

F. Budget/Budgetary Controls:

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

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	<u>December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Issued</u>			
General:			
Bonds, Notes and Leases	\$ 16,435,582	\$ 17,491,034	\$ 17,161,250
Water Utility:			
Bonds, Loans, Notes and Leases	740,479	757,753	773,000
Sewer Utility:			
Bonds, Loans, Notes and Leases	7,077,520	7,714,058	8,315,759
Total Issued	<u>24,253,581</u>	<u>25,962,845</u>	<u>26,250,009</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	2,783,032	420,460	420,460
Water Utility:			
Bonds and Notes	862,000	520,000	620,000
Sewer Utility:			
Bonds and Notes	797,959	997,959	1,147,959
Total Authorized but not Issued	<u>4,442,991</u>	<u>1,938,419</u>	<u>2,188,419</u>

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2008	2007	2006
<u>Less:</u>			
General:			
Reserve to Pay Debt Service	\$ 464,250	\$ 564,250	\$ 564,250
Debt Authorized by Another Public Body			
Guaranteed by the Municipality	11,379,042	11,644,494	11,879,000
Water Utility:			
Debt Authorized by Another Public Body			
Guaranteed by the Municipality	740,479	757,753	773,000
Sewer Utility:			
Debt Authorized by Another Public Body			
Guaranteed by the Municipality	740,479	757,753	773,000
	<u>13,324,250</u>	<u>13,724,250</u>	<u>13,989,250</u>
Net Bonds, Notes, Loans and Leases Issued and Authorized but not Issued	<u>\$ 15,372,322</u>	<u>\$ 14,177,014</u>	<u>\$ 14,449,178</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement as of December 31, 2008 and indicates a statutory net debt of .22%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 22,735,146	\$ 22,735,146	
Water and Sewer Utility Debt	9,477,958	9,477,958	
General Debt	19,218,615	11,843,292	\$ 7,375,323
	<u>\$ 51,431,719</u>	<u>\$ 44,056,396</u>	<u>\$ 7,375,323</u>

Net Debt \$7,375,322 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,422,594,823 = .22%.

Even though the \$12,860,000 of leases payable with the Morris County Improvement Authority is deductible to arrive at net debt, the amount is guaranteed by the municipality by ad valorem taxes and should be considered when evaluating the municipality's net debt situation.

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

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

3-1/2% Average Equalized Valuation of Real Property	\$ 119,790,819
Net Debt	<u>7,375,323</u>
Remaining Borrowing Power	<u><u>\$ 112,415,496</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 3,260,948
Deductions:	
Operating and Maintenance Costs	\$ 2,183,836
Debt Service	<u>48,644</u>
	<u>2,232,480</u>
Excess in Revenue	<u><u>\$ 1,028,468</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 3,601,256
Deductions:	
Operating and Maintenance Costs	\$ 2,453,506
Debt Service	<u>674,020</u>
	<u>3,127,526</u>
Excess in Revenue	<u><u>\$ 473,730</u></u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

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

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2007	Additions	Retirements/ Cancellations	Balance 12/31/2008
Serial Bonds:				
General Capital Fund	\$ 2,605,000		\$ 540,000	\$ 2,065,000
Sewer Utility Capital Fund	365,000		80,000	285,000
Bond Anticipation Notes:				
General Capital	3,241,540	\$ 2,991,540	3,241,540	2,991,540
Loans Payable:				
Sewer Utility Capital Fund:				
Wastewater Trust Loan	539,264		539,264	
Infrastructure Trust Loan	6,052,041			6,052,041
Leases Payable:				
General Capital Fund	11,644,494		265,452	11,379,042
Water Utility Capital Fund	757,753		17,274	740,479
Sewer Utility Capital Fund	757,753		17,274	740,479
	<u>\$ 25,962,845</u>	<u>\$ 2,991,540</u>	<u>\$ 4,700,804</u>	<u>\$ 24,253,581</u>

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2006	Additions	Retirements/ Cancellations	Balance 12/31/2007
Serial Bonds:				
General Capital Fund	\$ 3,145,000		\$ 540,000	\$ 2,605,000
Sewer Utility Capital Fund	445,000		80,000	365,000
Bond Anticipation Notes:				
General Capital	2,137,250	\$ 3,241,540	2,137,250	3,241,540
Loans Payable:				
Sewer Utility Capital Fund:				
Wastewater Trust Loan	1,045,718		506,454	539,264
Infrastructure Trust Loan	6,052,041			6,052,041
Leases Payable:				
General Capital Fund	11,879,000		234,506	11,644,494
Water Utility Capital Fund	773,000		15,247	757,753
Sewer Utility Capital Fund	773,000		15,247	757,753
	<u>\$ 26,250,009</u>	<u>\$ 3,241,540</u>	<u>\$ 3,528,704</u>	<u>\$ 25,962,845</u>

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

At December 31, 2008, the Township had capital debt issued and outstanding described as follows:

<u>General Capital Serial Bonds</u>		
<u>Final Maturity</u>	<u>Rate</u>	
06/01/12	4.50%-4.60%	\$ 2,065,000
 <u>General Capital Bond Anticipation Notes</u>		
<u>Final Maturity</u>	<u>Rate</u>	
10/23/09	3.09-3.45%	2,991,540
 <u>General Capital Leases Payable</u>		
<u>Final Maturity</u>	<u>Rate</u>	
09/01/23	3.00-5.00%	11,379,042
 <u>Water Capital Leases Payable</u>		
<u>Final Maturity</u>	<u>Rate</u>	
09/01/23	3.00-5.00%	740,479
 <u>Sewer Capital Serial Bonds</u>		
<u>Final Maturity</u>	<u>Rate</u>	
6/1/2012	5.85%	285,000
 <u>Sewer Capital Wastewater Treatment Loans</u>		
<u>Final Maturity</u>	<u>Rate</u>	
08/01/26	0%	2,922,041
09/01/26	4.00-5.00%	3,130,000
 <u>Sewer Capital Leases Payable</u>		
<u>Final Maturity</u>	<u>Rate</u>	
09/01/23	3.00-5.00%	740,479
Total Debt Issued and Outstanding		<u>\$ 24,253,581</u>

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

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

Calendar Year	General		Sewer Utility*		Total
	Principal	Interest	Principal	Interest	
2009	\$ 530,000	\$ 82,020	\$ 80,000	\$ 14,333	\$ 706,353
2010	515,000	58,508	80,000	9,653	663,161
2011	515,000	35,075	80,000	4,973	635,048
2012	505,000	11,615	45,000	1,316	562,931
	<u>\$ 2,065,000</u>	<u>\$ 187,218</u>	<u>\$ 285,000</u>	<u>\$ 30,274</u>	<u>\$ 2,567,492</u>

*Principal on assessment bonds is not included, as it is expected to be paid from assessment collections.

Wastewater Treatment and Infrastructure Loans

On December 1, 1988, the Township of Denville entered into two loan agreements with the State of New Jersey, acting by and through a New Jersey Department of Environmental Protection Fund (the "Fund"), and the NJ Wastewater Treatment Trust (the "Trust"), in the revised aggregate amount of \$11,029,996, which represents direct obligations of the Township. The loan agreements were obtained to finance a portion of the cost of wastewater treatment system projects.

At December 31, 2008, the Township has borrowed or "drawn down" \$8,996,640 for these projects. The difference or unexpended proceeds of the "Trust" loan are being retired by NJ Wastewater Trust from funds on hand, and the unexpended proceeds of the "Fund" have been reduced from future debt service payments. Principal payments to the "Fund" commenced October 15, 1990, will continue on a semiannual basis over 20 years at zero interest. Principal payments to the "Trust" commenced on April 15, 1991, and will continue on a semiannual basis over 20 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account. The Township will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account.

Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

On September 1, 2006, the Township of Denville entered into two loan agreements with the State of New Jersey, acting by and through a New Jersey Department of Environmental Protection Fund (the "Fund"), and the New Jersey Infrastructure Trust (the "Trust"), in the revised aggregate amount of \$7,479,246, which represents direct obligations of the Township. The loan agreements were obtained to finance a portion of the Openaki/Kitchel Road sewer improvement project.

At December 31, 2008, the Township has borrowed or "drawn down" \$6,052,041 for this project. The difference or unexpended proceeds of the "Trust" loan will be retired by New Jersey Infrastructure Trust from funds on hand, and the unexpended proceeds of the "Fund" will be reduced from future debt service payments. Principal payments to the "Fund" will commence February 1, 2009, and will continue on a semiannual basis over 20 years at zero interest. Principal payments to the "Trust" will commence on September 1, 2009, and will continue on a semiannual basis over 20 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account. The Township will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account.

Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

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

Calendar Year	Infrastructure Trust Loan		Total
	Principal	Interest	
2009	\$ 276,328	\$ 138,238	\$ 414,566
2010	281,583	133,638	415,221
2011	286,711	128,838	415,548
2012	290,914	122,588	413,502
2013	303,144	116,088	419,232
2014-2018	1,617,503	470,388	2,087,891
2019-2023	1,801,934	284,494	2,086,428
2024-2026	1,193,923	62,463	1,256,385
	<u>\$ 6,052,041</u>	<u>\$ 1,456,731</u>	<u>\$ 7,508,772</u>

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

Morris County Improvement Authority Leases Payable

On May 17, 2005, the Township of Denville entered into a lease agreement with the Morris County Improvement Authority in the amount of \$13,425,000. The lease was to fund existing ordinances in the amount of \$4,964,985, the renovation of the municipal building of \$7,730,000 (allocated among the General Capital Fund, Water Utility Capital Fund, and the Sewer Utility Fund), and \$730,015 of equipment for the municipal building. Principal payments to the Improvement Authority commenced on February 1, 2007 and will continue on a semiannual basis over 18 years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at December 31, 2008.

<u>Year</u>	<u>General Capital Fund</u>	<u>Water Utility Capital Fund</u>	<u>Sewer Utility Capital Fund</u>	<u>Total</u>
2009	\$ 782,913	\$ 50,947	\$ 50,947	\$ 884,808
2010	816,095	53,106	53,106	922,308
2011	837,994	54,532	54,532	947,058
2012	865,867	56,345	56,345	978,558
2013	1,148,053	74,708	74,708	1,297,470
2014-2018	5,739,393	373,485	373,485	6,486,363
2019-2023	5,732,425	373,031	373,031	6,478,488
	15,922,740	1,036,155	1,036,155	17,995,050
Less: Amount representing interest	(4,543,698)	(295,676)	(295,676)	(5,135,050)
Present value of net minimum lease payments	<u>\$ 11,379,042</u>	<u>\$ 740,479</u>	<u>\$ 740,479</u>	<u>\$ 12,860,000</u>

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2008, which were appropriated and included as anticipated revenue for the year ending December 31, 2009, were as follows:

Current Fund	\$ 2,427,852
Water Utility Operating Fund	920,243
Sewer Utility Operating Fund	879,327

Also, \$320,000 of the \$1,993,486.17 Sewer Assessment Trust Fund balance at December 31, 2008, was anticipated as revenue in the 2009 Sewer Utility Fund budget and \$65,000.00 of the \$2,449,597.45 Sewer Utility Operating Fund balance and \$100,000.00 of the \$117,666.16 General Capital Fund Balance at December 31, 2008 were anticipated as revenue in the 2009 Current Fund budget.

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 4: Sewer Assessment Fund Balance

During 1995, the Township confirmed (or levied) an \$11.5 million sewer assessment on a sewer extension project which is known as the "Norton Project". Collections of this assessment have been pledged directly to sewer assessment debt, whereby, all collections accrue to sewer assessment fund balance. At December 31, 2008, this fund balance amounts to \$1,894,048. A portion of the fund balance will be anticipated in future Sewer Utility budgets in an amount equal to the related debt service principal which matures in each fiscal year.

Note 5: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2008, there were no deferred charges on the various balance sheets which need to be raised in the succeeding year.

Note 6: School District Taxes

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

The Township of Denville has not elected to defer school taxes.

Note 7: Pension Plans

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

Employees who are members of PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal year's compensation for each year of membership during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of services required for vesting.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are based on 5.5% for PERS and 8.50% for PFRS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 7: Pension Plans (Cont'd)

Township contributions to the plan amounted to \$982,196, \$610,839, and \$365,265 for 2008, 2007 and 2006, respectively. For PERS and PFRS the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PERS for local employers for State fiscal years 2005-2008. The local employer PERS normal and accrued liability contributions required for State fiscal years 2005-2008 are as follows:

- 20% for payments due in State fiscal year 2005
- Not more than 40% for payments due in State fiscal year 2006
- Not more than 60% for payments due in State fiscal year 2007
- Not more than 80% for payments due in State fiscal year 2008

Three-Year Trend for PERS			
Year Funding December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 390,166	80.00%	\$ 312,133
2007	285,895	60.00%	171,537
2006	222,450	40.00%	88,980

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PFRS for local employers for State fiscal years 2004-2007. The local employer PFRS normal and accrued liability contributions required for State fiscal years 2004-2007 are as follows:

- 20% for payments due in State fiscal year 2004
- Not more than 40% for payments due in State fiscal year 2005
- Not more than 60% for payments due in State fiscal year 2006
- Not more than 80% for payments due in State fiscal year 2007

Three-Year Trend for PFRS			
Year Funding December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 670,063	100.00%	\$ 670,063
2007	549,128	80.00%	439,302
2006	460,475	60.00%	276,285

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 8: Selected Tax Rate Information

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Tax Rate</u>	\$ 2.585	\$ 2.450	\$ 2.320
<u>Apportionment of Tax Rate</u>			
Municipal	0.496	0.459	0.436
County	0.362	0.354	0.338
Local School	1.067	1.026	0.966
Regional High School	0.660	0.611	0.580
<u>Assessed Valuations</u>			
2008	\$ 2,273,457,077		
2007		\$ 2,258,051,846	
2006			\$ 2,215,042,905

Comparison of Tax Levies and Collections 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>
2008	\$ 59,050,131	\$ 58,164,688	98.50%
2007	55,705,892	54,909,787	98.57%
2006	52,315,829	51,634,506	98.69%

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

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 9: Accrued Sick and Vacation Benefits

The Township has permitted employees to accrue unused sick pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate upon such termination. It is estimated that the current cost of such unpaid compensation would approximate \$1,700,000. This amount is not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used. This amount is partially reserved in the Reserve for Accrued Sick and Vacation of \$349,993.20 on the Trust Funds balance sheet at December 31, 2008.

Note 10: Cash and Cash Equivalents

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

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

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

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

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

Deposits:

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

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

The market value of the collateral must equal 5% of the average daily balance of public funds;
and

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

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

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 10: Cash and Cash Equivalents (Cont'd)

Investments:

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

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

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 10: Cash and Cash Equivalents (Cont'd)

As of December 31, 2008, cash and cash equivalents of the Township of Denville consisted of the following:

Fund	Cash on Hand	Checking Accounts	M.B.I.A.	NJ Cash Management Fund	Totals
Current	\$ 350.00	\$ 6,401,556.56	\$ 310,695.92	\$ 284,496.39	\$ 6,997,098.87
Animal Control Trust		72,258.58			72,258.58
Other Trust		3,262,801.53			3,262,801.53
General Capital		565,902.49			565,902.49
Water Utility Operating	200.00	2,066,184.86			2,066,384.86
Water Utility Capital		852,249.22			852,249.22
Sewer Utility Operating		1,740,892.28	944,974.05		2,685,866.33
Sewer Utility Assessment		519,743.61			519,743.61
Sewer Utility Capital		836,799.42			836,799.42
Public Assistance		112,122.20			112,122.20
	<u>\$ 550.00</u>	<u>\$16,430,510.75</u>	<u>\$ 1,255,669.97</u>	<u>\$ 284,496.39</u>	<u>\$17,971,227.11</u>

The carrying amount of the Township of Denville's cash and cash equivalents at cost at December 31, 2008, was \$17,971,227.11 and the bank balance was \$16,689,266.61. The \$1,255,669.97 invested with MBIA and the \$284,496.39 invested with the State of New Jersey Cash Management Fund are uninsured and/or unregistered.

Note 11: Risk Management

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

The Township of Denville is a member of the Morris County Municipal Joint Insurance Fund. This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

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

As a member of this Fund, the Township 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 Fund's liabilities.

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 11: Risk Management (Cont'd)

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Auditing Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Selected financial information for the Fund as of December 31, 2008 is as follows:

	<u>Morris County Municipal Joint Insurance Fund</u>
Total Assets	\$ 20,242,118
Net Assets	\$ 11,865,919
Total Revenue	\$ 13,527,901
Total Expenses	\$ 11,305,128
Change in Net Assets	\$ 2,222,773
Net Asset Distribution to Participating Members	\$ 700,000

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

Perma Risk Management Services
Park 80 West, Plaza One
Saddle Brook, NJ 07663
(201) 587-0555

New Jersey Unemployment Compensation Insurance

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2006	\$ -0-	\$ -0-	\$ -0-	\$ 6,945.40	\$ 39,736.86
2007	9,000.00	-0-	-0-	8,306.75	40,430.11
2008	9,000.00	-0-	-0-	35,718.35	13,711.76

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2008:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 37,030.68	
Assessment Trust Fund	1,321.16	
Animal Control Trust Fund		\$ 32,845.38
Other Trust Fund		4,145.04
General Capital Fund		40.26
Water Utility Operating Fund	95.58	
Water Utility Capital Fund		95.58
Sewer Utility Operating Fund	3,832.76	
Sewer Utility Assessment Fund	1,500,000.00	5,151.81
Sewer Utility Capital Fund		1,500,002.11
	<u>\$ 1,542,280.18</u>	<u>\$ 1,542,280.18</u>

The Current Fund interfund payable represents amounts due from the Animal Control Fund for the statutory excess combined with the December interest earnings in the Other Trust and General Capital Funds due to the Current Fund. The interfund between the Water Utility Operating and Water Utility Capital represents the December interest earnings in the Water Utility Capital fund. The interfund receivable in the Sewer Utility Assessment Fund represents funds transferred to the Sewer Utility Capital Fund for cash flow purposes for the Openaki/Kitchel Road sewer improvement project. The interfund between the Sewer Utility Operating Fund and the Sewer Utility Assessment Fund represents the balance of interest on delinquent sewer assessment collections due to the Sewer Utility Operating Fund. The interfund between the Sewer Utility Operating and Sewer Utility Capital Funds represents the December interest earnings in the Sewer Utility Capital fund.

Also during the year the Township transferred to the Current Fund, \$100,000.00 from the General Capital Fund and \$100,000.00 from the Sewer Utility Operating Fund for funds anticipated in the 2008 budget as revenue.

Note 13: Open Space Trust Fund

The Township of Denville created an Open Space Trust Fund with a tax levy of \$.03 per \$100 of assessed valuation in 2003. The funds collected are used to acquire and maintain open space property in the Township. The balance of the Open Space Trust Fund at December 31, 2008 and 2007 was \$578,985.84 and \$466,100, respectively.

TOWNSHIP OF DENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 14: Deferred Compensation

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, which is administered by Nationwide, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

Note 15: Economic Dependency

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

Note 16: Contingencies

The Township is periodically involved in lawsuits arising in the normal course of business, including claims for disputes over contract awards. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Township's financial position as of December 31, 2008.

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

The Township has been advised that a number of tax appeals have been filed. Potential refunds on tax appeals could be as much as \$180,000. A reserve for pending tax appeals in the amount of \$180,000 has been recorded as a liability as of December 31, 2008.

The Township also is involved with several condemnations/easements as a result of the current Sewer project. The amounts of these settlements will be raised as an amendment to the existing Sewer Utility Capital ordinance.

TOWNSHIP OF DENVILLE

SUPPLEMENTARY DATA

TOWNSHIP OF DENVILLE
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2008

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
P. Ted Husa	Mayor		
Christopher Dour	Council President - Ward 4		
Thomas Andes	Council - Ward 1		
Gerald LeMonte	Council - Ward 2		
Robert Grant	Council - Ward 3		
Deborah Ann Smith	Council - At Large		
Nicholas Stecky	Council - At Large		
Howard Shaw	Council - At Large		
Marie Goble	Business Administrator/Finance Director	\$ 1,000,000.00	Municipal Excess Liability Joint Insurance Fund
Donna I. Costello	Township Clerk; Assessment Lien Searcher	*	
Kathleen Costello	Deputy Township Clerk; Deputy Assessment Lien Searcher	*	
Ann Marie Hopley	Tax Collector; Tax Search Officer	\$ 1,000,000.00	Municipal Excess Liability Joint Insurance Fund
Leslie Evans	Tax Clerk	\$ 1,000,000.00	Municipal Excess Liability Joint Insurance Fund
Kathleen Ward	Utilities Collector	\$ 1,000,000.00	Municipal Excess Liability Joint Insurance Fund
Joseph Lowell	Director of Public Works	*	
John Dorsey	Township Attorney		

TOWNSHIP OF DENVILLE
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2008

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Arnold Miniman	Magistrate	*	
Lorrie Garabrant	Court Administrator	*	
Donna Capone	Deputy Court Clerk	*	
Walter Stefanacci	Construction Official	*	
Frank Ritchie	Plumbing Inspector	*	
Grace Predmore	Director of Welfare and Social Services	*	
Virginia Klein	Township Assessor	*	
Nicholas Rosania	Township Engineer	*	
James Norgalis	Health Officer	*	
Christopher Wagner	Police Chief	*	
John Egbert	Fire Chief	*	

All bonds were examined and were properly executed.

* All employees, who are not specifically bonded, are covered under a \$1,000,000.00 Faithful Performance Blanket Bond with the Municipal Excess Liability Joint Insurance Fund.

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
CURRENT FUND

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2007	A	\$ 7,434,571.51
Increased by Receipts:		
Tax Collector	\$ 59,181,861.34	
Petty Cash	1,200.00	
Miscellaneous Revenue Not Anticipated	349,190.13	
Revenue Accounts Receivable	3,949,063.31	
Trash Collection Fees Receivable	1,384,090.97	
State of New Jersey -		
Senior Citizens' and Veterans' and Deductions	172,982.00	
Appropriation Refunds	266,615.48	
Due State of New Jersey - Building Surcharge Fees	15,717.00	
Due Other Trust Funds	735.90	
Municipal Library	521,526.97	
Reserve for Forfeited Bail	770.16	
Unappropriated Grant Reserves:		
State Body Armor Replacement Fund	140.52	
Drunk Driving Enforcement Fund	12,139.55	
Recycling Tonnage Grant	55,085.11	
Bulletproof Vest Partnership Act	2,356.00	
	65,913,474.44	
		73,348,045.95

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF CASH - TREASURER
(Continued)

	<u>Ref.</u>	
Decreased by Disbursements:		
2008 Appropriations	\$ 16,356,699.89	
2007 Appropriation Reserves	694,364.51	
Petty Cash	1,200.00	
Refund of Tax Overpayments	12,467.64	
County Taxes	8,259,712.15	
Local School District Taxes	24,145,861.83	
Regional High School Taxes	14,999,752.39	
Municipal Library	521,526.97	
Due State of NJ - Building Surcharge Fees	20,006.00	
Accounts Payable	3,899.75	
Reserve for Pending Tax Appeals	34,524.50	
Reserve for Alcohol Education - Appropriated	3,918.00	
Due Other Trust Fund:		
Interfund Returned	241,576.57	
Open Space Tax Levy	689,340.73	
Third Party Tax Title Lien Redemptions	200,227.68	
Refund of Tax Sale Premiums	110,600.00	
Refund of Prior Year Revenue	50,300.31	
Refund of Miscellaneous Revenue	5,318.16	
	\$ 66,351,297.08	
Balance December 31, 2008	A	\$ 6,996,748.87

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2008

Increased by Receipts:

Interest and Costs on Taxes	\$ 151,404.74
Taxes Receivable	58,464,749.11
Tax Search Fees	264.00
2009 Prepaid Taxes	268,175.35
Tax Overpayments	18,650.54
Tax Title Liens	3,052.52
Tax Sale Premiums	96,600.00
Third-Party Tax Title Lien Redemptions	178,965.08
	<u>59,181,861.34</u>

Decreased by:

Amount Turned Over to Treasurer	<u>\$ 59,181,861.34</u>
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TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

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

Year	Balance	2008 Levy	Collections		Tax Overpayments Applied	Senior Citizen & Veteran Deductions	Taxes Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2007		2007	2008					Dec. 31, 2008
2006	\$ 7,585.87			\$ 410.60			\$ 810.09		\$ 6,365.18
2007	750,333.92			722,416.75		\$ (3,903.42)	158.05	\$ 22,123.45	9,539.09
Subtotal	757,919.79			722,827.35		(3,903.42)	968.14	22,123.45	15,904.27
2008		\$ 59,050,131.33	\$ 241,967.34	57,741,921.76	\$ 249.20	180,550.00	87,645.76	74,428.96	723,368.31
Total	\$ 757,919.79	\$ 59,050,131.33	\$ 241,967.34	\$ 58,464,749.11	\$ 249.20	\$ 176,646.58	\$ 88,613.90	\$ 96,552.41	\$ 739,272.58
Ref.	A								A

Analysis of 2008 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 58,647,920.22
Business Personal Property Taxes	120,961.90
Added, Omitted and Rollback Taxes	281,249.21
	<u>\$ 59,050,131.33</u>

Tax Levy:

Regional High School Taxes	\$ 14,999,752.39
Local School District Taxes	24,253,807.00
County Taxes	\$ 6,695,107.62
County Open Space Taxes	1,509,155.35
County Added & Omitted Taxes	<u>39,409.39</u>
	8,243,672.36
Local Taxes for Open Space - Due Other Trust Funds	<u>685,195.69</u>
	48,182,427.44
Local Tax for Municipal Purposes	10,618,380.00
Add: Additional Tax Levied	<u>249,323.89</u>
	<u>10,867,703.89</u>
	<u>\$ 59,050,131.33</u>

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2007	A	\$ 323,527.28
Increased by:		
Transfer from Taxes Receivable		\$ 96,552.41
Interest and Costs on Tax Sale		4,644.48
		101,196.89
		424,724.17
Decreased by:		
Redeemed		3,052.52
Cancelled		930.84
		3,983.36
Balance December 31, 2008	A	\$ 420,740.81

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued In	Collected by		Cancelled	Balance
	Dec. 31, 2007	2008	Collector	Treasurer		Dec. 31, 2008
Clerk:						
Licenses:						
Alcoholic Beverage		\$ 29,203.90		\$ 29,203.90		
Other	\$ 2,870.00	10,640.00		10,385.00		\$ 3,125.00
Fees and Permits	138.55	35,091.23		35,185.78		44.00
Police Department:						
Fees and Permits	619.71	8,318.81		8,782.60		155.92
Fire Official:						
Fees and Permits	2,441.55	33,400.58		26,901.13		8,941.00
Tax Search Officer:						
Fees and Permits		264.00	\$ 264.00			
Municipal Court:						
Fines and Costs	21,976.23	364,809.96		386,786.19		
Interest and Costs on Taxes		151,404.74	151,404.74			
Parking Meters	1,052.84	15,481.31		14,940.76		1,593.39
Interest on Investments and Deposits		168,328.94		168,328.94		
Off-Street Parking Permits	14,049.00	80,463.50		78,891.50		15,621.00
Senior Citizens' Committee		2,624.60		2,624.60		
Health Officer:						
Licenses	75.00	54,681.79		51,624.79		3,132.00
Fees and Permits	6,510.00	63,424.40		57,002.66		12,931.74
Uniform Construction Code Official	23,234.00	302,594.62		325,828.62		
Reserve to Pay Debt Service		100,000.00		100,000.00		
Utility Operating Surplus of Prior Year - Sewer		100,000.00		100,000.00		
Energy Receipts Taxes		2,162,911.00		2,162,911.00		
Homeland Security	70,000.00			70,000.00		
Consolidated Municipal Property Tax Relief Aid		164,561.00		164,561.00		

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued In	Collected by		Cancelled	Balance
	Dec. 31, 2007	2008	Collector	Treasurer		Dec. 31, 2008
Boonton Township Health Service		\$ 19,960.34		\$ 19,960.34		
Morris Hills High School SRO Services		45,000.00		45,000.00		
NACCHO Health Grant		16,666.65		16,666.65		
Click It or Ticket Grant		4,000.00		3,800.00	\$ 200.00	
Obey the Signs Grant		4,000.00		4,000.00		
Over the Limit Grant	\$ 5,000.00			4,350.00	650.00	
Community Development ADA Lift	20,000.00			20,000.00		
Municipal Alliance - 2007	13,337.00			9,201.85	4,135.15	
Municipal Alliance - 2008		8,192.60				\$ 8,192.60
Pandemic Influenza Preparedness Grant		6,981.00		6,981.00		
Clean Communities		21,490.00		21,490.00		
Body Armor Replacement Fund		3,655.00		3,655.00		
	<u>\$ 181,303.88</u>	<u>\$ 3,978,149.97</u>	<u>\$ 151,668.74</u>	<u>\$ 3,949,063.31</u>	<u>\$ 4,985.15</u>	<u>\$ 53,736.65</u>

Ref.

A

A

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF TRASH COLLECTION FEES RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2007	A	\$ 104,581.26
Increased by:		
Billings		<u>1,399,065.81</u>
		1,503,647.07
Decreased by:		
Collections		<u>1,384,090.97</u>
Balance December 31, 2008	A	<u><u>\$ 119,556.10</u></u>

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

	Balance Dec. 31, 2007	Balance After Modification	Paid or Charged	Balance Lapsed
Department of Administration:				
Salaries and Wages	\$ 970.15	\$ 40,970.15	\$ 40,970.15	
Other Expenses	20,805.39	20,805.39	7,609.84	\$ 13,195.55
Office of the Mayor:				
Other Expenses	11,504.65	11,504.65	2,798.47	8,706.18
Division of Human Resources:				
Salaries and Wages	744.69	744.69	744.69	
Other Expenses	10,067.92	10,067.92	2,189.60	7,878.32
Clerk's Office:				
Other Expenses	8,457.33	8,457.33	1,663.53	6,793.80
Financial Administration:				
Salaries and Wages	413.11	413.11	413.11	
Other Expenses	14,109.40	14,109.40	14,098.40	11.00
Audit Services:				
Other Expenses	19,382.00	19,382.00	19,382.00	
Assessment of Taxes:				
Other Expenses	11,317.20	11,317.20	7,700.20	3,617.00
Collection of Taxes:				
Salaries and Wages	2,784.87	2,784.87	2,784.87	
Legal Services and Costs:				
Miscellaneous Other Expenses	65,067.54	25,067.54	5,928.98	19,138.56
Engineering Services and Costs:				
Salaries and Wages	936.15	936.15	936.15	
Other Expenses	10,186.67	10,186.67	5,209.40	4,977.27
Municipal Land Use Law (N.J.S.A. 40:55D-1):				
Planning Board:				
Salaries and Wages	56.94	56.94	56.94	
Other Expenses	17,055.35	20,555.35	20,047.39	507.96
Zoning Board of Adjustment:				
Other Expenses	18,345.92	18,345.92	3,418.04	14,927.88
Senior Citizens' Commission:				
Salaries and Wages	41.10	41.10	41.10	
Other Expenses	3,657.66	3,657.66	3,289.61	368.05
Shade Trees:				
Other Expenses	4,985.00	4,985.00	4,975.00	10.00

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

	Balance Dec. 31, 2007	Balance After Modification	Paid or Charged	Balance Lapsed
Beautification Committee:				
Other Expenses	\$ 5,821.64	\$ 5,821.64	\$ 1,881.85	\$ 3,939.79
Insurance:				
General Liability	4,109.13	4,109.13	1,325.00	2,784.13
Workmen's Compensation	1,403.71	1,403.71		1,403.71
Group Insurance Plan - Employees	37,311.61	37,311.61		37,311.61
Fire Chief:				
Other Expenses	32,278.28	32,278.28	26,030.79	6,247.49
Fire Prevention Bureau:				
Salaries and Wages	1,251.73	1,251.73	1,251.73	
Other Expenses	483.53	483.53	3.71	479.82
Police:				
Salaries and Wages	14,659.40	14,659.40	14,659.40	
Other Expenses	94,171.39	94,171.39	68,615.67	25,555.72
Police Dispatch/911:				
Salaries and Wages	1,000.35	8,000.35	8,000.35	
Other Expenses	10,129.88	10,129.88	4,225.39	5,904.49
First Aid Squad:				
Other Expenses	8,325.13	8,325.13	2,990.46	5,334.67
Municipal Court:				
Salaries and Wages	19.81	19.81	19.81	
Other Expenses	3,832.49	3,832.49	2,241.62	1,590.87
Public Defender:				
Other Expenses	1,800.00	1,800.00	1,400.00	400.00
Municipal Prosecutor's Office:				
Salaries and Wages	0.02	0.02	0.02	
Other Expenses	1,000.00	1,000.00		1,000.00
Office of Emergency Management:				
Other Expenses	3,564.63	3,564.63	2,055.00	1,509.63
Streets and Roads Maintenance:				
Salaries and Wages	3,151.28	3,151.28	3,151.28	
Other Expenses	16,607.77	30,607.77	29,333.74	1,274.03
Snow Removal:				
Salaries and Wages	25,617.12	25,617.12	25,617.12	
Other Expenses	73,693.09	73,693.09	73,680.52	12.57
Building and Grounds:				
Salaries and Wages	599.98	599.98	599.98	
Other Expenses	97,145.33	97,145.33	88,800.66	8,344.67

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

	Balance Dec. 31, 2007	Balance After Modification	Paid or Charged	Balance Lapsed
Maintenance of Off-Street				
Parking Meters:				
Other Expenses	\$ 3,662.52	\$ 3,662.52	\$ 2,676.82	\$ 985.70
Solid Waste Collections:				
Salaries and Wages	898.58	898.58	898.58	
Other Expenses	86,852.20	61,336.43	59,834.84	1,501.59
Division of Health:				
Salaries and Wages	1,221.23	1,221.23	1,221.23	
Other Expenses	7,929.16	7,929.16	2,510.45	5,418.71
Mosquito Commission/Insect Control:				
Other Expenses	1,450.00	1,450.00	210.00	1,240.00
Administration of Public Assistance:				
Other Expenses	2,127.42	2,127.42	811.28	1,316.14
Animal Control Services:				
Other Expenses	5,360.67	5,360.67	1,500.65	3,860.02
Recreation:				
Salaries and Wages	38.45	38.45	38.45	
Other Expenses	12,888.98	12,888.98	7,074.00	5,814.98
Maintenance of Parks:				
Salaries and Wages	596.94	596.94	596.94	
Other Expenses	19,315.72	19,315.72	10,990.27	8,325.45
Celebration of Public Events:				
Other Expenses	1,877.64	1,877.64		1,877.64
Construction:				
Salaries and Wages	551.68	551.68	551.68	
Other Expenses	15,964.85	15,964.85	4,626.36	11,338.49
Community Television:				
Other Expenses	11,000.00	11,000.00	5,200.00	5,800.00
Accumulated Leave Compensation:				
Salaries and Wages	97.17	97.17	97.17	
Municipal Alliance Committee:				
Other Expenses	1,756.24	1,756.24	1,756.24	
Utilities:				
Electricity	23,073.58	23,073.58	20,181.09	2,892.49
Street Lighting	12,337.46	13,353.23	13,353.23	
Telephone	13,776.52	13,776.52	9,194.40	4,582.12
Water	930.77	930.77		930.77

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Utilities:				
Natural Gas	\$ 23,481.10	\$ 23,481.10		\$ 23,481.10
Sewerage Processing	3,200.00	3,200.00		3,200.00
Solid Waste Disposal Costs	81,291.94	81,291.94	\$ 53,373.82	27,918.12
Contingent	1,000.00	1,000.00		1,000.00
Contribution to:				
Social Security System (O.A.S.I.)	9,104.35	9,104.35		9,104.35
Public Employees' Retirement System	34,306.20	34,306.20		34,306.20
Interlocal Agreement Boonton Township				
Other Expenses	1,833.03	1,833.03	946.00	887.03
Over the Limit Grant	4,750.00	4,750.00	4,100.00	650.00
Clean Communities Grant	4,960.78	4,960.78	4,960.78	
Drunk Driving Enforcement Fund	4,516.65	4,516.65	142.00	4,374.65
Municipal Alliance Grant Match	509.16	509.16		509.16
Community Development ADA Grant	20,000.00	20,000.00	19,680.00	320.00
Stormwater Management Match	10,950.00	10,950.00	2,878.28	8,071.72
Pandemic Influenza Grant				
Body Armor Replacement Grant	846.44	846.44	846.44	
Federal Body Armor Grant	2,422.30	2,422.30	2,150.00	272.30
Capital Improvements:				
Purchase of Police Equipment	850.00	850.00		850.00
Cook's Pond Dam Evaluation	10,000.00	10,000.00	10,000.00	
Acquisition of Fire Gear	2,696.13	2,696.13	2,600.00	96.13
	<u>\$ 1,099,292.20</u>	<u>\$ 1,099,292.20</u>	<u>\$ 745,142.57</u>	<u>\$ 354,149.63</u>

Ref.

Analysis of Balance December 31, 2007

Appropriation Reserves:

Unencumbered	A \$ 610,428.31
Encumbered	A <u>488,863.89</u>
	<u>\$ 1,099,292.20</u>

Analysis of Paid or Charged:

Cash Disbursed	\$ 694,364.51
Due Other Trust Fund - Reserve for Accumulated Sick & Vacation	<u>50,778.06</u>
	<u>\$ 745,142.57</u>

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2007	A	\$ 123,587.00
Increased by:		
Levy - Calendar Year 2008		24,253,807.00
		<u>24,377,394.00</u>
Decreased by:		
Payments to Board of Education		24,145,861.83
		<u>24,145,861.83</u>
Balance December 31, 2008	A	<u>\$ 231,532.17</u>

TOWNSHIP OF DENVILLE
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES
YEAR ENDED DECEMBER 31, 2008

Increased by:		
Levy - Calendar Year 2008		\$ 14,999,752.39
		<u>14,999,752.39</u>
Decreased by:		
Payments to School District		14,999,752.39
		<u>14,999,752.39</u>

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
TRUST FUNDS

TOWNSHIP OF DENVILLE
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>		<u>Other Trust Funds</u>
Balance December 31, 2007	B	\$ 37,127.42		\$ 3,270,311.86
Increased by Receipts:				
Animal Control Collector		\$ 57,534.80		
Reserve for Dog Pound Donations		563.00		
Reserve for Ludeking Estate Donation		10,730.05		
Other Deposits		22,249.13		
Due Current Fund:				
Interest Earned		1,266.88		\$ 17,271.96
Interfund Advanced				213,262.81
Open Space Trust Fund:				
Interest Earned				9,773.08
Open Space Levy				508,618.73
Developers Deposits - Escrow				49,629.91
Developers Deposits - Affordable Housing				136,761.81
Miscellaneous Deposits				16,528.50
Planning and Zoning Deposits				61,834.93
Tsunami Recovery Fund				176.97
Junior Police Academy				211.40
Reserve for Parking Offense Adjudication Act				772.00
Reserve for Unemployment Compensation Insurance				9,000.00
Reserve for Recreation General Activities				178,351.81
Reserve for Police Outside Services				178,369.05
Reserve for Accrued Sick and Vacation				200,770.87
		<u>92,343.86</u>		<u>1,581,333.83</u>
		129,471.28		4,851,645.69

TOWNSHIP OF DENVILLE
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:		
Animal Control Expenditures	\$ 56,331.02	
Due Current Fund	1,266.88	\$ 23,973.18
Due General Capital Fund - Open Space		23,108.00
Open Space Trust Fund Expenditures		378,252.88
Developers Deposits - Escrow		90,917.30
Developers Deposits - Affordable Housing		34,028.70
Miscellaneous Disbursements		15,824.52
Planning and Zoning Deposits		63,530.07
Tsunami Recovery Fund		5,022.32
Reserve for Accrued Sick and Vacation		458,618.12
Unemployment Insurance Payments		35,718.35
Reserve for Snow Removal		87,521.94
Reserve for Police Outside Services		184,363.30
Reserve for Recreation General Activities		178,403.69
Reserve for Recreation Cook's Pond Activities		9,561.79
	<u>\$ 57,597.90</u>	<u>\$ 1,588,844.16</u>
Balance December 31, 2008	B <u>\$ 71,873.38</u>	<u>\$ 3,262,801.53</u>

TOWNSHIP OF DENVILLE
ANIMAL CONTROL FUND
SCHEDULE OF CASH - ANIMAL CONTROL COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2007	B	\$ -0-
Increased by Receipts:		
Dog License Fees - Municipal		\$ 29,007.60
Dog License Fees - State		3,710.40
Donations - Dog Park		7,260.00
Recovery, Late and Other Fees		9,407.20
Cat License Fees		<u>11,860.00</u>
		<u>61,245.20</u>
		61,245.20
Decreased by Disbursements:		
Disbursed to Treasurer:		
Animal Control Fund		57,534.80
Disbursed to State Board of Health		<u>3,325.20</u>
		<u>60,860.00</u>
Balance December 31, 2008	B	<u>\$ 385.20</u>

TOWNSHIP OF DENVILLE
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2007	B	\$ 37,127.42
Increased by:		
Dog License Fees Collected		\$ 29,007.60
Recovery, Late and Other Fees		31,656.33
Donations		10,730.05
Dog Park		7,260.00
Pound Fees		563.00
Cat License Fees Collected		<u>11,860.00</u>
		<u>91,076.98</u>
		128,204.40
Decreased by:		
Expenditures Under R.S. 4:19-15.11		56,331.02
Statutory Excess Due to Current Fund		<u>32,845.38</u>
		<u>89,176.40</u>
Balance December 31, 2008	B	<u><u>\$ 39,028.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2006	\$ 19,863.40
2007	<u>19,164.60</u>
Maximum Allowable Reserve	<u><u>\$ 39,028.00</u></u>

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
GENERAL CAPITAL FUND

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2007	C	\$ 2,559,827.12
Increased by:		
Budget Appropriation:		
Capital Improvement Fund	\$ 50,000.00	
Deferred Charges Unfunded	250,000.00	
Bond Anticipation Notes	2,991,540.00	
Due Current Fund:		
Interest on Investments	24,859.19	
Due Other Trust Fund - Open Space Trust	23,108.00	
State of New Jersey Department of Transportation	130,000.00	
Morris County Open Space	240,000.00	
New Jersey Department of Green Acres	575,000.00	
Due from Denville Township Library	80,000.00	
	<hr/>	4,364,507.19
		<hr/> 6,924,334.31
Decreased by:		
Improvement Authorizations	2,992,072.89	
Bond Anticipation Notes	3,241,540.00	
Due Current Fund:		
Reserve to Pay Debt Service Anticipated as Revenue	100,000.00	
Return of Interfund	24,818.93	
	<hr/>	6,358,431.82
		<hr/> <hr/> 6,358,431.82
Balance December 31, 2008	C	<u>\$ 565,902.49</u>

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2007	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2008
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Fund Balance	\$ 44,285.70						\$ 73,380.46	\$ 117,666.16	
Capital Improvement Fund	102,697.31		\$ 50,000.00			\$ 44,350.00	4,563.77	112,911.08	
State of New Jersey Grants Receivable:									
Department of Transportation			130,000.00			130,000.00			
Green Acres			575,000.00			575,000.00			
Morris County Community Development Grant	(30,983.74)						30,983.74		
Morris County Open Space Grant			240,000.00			240,000.00			
Due from Denville Township Library			80,000.00			80,000.00			
Due Current Fund			24,859.19		\$ 24,818.93			40.26	
Due Other Trust Funds			23,108.00			25,000.00	1,892.00		
Reserve for:									
Pay Debt Service	564,250.00				100,000.00			464,250.00	
Police Pistol Range	1,000.00							1,000.00	
Flood Control	15,000.00							15,000.00	
Preliminary Costs - Savage Rd. Drainage	20,865.00							20,865.00	
Preliminary Costs - Pedestrian Cross Walk	10,000.00							10,000.00	
Donations - South Shore Park	1,101.00							1,101.00	

Ord. No.	Improvement Description							
10-91	Various Capital Improvements	65,800.10		\$ 325.00		65,475.10		
04-00	Various Capital Improvements	(188,325.22)						(188,325.22)
09-01	Various Capital Improvements	31,183.50		9,000.00		22,183.50		
07-02	Various Capital Improvements	8,546.86				8,546.86		
04-03	Various Capital Improvements	31,857.09						31,857.09
19-03	Acquisition of Fire Truck	(231,621.20)		436.00				(232,057.20)
10-04	Various Improvements	94,706.62		6,951.87				87,754.75
14-04	Pocono Fields	5,575.72				5,575.72		
16-05	Various Capital Improvements	311,133.78		159,458.94				151,674.84
27-05	Dog Park	4,563.77				4,563.77		

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. No.	Improvement Description	Balance (Deficit) Dec. 31, 2007	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2008
			Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
32-05	Various Equipment	\$ 427,884.91	\$ 740,000.00	\$ 150,000.00	\$ 379,346.80	\$ 890,000.00			\$ 48,538.11	
33-05	Acquisition of Property	2,583.02					\$ 2,583.02			
9-06	Acquisition of Property	1,892.00					1,892.00			
14-06	Various Capital Improvements	371,605.37	1,097,250.00		307,727.11	1,097,250.00			63,878.26	
09-07	Sullivan Pond	100,000.00							100,000.00	
10-07	Various Capital Improvements	794,225.53	1,154,290.00	100,000.00	485,290.94	1,254,290.00			308,934.59	
37-07	Acquisition of Property				40,000.00			\$ 40,000.00		
41-07	Acquisition of Property				800,000.00			800,000.00		
08-08	Various Capital Improvements				803,536.23			174,350.00	(629,186.23)	
13-08	Library Improvements							80,000.00	80,000.00	
		<u>\$ 2,559,827.12</u>	<u>\$ 2,991,540.00</u>	<u>\$ 1,372,967.19</u>	<u>\$ 2,992,072.89</u>	<u>\$ 3,241,540.00</u>	<u>\$ 124,818.93</u>	<u>\$ 1,205,169.97</u>	<u>\$ 1,205,169.97</u>	<u>\$ 565,902.49</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Funded by Budget Appropriation	Cancelled	Balance Dec. 31, 2008	Analysis of Balance December 31, 2008		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
04-00	Various Capital Improvements	\$ 188,325.22				\$ 188,325.22		\$ 188,325.22	
19-03	Acquisition of Fire Truck	232,134.81			\$ 77.61	232,057.20		232,057.20	
32-05	Various Equipment	890,000.00		\$ 150,000.00		740,000.00	\$ 740,000.00		
14-06	Various Capital Improvements	1,097,250.00				1,097,250.00	1,097,250.00		
10-07	Various Capital Improvements	1,254,290.00		100,000.00		1,154,290.00	1,154,290.00		
08-08	Various Capital Improvements		\$ 842,650.00			842,650.00		629,186.23	\$ 213,463.77
13-08	Library Improvements		1,520,000.00			1,520,000.00			1,520,000.00
		<u>\$ 3,662,000.03</u>	<u>\$ 2,362,650.00</u>	<u>\$ 250,000.00</u>	<u>\$ 77.61</u>	<u>\$ 5,774,572.42</u>	<u>\$ 2,991,540.00</u>	<u>\$ 1,049,568.65</u>	<u>\$ 1,733,463.77</u>
	Ref. C					C			

Improvement Authorizations - Unfunded

\$ 2,154,814.73

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance #32-05 Various Equipment

48,538.11

Ordinance #14-06 Various Capital Improvements

63,878.26

Ordinance #10-07 Various Capital Improvements

308,934.59

\$ 1,733,463.77

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2007		2008 Authorizations		Paid or Charged	Cancelled	Balance December 31, 2008	
		Date	Amount	Funded	Unfunded	Other Sources	Deferred Charges to Future Taxation Unfunded			Funded	Unfunded
10-91	Various Capital	06/18/91									
08-92	Improvements	04/07/92	\$ 2,014,500.00	\$ 65,800.10				\$ 325.00	\$ 65,475.10		
09-01	Various Capital Improvcments	04/17/01	834,000.00	31,183.50				9,000.00	22,183.50		
07-02	Various Capital Improvcments	04/16/02	611,500.00	8,546.86					8,546.86		
04-03	Various Capital Improvements	4/15/2003	764,700.00	31,857.09						\$ 31,857.09	
19-03	Acquisition of Fire Truck	11/15/2003	504,000.00		\$ 513.61			436.00	77.61		
10-04	Various Improvements	4/20/2004	2,303,200.00	94,706.62				6,951.87		87,754.75	
14-04	Pocono Fields	6/22/2004	40,000.00	5,575.72					5,575.72		
16-05	Various Capital Improvements (MCIA)	5/3/2005	6,914,015.00	311,133.78				159,458.94		151,674.84	
27-05	Dog Park	10/18/2005	32,000.00	4,563.77					4,563.77		
32-05	Various Equipment	11/22/2005	1,292,500.00		427,884.91			379,346.80			\$ 48,538.11
33-05	Acquisition of Property	11/22/2005	480,000.00	2,583.02					2,583.02		
09-06	Acquisition of Property	5/16/2006	655,000.00	1,892.00					1,892.00		
14-06	Various Capital Improvements	5/16/2006	1,201,000.00		371,605.37			307,727.11			63,878.26
09-07	Sullivan Pond	4/17/2007	100,000.00	100,000.00						100,000.00	
10-07	Various Capital Improvements	4/17/2007	1,390,305.00		794,225.53			485,290.94			308,934.59
37-07	Acquisition of Property	12/18/2007	40,000.00			\$ 40,000.00		40,000.00			
41-07	Acquisition of Property	12/18/2007	800,000.00			800,000.00		800,000.00			
08-08	Various Capital Improvements	5/20/2008	1,017,000.00			174,350.00	\$ 842,650.00	803,536.23			213,463.77
13-08	Library Improvements	8/13/2008	1,600,000.00			80,000.00	1,520,000.00			80,000.00	1,520,000.00
				<u>\$ 657,842.46</u>	<u>\$ 1,594,229.42</u>	<u>\$ 1,094,350.00</u>	<u>\$ 2,362,650.00</u>	<u>\$ 2,992,072.89</u>	<u>\$ 110,897.58</u>	<u>\$ 451,286.68</u>	<u>\$ 2,154,814.73</u>
				Ref. C	C					C	C
Capital Improvement Fund						\$ 44,350.00					
Department of Transportation Grant						130,000.00					
Due from Denville Library						80,000.00					
Morris County Open Space						240,000.00					
Green Acres Grant						575,000.00					
Open Space Trust						25,000.00					
						<u>\$ 1,094,350.00</u>					
								Grants Receivable	\$ 30,983.74		
								Capital Fund Balance	73,380.46		
								Capital Improvement Fund	4,563.77		
								Deferred Charges Unfunded	77.61		
								Due to Open Space Trust	1,892.00		
								<u>\$ 110,897.58</u>			

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2007	C	\$ 102,697.31
Increased by:		
2008 Budget Appropriation - Current Fund		\$ 50,000.00
Cancellation of Fully Funded Ordinances		<u>4,563.77</u>
		<u>54,563.77</u>
		157,261.08
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>44,350.00</u>
Balance December 31, 2008	C	<u><u>\$ 112,911.08</u></u>

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Authorization	Issue of Original Note	Date of		Interest Rate	Balance Dec. 31, 2007	Issued	Matured	Balance Dec. 31, 2008
			Issue	Maturity					
32-05	Various Equipment	10/25/06	10/24/07	10/23/08	3.45%	\$ 890,000.00		\$ 890,000.00	
			10/24/08	10/23/09	3.09%		\$ 740,000.00		\$ 740,000.00
14-06	Various Capital Improvements	10/25/06	10/24/07	10/23/08	3.45%	1,097,250.00		1,097,250.00	
			10/24/08	10/23/09	3.09%		1,097,250.00		1,097,250.00
10-07	Various Capital Improvements	10/24/07	10/24/07	10/23/08	3.45%	1,254,290.00		1,254,290.00	
			10/24/08	10/23/09	3.09%		1,154,290.00		1,154,290.00
						<u>\$ 3,241,540.00</u>	<u>\$ 2,991,540.00</u>	<u>\$ 3,241,540.00</u>	<u>\$ 2,991,540.00</u>
						Ref. C			C
							\$ 2,991,540.00	\$ 2,991,540.00	
								250,000.00	
							<u>\$ 2,991,540.00</u>	<u>\$ 3,241,540.00</u>	

Renewed
Paid by Budget Appropriation

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2007	Matured	Balance Dec. 31, 2008
			Outstanding Dec. 31, 2008 Date	Amount				
General Improvements	06/01/98	\$ 7,415,000.00	06/01/2009	\$ 530,000.00	4.50%			
			06/01/2010	515,000.00	4.50%			
			06/01/2011	515,000.00	4.60%			
			06/01/2012	505,000.00	4.60%			
					\$ 2,605,000.00	\$ 540,000.00	\$ 2,065,000.00	
					\$ 2,605,000.00	\$ 540,000.00	\$ 2,065,000.00	
					<u>Ref.</u>	C	C	

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
SCHEDULE OF MORRIS COUNTY IMPROVEMENT AUTHORITY LEASES PAYABLE

Improvement Description	Balance Dec. 31, 2007	Matured	Balance Dec. 31, 2008
Municipal Building Renovations and Other Capital Improvements	\$ 11,644,494.40	\$ 265,452.00	\$ 11,379,042.40
<u>Ref.</u>	C		C

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2008

Due Date	Interest Rate	Lease Interest	Lease Principal	Balance of Loan
				\$ 11,379,042.40
02/01/09	5.00%	\$ 236,609.53		11,379,042.40
09/01/09	5.00%	236,609.53	\$ 309,694.00	11,069,348.40
02/01/10	5.00%	228,867.18		11,069,348.40
09/01/10	5.00%	228,867.18	358,360.20	10,710,988.20
02/01/11	3.00%	219,908.18		10,710,988.20
09/01/11	3.00%	219,908.18	398,178.00	10,312,810.20
02/01/12	3.25%	213,935.51		10,312,810.20
09/01/12	3.25%	213,935.51	437,995.80	9,874,814.40
02/01/13	3.30%	206,818.08		9,874,814.40
09/01/13	3.30%	206,818.08	734,417.20	9,140,397.20
02/01/14	3.40%	194,700.19		9,140,397.20
09/01/14	3.40%	194,700.19	760,962.40	8,379,434.80
02/01/15	5.00%	181,839.04		8,379,434.80
09/01/15	5.00%	181,839.04	783,083.40	7,596,351.40
02/01/16	3.70%	162,261.96		7,596,351.40
09/01/16	3.70%	162,261.96	822,901.20	6,773,450.20
02/01/17	3.75%	147,038.29		6,773,450.20
09/01/17	3.75%	147,038.29	853,870.60	5,919,579.60
02/01/18	4.25%	131,028.21		5,919,579.60
09/01/18	4.25%	131,028.21	884,840.00	5,034,739.60

TOWNSHIP OF DENVILLE
GENERAL CAPITAL FUND
SCHEDULE OF MORRIS COUNTY IMPROVEMENT AUTHORITY LEASES PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2008

<u>Due Date</u>	<u>Interest Rate</u>	<u>Lease Interest</u>	<u>Lease Principal</u>	<u>Balance of Loan</u>
02/01/19	4.25%	\$ 112,225.36		\$ 5,034,739.60
09/01/19	4.25%	112,225.36	\$ 924,657.80	4,110,081.80
02/01/20	4.50%	92,576.39		4,110,081.80
09/01/20	4.50%	92,576.39	960,051.40	3,150,030.40
02/01/21	4.50%	70,975.23		3,150,030.40
09/01/21	4.50%	70,975.23	1,004,293.40	2,145,737.00
02/01/22	4.50%	48,378.63		2,145,737.00
09/01/22	4.50%	48,378.63	1,048,535.40	1,097,201.60
02/01/23	4.50%	24,687.04		1,097,201.60
09/01/23	4.50%	24,687.04	1,097,201.60	-0-
		<u>\$ 4,543,697.64</u>	<u>\$ 11,379,042.40</u>	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2007	2008 Improvement Authorizations	Cancelled	Funded by Budget Appropriation	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Balance Dec. 31, 2008
04-00	Various Capital Improvements	\$ 188,325.22						\$ 188,325.22
19-03	Acquisition of Fire Truck	232,134.81		\$ 77.61				232,057.20
32-05	Various Equipment				\$ 150,000.00	\$ 740,000.00	\$ 890,000.00	
14-06	Various Capital Improvements					1,097,250.00	1,097,250.00	
10-07	Various Capital Improvements				100,000.00	1,154,290.00	1,254,290.00	
08-08	Various Capital Improvements		\$ 842,650.00					842,650.00
13-08	Library Improvements		1,520,000.00					1,520,000.00
		<u>\$ 420,460.03</u>	<u>\$ 2,362,650.00</u>	<u>\$ 77.61</u>	<u>\$ 250,000.00</u>	<u>\$ 2,991,540.00</u>	<u>\$ 3,241,540.00</u>	<u>\$ 2,783,032.42</u>

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
WATER UTILITY FUND

TOWNSHIP OF DENVILLE
WATER UTILITY FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2007	D	\$ 2,240,151.45	\$ 527,998.64
Increased by Receipts:			
Water Utility Collector		\$ 2,330,645.28	
Interest on Investments		39,727.12	
Appropriation Refunds		2,120.07	
Miscellaneous Revenue Not Anticipated		4,990.12	
Due Water Utility Capital Fund		9,439.91	
Due Water Utility Operating Fund:			
2008 Budget Appropriations			\$ 275,000.00
Capital Improvement Fund - Deferred Charge to Future Revenue			100,000.00
Interest on Investments			9,535.49
		<u>2,386,922.50</u>	<u>384,535.49</u>
		4,627,073.95	912,534.13
Decreased by Disbursements:			
2008 Budget Appropriations		2,226,093.54	
2007 Appropriation Reserves		286,765.63	
Accounts Payable		16,372.00	
Improvement Authorizations Expenditures			50,845.00
Accrued Interest on Lease Payment		31,657.92	
Due Water Utility Operating Fund			9,439.91
		<u>2,560,889.09</u>	<u>60,284.91</u>
Balance December 31, 2008	D	<u>\$ 2,066,184.86</u>	<u>\$ 852,249.22</u>

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER CAPITAL CASH

	Balance/ (Deficit) Dec. 31, 2007	Receipts		Disbursements		Transfers		Balance/ (Deficit) Dec. 31, 2008	
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Capital Fund Balance	\$141,494.95							\$141,494.95	
Capital Improvement Fund	200,456.32	\$ 275,000.00				\$ 75,000.00		400,456.32	
Due Water Utility Operating Fund			\$ 9,535.49		\$ 9,439.91			95.58	
Reserve for Engineering Fees	5,450.00							5,450.00	
<u>Ord.</u>									
<u>No.</u>	<u>Improvement Description</u>								
15-04	Meadow St. Water Main							61,117.85	
15-06	Various Water Main Projects	79,579.52	100,000.00					179,579.52	
18-07	Purchase of Generator	39,900.00		\$ 39,900.00					
11-08	Various Capital Improvements			10,945.00			\$ 75,000.00	64,055.00	
		<u>\$527,998.64</u>	<u>\$ 375,000.00</u>	<u>\$ 9,535.49</u>	<u>\$ 50,845.00</u>	<u>\$ 9,439.91</u>	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$852,249.22</u>

TOWNSHIP OF DENVILLE
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>2008</u> <u>Charges</u>	<u>Collections</u>	<u>Overpayments</u> <u>Applied</u>	<u>Transferred To</u> <u>Water Liens</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Water Rents	\$ 119,803.90	\$ 2,265,748.10	\$ 2,281,560.69	\$ 3,300.56	\$ 100.00	\$ 100,590.75
Miscellaneous		40,203.40	40,203.40			
	<u>\$ 119,803.90</u>	<u>\$ 2,305,951.50</u>	<u>\$ 2,321,764.09</u>	<u>\$ 3,300.56</u>	<u>\$ 100.00</u>	<u>\$ 100,590.75</u>

Ref.

D

D

Miscellaneous:

Sprinkler Systems, Fire Hydrant Service and Other Water Fees
Water Tap Charges
Interest on Delinquent Rents

\$ 26,300.42
6,668.00
7,234.98
\$ 40,203.40

TOWNSHIP OF DENVILLE
WATER UTILITY OPERATING FUND
SCHEDULE OF SEWER LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2007	D	\$	1,687.14
Increased by:			
Transfer from Consumer Accounts Receivable			<u>100.00</u>
Balance December 31, 2008	D	\$	<u><u>1,787.14</u></u>

TOWNSHIP OF DENVILLE
WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2007	D	\$ 43,697.53
Decreased by:		
Adjustment to Physical Inventory		
Listing of December 31, 2008		<u>545.10</u>
Balance December 31, 2008	D	<u>\$ 43,152.43</u>

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2007	Additions By Budget Capital Outlay	Transferred from Fixed Capital Authorized and Uncompleted	Balance Dec. 31, 2008
Services	\$ 36,048.95			\$ 36,048.95
Tool Shop and Garage Equipment	10,680.63			10,680.63
Transmission and Distribution Mains	2,028,099.66			2,028,099.66
Tank and Well Site Land	6,047.61			6,047.61
Tanks and Standpipes	138,531.06			138,531.06
Service Pipes and Stops	92,562.49			92,562.49
Valves and Valve Boxes	14,174.65			14,174.65
Meters and Meter Boxes	574,159.10	\$ 19,946.42		594,105.52
New Construction	157,830.79			157,830.79
Wells	799,951.37			799,951.37
Pumping System Land	9,593.08			9,593.08
Storage Reservoir	611,702.42			611,702.42
Pumping Stations	151,771.29			151,771.29
Intake and Supply Mains	210.00			210.00
Water Diversion Rights	400.00			400.00
Distribution System Land	1,991.00			1,991.00
Storage Buildings	5,305.31			5,305.31
Improvements to Public Works Garage	28,962.00			28,962.00
Hydrants	54,858.88			54,858.88
Organization Expense	7,636.04			7,636.04
Engineering Expense	121,417.97			121,417.97
Interest on Bonds and Notes	31,917.18			31,917.18
Legal Expense	768.06			768.06

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Additions By</u> <u>Budget</u> <u>Capital Outlay</u>	<u>Transferred from</u> <u>Fixed Capital</u> <u>Authorized and</u> <u>Uncompleted</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Transportation Equipment	\$ 207,727.04			\$ 207,727.04
General Equipment and Improvements	1,837,619.06			1,837,619.06
Office Furniture and Equipment	31,060.51			31,060.51
Power Operated Equipment	48,722.21			48,722.21
Water Pipe Lines	261,493.97			261,493.97
Water Treatment Equipment	24,932.27			24,932.27
Miscellaneous Equipment & Supplies	106,626.88			106,626.88
Municipal Building Design and Improvements	794,732.00			794,732.00
Vehicles	86,200.98			86,200.98
Water Study	5,523.32			5,523.32
Water Facility Maintenance		\$ 96,204.00		96,204.00
Generator			\$ 39,900.00	39,900.00
Acquisition of Truck Wash Recycling Unit	19,750.00			19,750.00
	<u>\$ 8,309,007.78</u>	<u>\$ 116,150.42</u>	<u>\$ 39,900.00</u>	<u>\$ 8,465,058.20</u>
	D			D
	2007 Appropriation Reserves	\$ 96,204.00		
	2008 Appropriations	<u>19,946.42</u>		
		<u>\$ 116,150.42</u>		

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Transfer to Fixed Capital	Balance Dec. 31, 2008
15-04	Meadow St. Water Main	\$ 220,000.00			\$ 220,000.00
15-06	Various Water Main Projects	600,000.00			600,000.00
18-07	Purchase of Generator	39,900.00		\$ 39,900.00	
11-08	Various Capital Improvements		\$ 517,000.00		517,000.00
		<u>\$ 859,900.00</u>	<u>\$ 517,000.00</u>	<u>\$ 39,900.00</u>	<u>\$ 1,337,000.00</u>
		D			D

TOWNSHIP OF DENVILLE
WATER UTILITY OPERATING FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 19,981.66	\$ 100,568.21	\$ 100,568.21	
Other Expenses	58,126.61	58,126.61	57,099.98	\$ 1,026.63
Group Insurance Plan for Employees	5,307.76			
Morris County Municipal Utility Authority - Purchase of Water	100,363.81	32,893.44	32,893.44	
Capital Improvements:				
Capital Outlay	98,302.44	98,302.44	96,204.00	2,098.44
Deferred Charges/Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Social Security System (OASI)	7,808.42			
	<u>\$ 289,890.70</u>	<u>\$ 289,890.70</u>	<u>\$ 286,765.63</u>	<u>\$ 3,125.07</u>
		<u>Ref.</u>		
<u>Balance December 31, 2007</u>				
Unencumbered		D	\$ 133,274.79	
Encumbered		D	<u>156,615.91</u>	
			<u>\$ 289,890.70</u>	

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2007		2008 Authorizations		Balance Dec. 31, 2008		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenuc	Paid or Charged	Funded	Unfunded
15-04	Meadow St. Water Main	08/24/2004	\$ 220,000.00	\$ 61,117.85					\$ 61,117.85	
15-06	Various Water Main Projects	05/16/2006	600,000.00	79,579.52	\$ 520,000.00				179,579.52	\$ 420,000.00
18-07	Purchase of Generator	04/17/2007	39,900.00	39,900.00				\$ 39,900.00		
11-08	Various Capital Improvements	06/10/2008	517,000.00			\$ 75,000.00	\$ 442,000.00	10,945.00	64,055.00	442,000.00
				<u>\$ 180,597.37</u>	<u>\$ 520,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 442,000.00</u>	<u>\$ 50,845.00</u>	<u>\$ 304,752.37</u>	<u>\$ 862,000.00</u>
		<u>Ref.</u>		D	D				D	D

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2007	D	\$ 200,456.32
Increased by:		
2008 Budget Appropriation		<u>275,000.00</u>
		475,456.32
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>75,000.00</u>
Balance December 31, 2008	D	<u><u>\$ 400,456.32</u></u>

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2007	2008 Authorizations	Paid by Budget Appropriation	Transferred to Reserve for Amortization	Balance Dec. 31, 2008
15-04	Meadow St. Water Main	08/24/2004	\$ 220,000.00				\$ 220,000.00
15-06	Various Water Main Projects	05/16/2006	80,000.00		\$ 100,000.00		180,000.00
18-07	Purchase of Generator	04/17/2007	39,900.00			\$ 39,900.00	
11-08	Various Capital Improvements	06/10/2008		\$ 75,000.00			75,000.00
			<u>\$ 339,900.00</u>	<u>\$ 75,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 39,900.00</u>	<u>\$ 475,000.00</u>
	<u>Ref.</u>		D				D

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2007	D	\$ 7,551,254.98
Increased by:		
Morris County Improvement Authority Leases		
Paid by Operating Budget	\$ 17,274.00	
Transfer from Deferred Reserve for Amortization	39,900.00	
Capital Outlay	<u>116,150.42</u>	
		<u>173,324.42</u>
Balance December 31, 2008	D	<u>\$ 7,724,579.40</u>

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER CAPITAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF MORRIS COUNTY IMPROVEMENT AUTHORITY LEASES PAYABLE

Ord. No.	Improvement Description	Balance Dec. 31, 2007	Matured	Balance Dec. 31, 2008
16-05	Municipal Building Renovations	\$ 757,752.80	\$ 17,274.00	\$ 740,478.80

Ref.

D

D

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2008

Due Date	Interest Rate	Lease Interest	Lease Principal	Balance of Loan
02/01/09	5.00%	\$ 15,397.11		\$ 740,478.80
09/01/09	5.00%	15,397.11	\$ 20,153.00	720,325.80
02/01/10	5.00%	14,893.28		720,325.80
09/01/10	5.00%	14,893.28	23,319.90	697,005.90
02/01/11	3.00%	14,310.29		697,005.90
09/01/11	3.00%	14,310.29	25,911.00	671,094.90
02/01/12	3.25%	13,921.62		671,094.90
09/01/12	3.25%	13,921.62	28,502.10	642,592.80
02/01/13	3.30%	13,458.46		642,592.80
09/01/13	3.30%	13,458.46	47,791.40	594,801.40
02/01/14	3.40%	12,669.90		594,801.40
09/01/14	3.40%	12,669.90	49,518.80	545,282.60
02/01/15	5.00%	11,832.98		545,282.60
09/01/15	5.00%	11,832.98	50,958.30	494,324.30
02/01/16	3.70%	10,559.02		494,324.30
09/01/16	3.70%	10,559.02	53,549.40	440,774.90
02/01/17	3.75%	9,568.36		440,774.90
09/01/17	3.75%	9,568.36	55,564.70	385,210.20
02/01/18	4.25%	8,526.52		385,210.20
09/01/18	4.25%	8,526.52	57,580.00	327,630.20
02/01/19	4.25%	7,302.94		327,630.20
09/01/19	4.25%	7,302.94	60,171.10	267,459.10

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF MORRIS COUNTY IMPROVEMENT AUTHORITY LEASES PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2008

<u>Due Date</u>	<u>Interest Rate</u>	<u>Lease Interest</u>	<u>Lease Principal</u>	<u>Balance of Loan</u>
02/01/20	4.50%	\$ 6,024.31		\$ 267,459.10
09/01/20	4.50%	6,024.31	\$ 62,474.30	204,984.80
02/01/21	4.50%	4,618.64		204,984.80
09/01/21	4.50%	4,618.64	65,353.30	139,631.50
02/01/22	4.50%	3,148.19		139,631.50
09/01/22	4.50%	3,148.19	68,232.30	71,399.20
02/01/23	4.50%	1,606.48		71,399.20
09/01/23	4.50%	1,606.48	71,399.20	-0-
		<u>\$ 295,676.18</u>	<u>\$ 740,478.80</u>	

TOWNSHIP OF DENVILLE
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2007	2008 Improvement Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2008
15-06	Various Water Main Projects	\$ 520,000.00		\$ 100,000.00	\$ 420,000.00
11-08	Various Capital Improvements		\$ 442,000.00		442,000.00
		<u>\$ 520,000.00</u>	<u>\$ 442,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 862,000.00</u>

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
SEWER UTILITY FUND

TOWNSHIP OF DENVILLE
SEWER UTILITY FUNDS
SCHEDULE OF CASH - TREASURER

Ref.	<u>Operating</u>	<u>Assessment Trust</u>	<u>Capital</u>
Balance December 31, 2007	E \$ 3,327,940.83	\$ 1,917,147.67	\$ 209,940.51
Increased by Receipts:			
Sewer Utility Collector	\$ 1,971,153.68		
Nonbudget Revenue	66,881.79		
2008 Budget Appropriation:			
Capital Improvement Fund			\$ 25,000.00
Deferred Charges to Future Revenue			200,000.00
Due from New Jersey Environmental Infrastructure Trust			2,826,352.00
Sewer Assessment Collections		\$ 423,677.79	
Sewer Assessment Interest		127,549.96	
Due Sewer Operating Fund		27,579.75	6,812.30
Due Sewer Assessment Trust Fund:			
Interest on Assessments	123,781.51		
Interest on Investments	28,190.05		
Interfund Advanced			1,500,000.00
Fund Balance Anticipated	324,240.00		
Due Sewer Utility Capital Fund:			
Interest on Investments	6,810.19		
	<u>2,521,057.22</u>	<u>578,807.50</u>	<u>4,558,164.30</u>
	5,848,998.05	2,495,955.17	4,768,104.81

TOWNSHIP OF DENVILLE
SEWER UTILITY FUNDS
SCHEDULE OF CASH - TREASURER

Ref.	Operating	Assessment Trust	Capital
Decreased by Disbursements:			
2008 Budget Appropriations	\$ 2,909,852.64		
2007 Appropriation Reserves	102,608.62		
Accrued Interest on Bonds	19,012.50		
Accrued Interest on Leases	31,657.96		
Improvement Authorizations			\$3,924,495.20
Due Sewer Utility Operating Fund:			
Fund Balance Anticipated	100,000.00	\$ 324,240.00	
Assessment Interest		123,781.51	
Interest on Investments		28,190.05	6,810.19
Due Sewer Utility Capital Fund		1,500,000.00	
	<u>\$ 3,163,131.72</u>	<u>\$ 1,976,211.56</u>	<u>\$ 3,931,305.39</u>
Balance December 31, 2008	E <u>\$ 2,685,866.33</u>	<u>\$ 519,743.61</u>	<u>\$ 836,799.42</u>

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
ANALYSIS OF SEWER ASSESSMENT TRUST CASH

	Balance/ (Deficit) Dec. 31, 2007	Receipts			Disbursements Miscellaneous	Balance/ (Deficit) Dec. 31, 2008
		Assessments Receivable	Assessment Interest	Miscellaneous		
Fund Balance	\$ 1,894,048.38	\$ 423,677.79			\$ 324,240.00	\$ 1,993,486.17
Due Trust Assessment Fund	1,321.16					1,321.16
Due Sewer Utility Operating Fund	672.50		\$ 127,549.96	\$ 27,579.75	151,971.56	3,830.65
Due Sewer Utility Capital Fund					1,500,000.00	(1,500,000.00)
Due Developer - Italian Chalet	21,105.63					21,105.63
	<u>\$ 1,917,147.67</u>	<u>\$ 423,677.79</u>	<u>\$ 127,549.96</u>	<u>\$ 27,579.75</u>	<u>\$ 1,976,211.56</u>	<u>\$ 519,743.61</u>

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER CAPITAL CASH

	Balance/ (Deficit) Dec. 31, 2007	Receipts		Disbursements		Transfers		Balance/ (Deficit) Dec. 31, 2008	
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 140,510.49						\$ 20,822.58	\$ 161,333.07	
Capital Improvement Fund	154,646.84	\$ 25,000.00						179,646.84	
Due New Jersey Environmental Infrastructure									
Loans Receivable	(5,763,877.79)		\$2,826,352.00					(2,937,525.79)	
Due Sewer Utility Operating Fund			6,812.30		\$ 6,810.19			2.11	
Due Sewer Utility Assessment Fund			1,500,000.00					1,500,000.00	
Reserve for Sewer Improvements	63,222.00							63,222.00	
Ord.									
<u>No.</u>	<u>Improvement Description</u>								
28-87/	Sanitary Sewer Extension -								
22-93	Norton Project					\$ 9,831.47			
08-97	Purchase Sewer Equipment					10,991.11			
16-06	Various Sewer Improvements	5,595,036.87	200,000.00	\$3,630,495.40				2,164,541.47	
17-06	Acquisition of Sewer Vehicle	(420.48)		293,999.80				(294,420.28)	
		<u>\$ 209,940.51</u>	<u>\$ 225,000.00</u>	<u>\$4,333,164.30</u>	<u>\$ 3,924,495.20</u>	<u>\$ 6,810.19</u>	<u>\$ 20,822.58</u>	<u>\$ 20,822.58</u>	<u>\$ 836,799.42</u>

TOWNSHIP OF DENVILLE
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2007	Sewer Billings Levied	Collections	Transferred to Sewer Liens	Balance Dec. 31, 2008
Rents	\$ 98,400.35	\$ 1,897,179.87	\$ 1,905,659.66	\$ 300.00	\$ 89,620.56
Miscellaneous		61,503.29	61,503.29		
	<u>\$ 98,400.35</u>	<u>\$ 1,958,683.16</u>	<u>\$ 1,967,162.95</u>	<u>\$ 300.00</u>	<u>\$ 89,620.56</u>
<u>Ref.</u>	E				E

Miscellaneous Revenue Anticipated:

Sewer Connection Fees	\$ 46,800.00
Interest on Sewer Rents	6,273.29
Miscellaneous Sewer Fees	8,430.00
	<u>\$ 61,503.29</u>

TOWNSHIP OF DENVILLE
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2007	E	\$	4,650.00
Increased by:			
Transfer from Consumer Accounts Receivable			<u>300.00</u>
Balance December 31, 2008	E	\$	<u><u>4,950.00</u></u>

TOWNSHIP OF DENVILLE
SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	<u>Ref.</u>		
Balance December 31, 2007	E	\$	380.45
Decreased By:			
Adjustment to Physical Inventory			
Listing of December 31, 2008			<u>48.45</u>
Balance December 31, 2008	E	\$	<u><u>332.00</u></u>

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY UTILITY REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF UTILITY SHARE OF SEWER ASSESSMENT BONDS ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF AMOUNT TO BE RAISED BY FUTURE REVENUE FOR CANCELLED ASSESSMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2007</u>	<u>Collected</u>	<u>Assessments Cancelled</u>	<u>Balance Dec. 31, 2008</u>	<u>Balance Pledged to Reserve</u>
28-87	Sanitary Sewer Extension -	02/07/95	20	04/07/95					
22-93	Norton Project			03/07/96-14	\$ 2,711,179.57	\$ 423,677.79	\$ 4,241.54	\$ 2,283,260.24	\$ 2,283,260.24
					<u>\$ 2,711,179.57</u>	<u>\$ 423,677.79</u>	<u>\$ 4,241.54</u>	<u>\$ 2,283,260.24</u>	<u>\$ 2,283,260.24</u>
				<u>Ref.</u>	E			E	

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2007	Additions By Budget- Capital Outlay	Balance Dec. 31, 2008
Sewer Collection System	\$ 16,619,844.12		\$ 16,619,844.12
Sewer Capacity Rights	224,384.49		224,384.49
General Equipment and Vehicles	368,627.11		368,627.11
Office Furniture and Equipment	1,020.20		1,020.20
Pumping Station Equipment	8,981.36		8,981.36
Transportation Equipment	57,244.90		57,244.90
Meter Chamber	6,200.00		6,200.00
Additions and Improvements	2,080,848.95		2,080,848.95
Engineering	215,255.84		215,255.84
Land	44,304.40		44,304.40
Municipal Building Design & Improvements	794,732.00		794,732.00
Truck Wash Recycling Unit	19,750.00		19,750.00
Pumping Stations	670,861.05	\$ 24,107.21	694,968.26
Sewer Evaluation Study	222,269.26		222,269.26
Sewer Extension	25,151.91		25,151.91
Refunding Existing Debt	1,400,000.00		1,400,000.00
	<u>\$ 22,759,475.59</u>	<u>\$ 24,107.21</u>	<u>\$ 22,783,582.80</u>
	<u>Ref.</u>		<u>E</u>
2007 Appropriation Reserves		\$ 1,282.00	
2008 Appropriations		22,825.21	
		<u>\$ 24,107.21</u>	

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Balance Dec. 31, 2007	Balance Dec. 31, 2008
	<u>General Improvements:</u>		
16-06	Various Sewer Improvements	\$ 6,897,600.00	\$ 6,897,600.00
17-06	Acquisition of Sewer Vehicle	302,400.00	302,400.00
		<u>\$ 7,200,000.00</u>	<u>\$ 7,200,000.00</u>
	<u>Ref.</u>	E	E

TOWNSHIP OF DENVILLE
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Balance Dec. 31, 2007	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 14,580.85	\$ 51,491.41	\$ 51,491.41	
Other Expenses	78,077.18	49,935.21	49,835.21	\$ 100.00
Group Insurance Plan for Employees	5,307.86			
RVRSA (R.S. 40:14A - Contribution)	4,197.13	4,197.13		4,197.13
Capital Improvements:				
Capital Outlay	9,687.32	9,687.32	1,282.00	8,405.32
Statutory Expenditures:				
Contribution to:				
Social Security System (OASI)	3,460.73			
	<u>\$ 115,311.07</u>	<u>\$ 115,311.07</u>	<u>\$ 102,608.62</u>	<u>\$ 12,702.45</u>

Ref.Balance December 31, 2007

Unencumbered	E \$ 93,785.28
Encumbered	E <u>21,525.79</u>
	<u>\$ 115,311.07</u>

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2007</u>	<u>Collections to Fund Balance</u>	<u>Assessments Cancelled</u>	<u>Balance Dec. 31, 2008</u>
	<u>Assessments Receivable:</u>				
28-87/22-93	Sewer Extension - Norton Projects	<u>\$ 2,711,179.57</u>	<u>\$ 423,677.79</u>	<u>\$ 4,241.54</u>	<u>\$ 2,283,260.24</u>
		<u>\$ 2,711,179.57</u>	<u>\$ 423,677.79</u>	<u>\$ 4,241.54</u>	<u>\$ 2,283,260.24</u>
	<u>Ref.</u>	E			E

TOWNSHIP OF DENVERVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2007		2008 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Cancelled	Balance December 31, 2008	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
<u>General Improvements:</u>										
08-97	Purchase Sewer Equipment	04/15/97	\$ 32,000.00	\$ 10,991.11				\$ 10,991.11		
17-06	Acquisition of Sewer Vehicle	05/16/06	302,400.00		\$ 301,979.52		\$ 293,999.80			\$ 7,979.72
<u>Local Improvements:</u>										
28-87/	Sanitary Sewer Extension -	12/01/87	11,500,000.00							
22-93	Norton Project	12/07/93	2,600,000.00	9,831.47				9,831.47		
16-06	Various Sewer Improvements	05/16/06	6,897,600.00	5,595,036.87	695,559.00		3,630,495.40		\$ 2,164,541.47	495,559.00
				<u>\$5,615,859.45</u>	<u>\$ 997,538.52</u>	<u>\$ -0-</u>	<u>\$ 3,924,495.20</u>	<u>\$ 20,822.58</u>	<u>\$ 2,164,541.47</u>	<u>\$ 503,538.72</u>
		<u>Ref.</u>		E	E				E	E

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2007	E	\$ 154,646.84
Increased by:		
2008 Budget Appropriation		<u>25,000.00</u>
Balance December 31, 2008	E	<u>\$ 179,646.84</u>

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2007	E	\$ 21,074,833.10
Increased by:		
Serial Bonds Paid by Operating Budget	\$	80,000.00
Morris County Improvement Authority Leases Paid by Operating Budget		17,274.00
New Jersey Environmental Infrastructure Trust Loans Paid by Operating Budget		526,753.46
Cancelled		12,510.14
Transferred from Deferred Reserve for Amortization		22,626.09
Capital Outlay		<u>24,107.21</u>
		<u>683,270.90</u>
Balance December 31, 2008	E	<u>\$ 21,758,104.00</u>

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2007	Paid By Budget Appropriation	To Reserve for Amortization	Balance Dec. 31, 2008
18-92	Various Sewer Capital Improvements	07/14/92	\$ 22,626.09		\$ 22,626.09	
16-06	Various Sewer Capital Improvements	05/16/06	150,000.00	\$ 200,000.00		\$ 350,000.00
			<u>\$ 172,626.09</u>	<u>\$ 200,000.00</u>	<u>\$ 22,626.09</u>	<u>\$ 350,000.00</u>
	<u>Ref.</u>		E			E

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF MORRIS COUNTY IMPROVEMENT AUTHORITY LEASES PAYABLE

Ord. No.	Improvement Description	Balance Dec. 31, 2007	Matured	Balance Dec. 31, 2008
16-05	Municipal Building Renovations	\$ 757,752.80	\$ 17,274.00	\$ 740,478.80
	<u>Ref.</u>	E		E

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2008

Due Date	Interest Rate	Lease Interest	Lease Principal	Balance of Loan
02/01/09	5.00%	\$ 15,397.11		\$ 740,478.80
09/01/09	5.00%	15,397.11	\$ 20,153.00	720,325.80
02/01/10	5.00%	14,893.28		720,325.80
09/01/10	5.00%	14,893.28	23,319.90	697,005.90
02/01/11	3.00%	14,310.29		697,005.90
09/01/11	3.00%	14,310.29	25,911.00	671,094.90
02/01/12	3.25%	13,921.62		671,094.90
09/01/12	3.25%	13,921.62	28,502.10	642,592.80
02/01/13	3.30%	13,458.46		642,592.80
09/01/13	3.30%	13,458.46	47,791.40	594,801.40
02/01/14	3.40%	12,669.90		594,801.40
09/01/14	3.40%	12,669.90	49,518.80	545,282.60
02/01/15	5.00%	11,832.98		545,282.60
09/01/15	5.00%	11,832.98	50,958.30	494,324.30
02/01/16	3.70%	10,559.02		494,324.30
09/01/16	3.70%	10,559.02	53,549.40	440,774.90
02/01/17	3.75%	9,568.36		440,774.90
09/01/17	3.75%	9,568.36	55,564.70	385,210.20
02/01/18	4.25%	8,526.52		385,210.20
09/01/18	4.25%	8,526.52	57,580.00	327,630.20
02/01/19	4.25%	7,302.94		327,630.20
09/01/19	4.25%	7,302.94	60,171.10	267,459.10

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF MORRIS COUNTY IMPROVEMENT AUTHORITY LEASES PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2008

Due Date	Interest Rate	Lease Interest	Lease Principal	Balance of Loan
02/01/20	4.50%	\$ 6,024.31		\$ 267,459.10
09/01/20	4.50%	6,024.31	\$ 62,474.30	204,984.80
02/01/21	4.50%	4,618.64		204,984.80
09/01/21	4.50%	4,618.64	65,353.30	139,631.50
02/01/22	4.50%	3,148.19		139,631.50
09/01/22	4.50%	3,148.19	68,232.30	71,399.20
02/01/23	4.50%	1,606.48		71,399.20
09/01/23	4.50%	1,606.48	71,399.20	-0-
		<u>\$ 295,676.18</u>	<u>\$ 740,478.80</u>	

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL WASTEWATER TRUST LOANS PAYABLE

Ord. No.	Improvement Description	Balance Dec. 31, 2007	Payments	Cancelled	Balance Dec. 31, 2008
28-87	Sanitary Sewer - Norton Project	\$ 539,263.60	\$ 526,753.46	\$ 12,510.14	\$ -0-
	<u>Ref.</u>	E			E

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Ord. No.	Improvement Description	Balance Dec. 31, 2007	Matured	Balance Dec. 31, 2008
16-06	Various Sewer Improvements	<u>\$ 6,052,041.00</u>	<u>\$ -0-</u>	<u>\$ 6,052,041.00</u>
	<u>Ref.</u>	E		E

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE - FUND
SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING DECEMBER 31, 2008

Year	Principal	Balance of Loan
		\$ 2,922,041.00
2/1/2009	\$ 44,033.06	2,878,007.94
8/1/2009	117,295.41	2,760,712.53
2/1/2010	42,567.81	2,718,144.72
8/1/2010	119,015.48	2,599,129.24
2/1/2011	41,038.86	2,558,090.38
8/1/2011	120,671.85	2,437,418.53
2/1/2012	39,048.03	2,398,370.50
8/1/2012	121,866.34	2,276,504.16
2/1/2013	36,977.57	2,239,526.59
8/1/2013	126,166.52	2,113,360.07
2/1/2014	34,747.85	2,078,612.22
8/1/2014	127,122.12	1,951,490.10
2/1/2015	32,438.49	1,919,051.61
8/1/2015	131,183.40	1,787,868.21
2/1/2016	29,969.87	1,757,898.34
8/1/2016	131,900.10	1,625,998.24
2/1/2017	27,421.62	1,598,576.62
8/1/2017	135,722.48	1,462,854.14
2/1/2018	25,255.60	1,437,598.54
8/1/2018	136,741.78	1,300,856.76
2/1/2019	23,025.87	1,277,830.89
8/1/2019	140,882.70	1,136,948.19

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
(Continued)

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE - FUND
SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING DECEMBER 31, 2008

<u>Year</u>	<u>Principal</u>	<u>Balance of Loan</u>
		\$ 1,136,948.19
2/1/2020	\$ 20,668.74	1,116,279.45
8/1/2020	141,710.88	974,568.57
2/1/2021	18,247.89	956,320.68
8/1/2021	142,475.36	813,845.32
2/1/2022	15,685.70	798,159.62
8/1/2022	146,283.81	651,875.81
2/1/2023	12,992.12	638,883.69
8/1/2023	149,960.86	488,922.83
2/1/2024	10,081.53	478,841.30
8/1/2024	153,420.91	325,420.39
2/1/2025	6,498.05	318,922.34
8/1/2025	156,208.07	162,714.27
2/1/2026	3,316.71	159,397.56
8/1/2026	159,397.56	
	<u>\$ 2,922,041.00</u>	

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
(Continued)

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE - TRUST
SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING DECEMBER 31, 2008

<u>Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 3,130,000.00
3/1/2009	\$ 69,118.75		3,130,000.00
9/1/2009	69,118.75	\$ 115,000.00	3,015,000.00
3/1/2010	66,818.75		3,130,000.00
9/1/2010	66,818.75	120,000.00	2,895,000.00
3/1/2011	64,418.75		3,130,000.00
9/1/2011	64,418.75	125,000.00	2,770,000.00
3/1/2012	61,293.75		3,130,000.00
9/1/2012	61,293.75	130,000.00	2,640,000.00
3/1/2013	58,043.76		3,130,000.00
9/1/2013	58,043.76	140,000.00	2,500,000.00
3/1/2014	54,543.75		3,130,000.00
9/1/2014	54,543.75	145,000.00	2,355,000.00
3/1/2015	50,918.75		3,130,000.00
9/1/2015	50,918.76	155,000.00	2,200,000.00
3/1/2016	47,043.76		3,130,000.00
9/1/2016	47,043.75	160,000.00	2,040,000.00
3/1/2017	43,043.75		3,130,000.00
9/1/2017	43,043.75	170,000.00	1,870,000.00
3/1/2018	39,643.75		3,130,000.00
9/1/2018	39,643.75	175,000.00	1,695,000.00
3/1/2019	36,143.75		3,130,000.00
9/1/2019	36,143.75	185,000.00	1,510,000.00
3/1/2020	32,443.75		3,130,000.00
9/1/2020	32,443.75	190,000.00	1,320,000.00

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
(Continued)

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE - TRUST
SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING DECEMBER 31, 2008

<u>Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 1,320,000.00
3/1/2021	\$ 28,643.75		1,320,000.00
9/1/2021	28,643.75	\$ 195,000.00	1,125,000.00
3/1/2022	24,621.88		1,125,000.00
9/1/2022	24,621.88	205,000.00	920,000.00
3/1/2023	20,393.75		920,000.00
9/1/2023	20,393.75	215,000.00	705,000.00
3/1/2024	15,825.00		705,000.00
9/1/2024	15,825.00	225,000.00	480,000.00
3/1/2025	10,200.00		480,000.00
9/1/2025	10,200.00	235,000.00	245,000.00
3/1/2026	5,206.25		245,000.00
9/1/2026	5,206.25	245,000.00	
	<u>\$ 1,456,731.29</u>	<u>\$ 3,130,000.00</u>	

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

TOWNSHIP OF DENVILLE
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF SEWER ASSESSMENT SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Matured</u>	<u>Balance Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Bonds	06/01/92	\$ 1,325,000.00	6/1/2009	\$ 80,000.00	5.85%	<u>\$ 365,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 285,000.00</u>
			6/1/2010	80,000.00	5.85%			
			6/1/2011	80,000.00	5.85%			
			6/1/2012	45,000.00	5.85%			
						<u>\$ 365,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 285,000.00</u>
					<u>Ref.</u>	E		E
			Paid by Budget Appropriation				<u>\$ 80,000.00</u>	

TOWNSHIP OF DENVILLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2007	Funded by Budget Appropriation	Balance Dec. 31, 2008
	<u>General Improvements:</u>			
16-06	Various Sewer Improvements	\$ 695,559.00	\$ 200,000.00	\$ 495,559.00
17-06	Acquisition of Sewer Vehicle	302,400.00		302,400.00
		<u>\$ 997,959.00</u>	<u>\$ 200,000.00</u>	<u>\$ 797,959.00</u>

TOWNSHIP OF DENVILLE
COUNTY OF MORRIS
2008
PUBLIC ASSISTANCE FUND

TOWNSHIP OF DENVILLE
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	Ref.	<u>Total</u>	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>
Balance December 31, 2007	F	\$ 80,592.61	\$ 62,442.62	\$ 18,149.99
Increased by Receipts:				
State Aid		118,434.26		118,434.26
Interest Earned		<u>1,275.02</u>	<u>1,275.02</u>	
Total Receipts and Balances		<u>200,301.89</u>	<u>63,717.64</u>	<u>136,584.25</u>
Decreased by Disbursements:				
Public Assistance Payments:				
Eligible for State Aid:				
Reported		86,617.21		86,617.21
Ineligible Public Assistance Expenses		<u>1,562.48</u>	<u>1,562.48</u>	
Total Disbursements		<u>88,179.69</u>	<u>1,562.48</u>	<u>86,617.21</u>
Balance December 31, 2008	F	<u>\$ 112,122.20</u>	<u>\$ 62,155.16</u>	<u>\$ 49,967.04</u>

TOWNSHIP OF DENVILLE

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2008

TOWNSHIP OF DENVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal Funding Department	Federal Program	CFDA #	Pass Through Entity ID	Grant Period		Grant Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures			
				From	To							
U.S. Department of Justice: Office of Justice Program	Bulletproof Vest Partnership Grant	16.607	N/A	01/01/07	12/31/08	\$ 3,374.00		\$ 2,150.00	\$ 3,101.17			
				01/01/08	12/31/09	6,319.98		4,098.56	4,098.26			
				01/01/08	12/31/09	2,356.00	\$ 2,356.00					
Total Department of Justice							2,356.00	6,248.56	\$ 14,455.43			
U.S. Department of Transportation (Passed through New Jersey Department of Law and Public Safety)	Obey the Signs	20.605	100-066-1160 142-YHTS-6010	01/01/08	12/31/08	4,000.00	4,000.00	4,000.00	4,000.00			
				Over the Limit	20.609	100-066-1160 142-YHTS-6010	01/01/07	12/31/08	4,350.00	4,350.00	4,100.00	4,350.00
							Click It or Ticket	20.614	100-066-1160 142-YHTS-6010	01/01/08	12/31/08	3,800.00
Total Department of Transportation										12,150.00	11,900.00	33,945.68
U.S. Department of Health and Human Services Passed through New Jersey Department of Health and Human Services	NACCHO	93.008	N/A	01/01/08	12/31/08	16,666.65	16,666.65	16,666.65	16,666.65			
				Total Department of Health and Human Services							16,666.65	16,666.65
U.S. Department of Housing and Urban Development: Passed through Morris County Office of Community Development	Community Development ADA Lift Grant	14.218	N/A	01/01/07	12/31/08	20,000.00	20,000.00	19,680.00	19,680.00			
Total Federal Awards							\$ 34,506.00	\$ 37,828.56	\$ 68,081.11			

N/A - Not Applicable

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF DENVILLE
SCHEDULES OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

State Funding Department	State Program	State Grant Account Number	Grant Period		Grant Award Amount	Grant Receipts	Grant Expenditures	Cumulative Expenditures
			From	To				
Department of Environmental Protection	Clean Communities Program	765-042-4900	01/01/07	12/31/08	\$ 25,248.34		\$ 4,960.78	\$ 21,289.00
		-004-178910	01/01/08	12/31/08	21,490.00	\$ 21,490.00	12,899.31	12,899.31
	Green Acres Grant	533-042-4800						
		003-852000	01/01/08	12/31/08	575,000.00	575,000.00	575,000.00	575,000.00
	Environmental Infrastructure Trust and Fund Program	100-042-4860- 009-093050	05/16/06	12/31/09	6,052,041.00	2,826,352.00	3,630,495.40	3,918,658.61
Recycling Tonnage Grant	452-042-4900 001-V42Y	01/01/06	12/31/08	33,621.56		33,620.00	33,620.00	
		01/01/08	12/31/09	55,085.11	55,085.11			
Total Department of Environmental Protection & Energy						3,477,927.11	4,256,975.49	4,886,466.92
Department of Health and Senior Services	Pandemic Influenza Preparedness Grant	100-046-4E07-360						
		J002-6120	01/01/08	12/31/08	6,981.00	6,981.00	6,981.00	6,981.00
	Alcohol, Education, Rehabilitation Trust Fund	760-046-4240-001	01/01/06	12/31/08	7,518.00		3,918.00 *	7,518.00
Total Department of Health and Senior Services						6,981.00	10,899.00	14,499.00
Department of Human Services	General Assistance Program	100-054-7550	01/01/07	12/31/07	62,025.46	36,445.46		62,025.46
		-121-158010	01/01/08	12/31/08	86,617.21	81,988.80	86,617.21	86,617.21
Total Department of Human Services						118,434.26	86,617.21	86,617.21
Department of the Treasury Passed through Morris County	Governor's Council on Alcoholism and Drug Abuse	200-475-	01/01/07	12/31/07	13,337.00	9,201.85		12,827.84
		665120-60	01/01/08	12/31/08	8,192.60		8,192.60	8,192.60
Total Department of the Treasury						9,201.85	8,192.60	21,020.44

* Expenditures made from appropriated reserve balance.

TOWNSHIP OF DENVILLE
SCHEDULES OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

State Funding Department	State Program	State Grant Account Number	Grant Period		Grant Award Amount	Grant Receipts	Grant Expenditures	Cumulative Expenditures
			From	To				
Department of Law and Public Safety	Body Armor Replacement Fund	1020-718-066-	01/01/07	12/31/08	\$ 3,655.40		\$ 846.44	\$ 3,527.96
		1020-001-6120	01/01/08	12/31/08	3,655.00	\$ 3,655.00	3,655.00	3,655.00
			01/01/08	12/31/09	140.52			
	Drunk Driving Enforcement Fund	1110-206-	01/01/06	12/31/08	11,292.00		142.00	6,917.35
		030225-60	01/01/07	12/31/08	8,751.18		4,377.08	4,377.08
			01/01/08	12/31/09	12,139.55		12,139.55	
Total Department of Law & Public Safety						15,794.55	9,020.52	18,477.39
Total State Awards						\$ 3,628,338.77	\$ 4,371,704.82	\$ 5,027,080.96

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF DENVILLE
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2008

Note 1. GENERAL

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

Note 2. BASIS OF ACCOUNTING

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

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 4. STATE LOANS OUTSTANDING

The Township of Denville has the following loans outstanding as of December 31, 2008:

New Jersey Environmental Infrastructure Trust Loan	\$ 6,052,041.00
--	-----------------

The Township entered into an agreement with the New Jersey Environmental Infrastructure Trust in November of the 2007 to borrow \$6,052,041.00 to finance the Openaki/Kitchel Road sewer improvement project. As of December 31, 2008, a total of \$3,918,658.61 has been expended by the Township and \$2,937,525.79 is receivable.

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Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the Township of Denville, in the County of Morris (the "Township") as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 12, 2009, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. That report also indicated that the scope of our audit did not include the general fixed asset account group. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding #2008-01 to be a significant deficiency in internal control over financial reporting.

The Honorable Mayor and Members
of the Township Council
Township of Denville
Denville, New Jersey

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

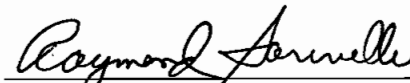
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Township's response and we did express an opinion on it.

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

May 12, 2009
Mount Arlington, New Jersey

NISIVOCIA & COMPANY LLP



Raymond G. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 383



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Independent Auditors' Report on Compliance with Requirements Applicable to Each
 Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133
 and New Jersey's OMB Circular NJOMB 04-04

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

Compliance

We have audited the compliance of the Township of Denville, in the County of Morris (the "Township") with the types of compliance requirements described in the U.S. Office of Management and Budget (the "OMB") *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the year ended December 31, 2008. The Township's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township's compliance based on our audit.

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

In our opinion, the Township complied, in all material respects, with the requirements referred to above that are applicable to each of its major state program for the year ended December 31, 2008.

The Honorable Mayor and Members
of the Township Committee
Township of Denville
Denville, New Jersey
Page 2

Internal Control Over Compliance

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

A control deficiency in a Township's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the Township's internal control.

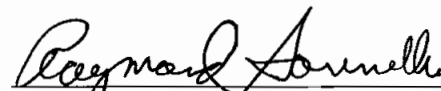
A material weakness is a significant deficiency, or combination of significant deficiencies, which results in more than a remote likelihood that material noncompliance with a type of requirement of a federal or state program will not be prevented or detected by the Township's internal control.

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

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

Mount Arlington, New Jersey
May 12, 2009

NISIVOCCIA & COMPANY LLP



Raymond G. Saripelli
Registered Municipal Accountant #383
Certified Public Accountant

TOWNSHIP OF DENVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2008

Summary of Auditors' Results:

- A qualified report was issued on the Township's financial statements prepared on another comprehensive basis of accounting as the scope of our audit did not include the general fixed assets account group.
- The audit did not disclose any material weaknesses in the internal controls of the Township.
- The audit did not disclose any noncompliance that is material to the financial statements of the Township.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the Township's major state programs.
- An unqualified report was issued on the Township's compliance for major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with *New Jersey's OMB Circular NJOMB 04-04*, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 for 2008 as grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The Township's major state programs for the year ended December 31, 2008 consisted of the following awards.

<u>State</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Budgetary Expenditure</u>
Green Acres Grant	533-042-4800-003-852000	1/01/08 - 12/31/08	\$ 575,000.00
Environmental Infrastructure Trust and Fund Program	100-042-4860-009-093050	5/16/06 - 12/31/09	3,630,495.40

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

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

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

TOWNSHIP OF DENVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2008

Finding 2008-1

The Township does not maintain an adequate segregation of duties with respect to collecting and recording functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collection of taxes, permit and license fees; and recording of collections. The Finance Director is responsible for recording transactions, authorizing disbursements, reconciling cash and receivables, and preparing the general ledger. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Committee should be aware of these and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

The finding was evaluated, however due to budgetary constraints no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in Section 510(a) of the federal circular and NJ OMB Circular NJOMB 04-04.

TOWNSHIP OF DENVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

The prior year finding 2007-1 regarding segregation of duties has not been corrected and is included in the audit for the year ended December 31, 2008.

TOWNSHIP OF DENVILLE

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2008

TOWNSHIP OF DENVILLE
COMMENTS AND RECOMMENDATIONS

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

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

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

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

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2005 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$21,000, and with a qualified purchasing agent the threshold may be up to \$29,000.

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

TOWNSHIP OF DENVILLE
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

On January 1, 2008, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

"The interest penalty for delinquent taxes to be charged by the Chief Revenue Collector for tax payment delinquencies shall be 8% per annum of the first \$1,500 (tax bill) and 18% per annum on any amount in excess of \$1,500 payable from tax due dates. A penalty of up to 6% may be charged on any delinquency in excess of \$10,000 if not paid by the end of the fiscal year."

"No interest shall be charged if payment of any installment is made within ten (10) days after the date on which same is payable, said ten (10) days to be straight calendar days and if the tenth day falls on a Saturday, Sunday or Legal Holiday, then the grace period shall be extended to the next business day. After the ten (10) day "GRACE PERIOD", interest is charged from the due date."

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 17, 2008, and included all items which were eligible for sale.

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

<u>Year</u>	<u>Number of Liens</u>
2008	31
2007	26
2006	26

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

TOWNSHIP OF DENVILLE
COMMENTS AND RECOMMENDATIONS
(Continued)

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2008 Taxes	20
Payments of 2007 Taxes	20
Payments of Utility Charges	20
Delinquent Taxes	15
Delinquent Utility Charges	60
Tax Title Liens	5
Sewer Assessments	10

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". They are as follows:

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

The Township maintains an encumbrance accounting system, a fixed asset accounting and reporting system and a general ledger accounting system.

Outside Departments

Our review of the various outside departments revealed that cash records and bank reconciliations were not maintained accurately in all cases by the various departments on a monthly basis. In many cases there were deposits into the account not reflected in the cash records. As a result, several departments had not turned over all funds collected to the Chief Financial Officer.

It is recommended that all outside departments maintain accurate cash records and bank reconciliations be prepared on a monthly basis to ensure the all funds are turned over timely to the Chief Financial Officer.

Management's Response

Administration will review the procedures with each Department to ensure that all accounts are adequately recorded and reconcile and that all funds are transferred to the Chief Financial Officer.

TOWNSHIP OF DENVILLE
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township Magistrate under separate cover. Reflected below is a summary of Receipts and Disbursements for the year ended December 31, 2008.

	Balance Dec. 31, 2007	Receipts	Disbursements	Balance Dec. 31, 2008
State of New Jersey	\$ 23,644.72	\$ 355,046.09	\$ 353,761.15	\$ 24,929.66
County	7,158.02	157,850.25	150,486.27	14,522.00
Municipality	21,976.26	364,907.96	386,884.22	
Municipality - POAA	52.00	748.00	772.00	28.00
Conditional Discharge	370.00	2,490.00	2,710.00	150.00
Weights and Measures	2,050.00	26,150.00	24,450.00	3,750.00
State Lab	200.00	2,674.00	2,624.00	250.00
Interest - Municipality	14.66	210.46	211.74	13.38
Restitution		155.20	155.20	
Local Park Commission		25.00	25.00	
Miscellaneous	(434.66)		997.00	(1,431.66)
	<u>\$ 55,031.00</u>	<u>\$ 910,256.96</u>	<u>\$ 923,076.58</u>	<u>\$ 42,211.38</u>

Our review of the Court records revealed that several payments to the various agencies exceeded receipts for those agencies during the year. This was a result of incorrect postings of adjustments in the ATS system. As a result the balance in the account as of December was \$1,431.66 less than the payments made in January of 2009.

It is recommended that all adjustments be accurately made in the ATS system, and that the reconciled balance be in agreement with the receipts for the current month.

Management's Response

The Court Administrator will ensure that the difference in the account is investigated and corrected in 2009. Also the Court Administrator will review the reconciled balance for the regular account to verify the balance is accurately reported as the fund paid out in the subsequent month.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2007 audit report. The prior year recommendation regarding segregation of duties has not been resolved and is included in the current year's report.

TOWNSHIP OF DENVILLE
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. All outside departments maintain accurate cash records, and bank reconciliations be prepared on a monthly basis to ensure that all funds are turned over to the Chief Financial Officer on a timely basis.
3. All adjustments be accurately made in the Municipal Court ATS system, and that the reconciled balance be in agreement with the receipts for the current month.

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