

**BOROUGH OF HO-HO-KUS
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2011

BOROUGH OF HO-HO-KUS
BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Ho-Ho-Kus, New Jersey

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-regulatory basis of the various funds of the Borough of Ho-Ho-Kus (the "Borough"), State of New Jersey as of December 31, 2011 and 2010, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statements of revenues-regulatory basis and statement of expenditures-regulatory basis for the year ended December 31, 2011. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The certified minutes and adopted resolutions were not available for inspection for the period from July 2011 through the date of our audit, in accordance with the Open Public Meetings Act (N.J.S.A. 10:4-14). We were unable to satisfy ourselves by other means of auditing procedures, which would prevent us from expressing an unqualified opinion on the financial statements.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with accounting practices on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Ho-Ho-Kus, State of New Jersey as of December 31, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.

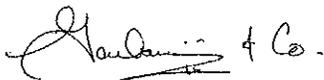
Furthermore, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the certified minutes and adopted resolutions been available for inspection, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-regulatory basis of the various funds of the Borough of Ho-Ho-Kus, State of New Jersey, as of December 31, 2011 and 2010, and the results of its operations and the changes in fund balance of such funds-regulatory basis for the years then ended, the revenues-regulatory basis, expenditures-regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2011 in conformity with accounting principles and practices prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey* as described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 6, 2012 on our consideration of the Borough of Ho-Ho-Kus, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance programs are presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. In addition, the supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534



Garbarini & Co. P.C. CPA's
Registered Municipal Accountants

July 6, 2012
Carlstadt, New Jersey

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND

**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS**

A

	Reference	At December 31,	
		<u>2011</u>	<u>2010</u>
ASSETS			
Cash	A-4	\$ 1,980,939.77	\$ 1,777,980.75
Cash - Change Fund	A-5	230.00	230.00
		<u>1,981,169.77</u>	<u>1,778,210.75</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	222,194.59	165,143.49
Property Acquired for Taxes - Assessed Valuation	A-11	20,100.00	20,100.00
Revenue Accounts Receivable	A-12	4,242.20	4,222.50
Due from Other Funds:			
Other Trust Fund	B		78,077.21
Unemployment Compensation Account	B	697.08	697.08
Recreation Commission	B		860.49
Grant Fund	G	11,153.49	23,957.32
Developers Escrow Fund	B	148.37	696.23
Animal License Fund	B		
Public Assistance Fund I	E	5.04	5.04
Public Assistance Fund II	E	-	
Due from Local School	A-6	4,506.15	4,506.15
	Contra	<u>263,046.92</u>	<u>298,265.51</u>
TOTAL ASSETS		<u>\$ 2,244,216.69</u>	<u>\$ 2,076,476.26</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND

**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS**

A

	Reference	At December 31,	
		<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Liabilities:			
Encumbrance Payable	A-3, A-22	\$ 52,586.48	\$ 101,862.54
Appropriation Reserve	A-3,13	411,867.66	426,021.78
Appropriation Reserve Committed		30,000.00	30,000.00
Prepaid Taxes	A-14	250,943.08	187,120.70
County Taxes Payable	A-17	3,146.80	8,322.87
Reserve for Revaluation	A-20	-	5,283.74
Reserve for Construction Official Fees	A-21	25,703.32	25,703.32
Tax Overpayments Payable	A-15	15,550.30	15,021.38
Due to Capital Fund	C	25,000.00	61,400.80
Prepaid Municipal Rents	A-4	4,905.35	4,737.32
Prepaid Parking Permits	A-4	24,530.00	23,000.00
Reserve for Tax Appeals Pending	A-16	6,751.84	51,361.84
Reserve for DCA Fees - Construction	A-19	9,588.65	9,005.65
Hurricane Floyd Reserve	A-24	175,596.98	175,596.98
Accounts Payable	A-10	28,253.15	24,856.42
Reserve for Codification	A-25	19,077.50	19,077.50
Due to Other Trust Fund	B	2,644.14	
Due to Animal License Fund	B	636.41	636.41
Due to Water Utility	D		20,944.62
Due to Water Capital	D		433.38
Due to State of NJ - Seniors and Veterans	A-7	1,242.32	1,492.32
Due to Solid Waste Utility	H		1,321.59
Due to COAH	B	628.68	628.68
Due to State of NJ - Unemployment Assessment Liability	A-26	50,677.97	50,677.97
Due to Library - State Aid	A-23	19,356.00	19,356.00
		<u>1,158,686.63</u>	<u>1,263,863.81</u>
 Reserve for Receivable	 Contra	 263,046.92	 298,265.51
 Fund Balance	 A-1	 <u>822,483.14</u>	 <u>514,346.94</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 2,244,216.69</u></u>	<u><u>\$ 2,076,476.26</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

A-1

	Reference	For the Years Ended December 31,	
		2011	2010
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 130,000.00	\$ 466,100.00
Miscellaneous Revenue Anticipated	A-2	916,428.02	902,833.98
Receipts from Delinquent Taxes	A-2	160,051.67	167,916.34
Receipts from Current Taxes	A-2	20,957,185.94	20,564,875.17
Non-Budget Revenues	A-2	121,857.66	100,858.34
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	136,537.66	69,253.18
Appropriation Balance Canceled	A-3	6,830.97	204.60
Payroll Adjustments	A-4	3,865.36	
Canceled School Taxes			0.02
Canceled Tax Overpayments	A-15	98.42	
Interfund Returned		92,437.76	
		<hr/>	<hr/>
Total Income		22,525,293.46	22,272,041.63
EXPENDITURES			
Budget Appropriations	A-3	7,455,088.40	7,698,392.77
General County	A-17	2,540,795.95	2,716,344.99
County- Open Space Preservation	A-17	31,026.43	35,120.45
Due County for Added Taxes	A-17	3,146.80	8,322.87
Local District School Tax	A-18	12,054,794.50	11,663,688.50
Adjustment to Payroll Account	A-4		16,117.84
Interest Owed on Escrow Funds	A-4	2,295.18	
Petty Cash Adjustment	A-8	10.00	
Interfund Advance			91,359.66
		<hr/>	<hr/>
Total Expenditures		22,087,157.26	22,229,347.08
Excess in Revenue		438,136.20	42,694.55
Fund Balance January 1	A	<hr/> 514,346.94	<hr/> 937,752.39
		952,483.14	980,446.94
Less: Amount of Fund Balance Utilized as Revenue	A-2	<hr/> 130,000.00	<hr/> 466,100.00
Fund Balance December 31	A	<hr/> <u>\$ 822,483.14</u>	<hr/> <u>\$ 514,346.94</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

	Reference	Adopted Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 130,000.00	\$ 130,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		4,400.00	4,550.00	150.00
Fees and Permits		11,400.00	11,465.22	65.22
Municipal Court		83,500.00	74,453.27	(9,046.73)
Interest and Costs on Taxes		42,800.00	43,046.91	246.91
Parking Meters		77,300.00	96,048.05	18,748.05
Interest on Investments and Deposits		39,600.00	25,909.24	(13,690.76)
Rent - Municipal Property		147,844.00	161,598.27	13,754.27
Uniform Fire Safety Act		11,400.00	18,020.00	6,620.00
Energy Receipts Tax (P.L. 1998, Chapters 162 & 167)		290,000.00	295,884.00	5,884.00
Uniform Construction Code Fees		103,000.00	129,281.12	26,281.12
Interlocal - Court Borough of Allendale		26,500.00	28,375.74	1,875.74
Municipal Alliance		10,000.00	10,000.00	0.00
Clean Communities Grant		7,500.00	7,500.00	0.00
Reserve for:				
Police Vest Grant		2,652.24	2,652.24	0.00
Recycling Tonnage Grant		5,515.87	5,515.87	0.00
Alcohol Education and Rehabilitation		201.09	201.09	0.00
Library Aid		1,927.00	1,927.00	0.00
Total Miscellaneous Revenues	Nxt Pg, A-1	865,540.20	916,428.02	50,887.82
Receipts from Delinquent Taxes	A-1, A-9	150,000.00	160,051.67	10,051.67
Amount to be Raised for Support of Municipal Budget:				
Local Tax for Municipal Purposes	Nxt Pg, A-9	6,509,548.20	6,527,422.26	17,874.06
Budget Totals	A-3	<u>\$7,655,088.40</u>	7,733,901.95	<u>\$78,813.55</u>
Non-Budget Revenues	A-1, Nxt Pg		<u>121,857.66</u>	
			<u>\$7,855,759.61</u>	

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF REVENUES - REGULATORY BASIS (Continued)

ANALYSIS OF REALIZED REVENUES	Reference		A-2
Allocation of Current Tax Collections:			
Revenue from Collections and State Share of Senior Citizens and Veterans Deductions	A-1		\$20,957,185.94
Allocated to:			
School Taxes	A-18	\$ 12,054,794.50	
County Taxes	A-17	<u>2,574,969.18</u>	
			<u>14,629,763.68</u>
Balance for Support of Municipal Budget Appropriations			6,327,422.26
Add: Appropriation - "Reserve for Uncollected Taxes"	A-3		<u>200,000.00</u>
Amount for Support of Muni. Budget Appropriations	Prev Pg		<u>\$ 6,527,422.26</u>
MISCELLANEOUS REVENUES			
Cash - Collected - Treasurer	A-4	\$860,894.50	
Prepaid Rent	A	\$4,737.32	
Prepaid Parking Meters Applied	A	23,000.00	
Due from Grant Fund - Unappropriated	G-4	10,296.20	
Grant Receivable	G-2	<u>17,500.00</u>	
	Prev. Pg. , A-1		<u>\$ 916,428.02</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF REVENUES - REGULATORY BASIS (Continued)

A-2

	Reference	
Analysis of Realized Revenues		
Cash Receipts	A-4	860,894.50
Due from Grant Fund		27,796.20
Prepaid Municipal Rents Applied	A	4,737.32
Prepaid Parking Meters Applied	A	23,000.00
	Previous Page, A-1	916,428.02
 Miscellaneous Revenue Not Anticipated		
Miscellaneous Reimbursements		\$ 529.00
Cable Franchise Fees		55,385.36
Sewer Billings		16,316.45
Letters, Copies and Lists		797.71
2010 FEMA Reimbursement		11,697.19
Prior Year Health Insurance Reimbursements		22,169.75
Construction Fines		10,850.00
Police Fees		1,312.20
Towing Licenses		325.00
Administrative Fee - Seniors and Veterans		690.00
Street Opening Permits		250.00
Polling Rent		60.00
Real Estate Sign Permits		1,475.00
		\$ 121,857.66
Total	Previous Page, A-4	\$ 121,857.66

See Accompanying Notes To Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled/ (Overexpended)
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS-WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 147,500.00	\$ 147,500.00	\$ 147,054.00	\$ 446.00	\$
Other Expenses	22,000.00	22,000.00	21,861.80	138.20	
Borough Clerk					
Salaries and Wages	54,000.00	54,000.00	53,575.08	424.92	
Other Expenses	2,000.00	2,000.00	2,000.00	-	
Election Costs	8,000.00	8,000.00	7,964.69	35.31	
Financial Administration					
Salaries and Wages	50,000.00	50,000.00	45,329.37	4,670.63	
Other Expenses	11,000.00	11,000.00	7,186.59	3,813.41	
Audit Services	18,000.00	18,000.00	10,875.00	7,125.00	
Assessment of Taxes					
Salaries and Wages	20,000.00	20,000.00	19,725.12	274.88	
Other Expenses	23,000.00	38,000.00	15,350.11	22,649.89	
Collection of Taxes					
Salaries and Wages	60,000.00	60,000.00	54,962.36	5,037.64	
Other Expenses	4,000.00	4,000.00	3,930.92	69.08	
Legal Services and Costs					
Other Expenses	50,000.00	50,000.00	49,921.86	78.14	
Municipal Prosecutor					
Salaries and Wages	11,000.00	11,000.00	10,097.04	902.96	
Engineering Services and Costs					
Other Expenses	3,000.00	3,000.00	1,122.50	1,877.50	
Public Buildings and Grounds					
Salaries and Wages	65,000.00	65,000.00	65,000.00	-	
Other Expenses	45,000.00	50,000.00	48,764.68	1,235.32	
Planning Board					
Salaries and Wages	25,000.00	25,000.00	21,943.17	3,056.83	
Other Expenses	12,000.00	17,000.00	17,000.00	-	
Board of Adjustment					
Salaries and Wages	25,000.00	25,000.00	17,708.39	7,291.61	
Other Expenses	3,500.00	5,500.00	5,311.06	188.94	
Shade Tree Commission					
Salaries and Wages	700.00	700.00	500.00	200.00	
Other Expenses	10,000.00	10,000.00	9,889.27	110.73	
Insurance					
Employee Group Health	566,800.00	566,800.00	469,393.87	97,406.13	
General Liability	143,802.20	143,802.20	143,802.20	-	

(Continued - Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled/ (Overexpended)
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS-WITHIN "CAPS" - Continued					
PUBLIC SAFETY					
Fire - Other Expenses					
Fire Hydrant	\$ 22,000.00	\$ 22,000.00	\$ 21,500.00	\$ 500.00	\$ -
Miscellaneous and Other Expenses	21,000.00	21,000.00	18,827.85	2,172.15	
Police					
Salaries and Wages	1,843,200.00	1,843,200.00	1,811,885.34	31,314.66	
Other Expenses	62,000.00	65,000.00	63,583.65	1,416.35	
Police Cars	28,000.00	28,000.00	26,928.00	1,072.00	
Parking Meter Maintenance					
Other Expenses	5,500.00	7,000.00	7,000.00	-	
Aid to Volunteer Ambulance Corps.	8,000.00	8,000.00	8,000.00	-	
Zoning official:					
Salaries and Wages	22,000.00	22,000.00	14,448.00	7,552.00	
Other Expenses	500.00	500.00	-	500.00	
Public Defender					
Other Expenses	1,000.00	1,000.00	1,000.00	-	
PEOSHA					
Other Expenses	10,000.00	11,000.00	10,710.06	289.94	
Uniform Fire Safety Act Chapter 383-83					
Fire Prevention Code Official					
Salaries and Wages	10,000.00	10,000.00	10,000.00	-	
Other Expenses	1,000.00	1,000.00	766.41	233.59	
Emergency Management Services					
Salaries and Wages	4,200.00	4,200.00	4,180.00	20.00	
Other Expenses	8,000.00	8,000.00	7,760.87	239.13	
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries and Wages	451,000.00	451,000.00	451,000.00	-	
Other Expenses	41,000.00	23,500.00	4,993.28	18,506.72	
Street Lighting and Traffic Lights	44,000.00	44,000.00	38,203.28	5,796.72	
HEALTH AND WELFARE					
Board of Health					
Salaries and Wages	17,000.00	17,000.00	15,954.00	1,046.00	
Other Expenses	13,000.00	13,000.00	12,512.88	487.12	
Chief Construction Official					
Salaries and Wages	88,000.00	88,000.00	88,000.00	-	
Other Expenses	21,000.00	21,000.00	21,000.00	-	

(Continued - Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled/ (Overexpended)
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS-WITHIN "CAPS" - Continued					
MUNICIPAL COURT					
Salaries and Wages	\$ 48,000.00	\$ 48,000.00	\$ 39,497.20	\$ 8,502.80	\$ -
Other Expenses	25,500.00	25,500.00	22,427.34	3,072.66	
UNCLASSIFIED					
Recreation					
Salaries and Wages	26,000.00	27,000.00	26,768.40	231.60	
Other Expenses	20,000.00	19,000.00	8,329.07	10,670.93	
Utilities	85,000.00	85,000.00	83,493.37	1,506.63	
Recycling Expense					
Salaries and Wages	60,000.00	35,000.00	35,000.00	-	
Other Expenses	30,000.00	40,000.00	36,352.01	3,647.99	
Reserve for Tax Appeals	10,000.00	10,000.00	8,311.00	1,689.00	
Vehicle Maintenance	120,000.00	120,000.00	119,952.23	47.77	
Total Operations (Item 8(A)) Within "CAPS"	4,526,202.20	4,526,202.20	4,268,653.32	257,548.88	-
CONTINGENT					
TOTAL OPERATIONS INCLUDING					
CONTINGENT WITHIN "CAPS"					
	\$ 4,526,202.20	\$ 4,526,202.20	\$ 4,268,653.32	\$ 257,548.88	\$ -
Detail:					
Salaries and Wages	\$ 3,027,600.00	\$ 3,003,600.00	\$ 2,932,627.47	\$ 70,972.53	\$ -
Other Expenses	1,498,602.20	1,522,602.20	1,336,025.85	186,576.35	-
DEFERRED CHARGES AND STATUTORY					
EXPENDITURES-MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
PERS	143,309.00	143,309.00	143,309.00	-	
PFRS	125,000.00	125,000.00	125,000.00	-	
Social Security System (O.A.S.I.)	383,520.00	383,520.00	383,520.00	-	
TOTAL DEFERRED CHARGES AND STATUTORY	651,829.00	651,829.00	651,829.00	-	
EXPENDITURES-MUNICIPAL WITHIN "CAPS"					
TOTAL GENERAL APPROPRIATIONS FOR	\$ 5,178,031.20	\$ 5,178,031.20	\$ 4,920,482.32	\$ 257,548.88	\$ -
MUNICIPAL PURPOSES WITHIN "CAPS"					

(Continued - Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled/ (Overexpended)
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS EXCLUDED FROM "CAPS"					
Sewer Authority Share of Costs	\$ 772,100.00	\$ 772,100.00	\$ 772,094.00	\$ 6.00	\$ -
Maintenance of Free Public Library (Chapter. 82 & 541, P.L. 1985)	459,333.00	459,333.00	371,020.22	88,312.78	
Insurance (N.J.S.A. 40A:4-45.3(00)) Employee Group Health	58,200.00	58,200.00	58,200.00	-	
Volunteer Incentive Program	66,000.00	66,000.00	-	66,000.00	
Storm Water Management	2,000.00	2,000.00	2,000.00	-	
PFRS	86,477.00	86,477.00	86,477.00	-	
PERS	31,801.00	31,801.00	31,801.00	-	
Intercal Municipal Service Agreements					
Municipal Court					
Salaries and Wages	20,000.00	20,000.00	20,000.00	-	
Other Expenses	6,500.00	6,500.00	6,500.00	-	
PUBLIC AND PRIVATE PROGRAMS					
OFF-SET BY REVENUES					
Matching Funds for Grants - Other Expenses	2,000.00	2,000.00	2,000.00	-	
Municipal Alliance Grant	10,000.00	10,000.00	10,000.00	-	
Municipal Alliance - Matching Funds	2,500.00	2,500.00	2,500.00	-	
Clean Communities Program	7,500.00	7,500.00	7,500.00	-	
Grant Reserves					
Police Vest	2,652.24	2,652.24	2,652.24	-	
Alcohol Education & Rehabilitation Fund	201.09	201.09	201.09	-	
Bergen County Recycling Grant	5,515.87	5,515.87	5,515.87	-	
Library Aid	1,927.00	1,927.00	1,927.00	-	
TOTAL OPERATIONS					
- EXCLUDED FROM "CAPS"	<u>\$ 1,534,707.20</u>	<u>\$ 1,534,707.20</u>	<u>\$ 1,380,388.42</u>	<u>\$ 154,318.78</u>	<u>\$ -</u>
Detail:					
Salaries and Wages	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -
Other Expenses	1,514,707.20	1,514,707.20	1,360,388.42	154,318.78	-

(Continued - Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled/ (Overexpended)
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS EXCLUDED FROM "CAPS" - Continued					
Capital Improvement Fund	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ -	\$
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ -</u>	<u>\$</u>
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 475,000.00	\$ 475,000.00	\$ 475,000.00	\$	\$
Payment of Bond Anticipation Notes and Capital Notes	167,000.00	167,000.00	166,859.00		141.00
Interest on Bonds	37,650.00	37,650.00	37,627.25		22.75
Interest on Notes	37,700.00	37,700.00	31,032.78		6,667.22
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"	<u>\$ 717,350.00</u>	<u>\$ 717,350.00</u>	<u>\$ 710,519.03</u>	<u>\$</u>	<u>\$ 6,830.97</u>
DEFERRED CHARGES:					
Special Emergency Authorizations - 5 Years (N.J.S.40A:4-55)	\$ -	\$ -	\$ -	\$	\$
TOTAL MUNICIPAL DEFERRED CHARGES EXCLUDED FROM "CAPS"	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>\$</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES-EXCLUDED FROM "CAPS"	<u>\$ 2,277,057.20</u>	<u>\$ 2,277,057.20</u>	<u>\$ 2,115,907.45</u>	<u>\$ 154,318.78</u>	<u>\$ 6,830.97</u>
Sub-Total General Appropriations	A-1 \$ 7,455,088.40	\$ 7,455,088.40	\$ 7,036,389.77	\$ 411,867.66	\$ 6,830.97
Reserve for Uncollected Taxes	200,000.00	200,000.00	200,000.00		
Total General Appropriations	<u>\$ 7,655,088.40</u>	<u>\$ 7,655,088.40</u>	<u>\$ 7,236,389.77</u>	<u>\$ 411,867.66</u>	<u>\$ 6,830.97</u>
	Reference A-2	Below	Below	A	A-1
Budget Adopted	Reference A-2	\$ 7,655,088.40			
	A-2.Above	<u>\$ 7,655,088.40</u>			
Encumbrance Payable	A-22		\$ 52,586.48		
Reserve for Uncollected Taxes	A-2		200,000.00		
Budget Offsets	A-4		(230,042.91)		
Disbursements	A-4		7,166,808.96		
Due to Capital Fund - Capital Improvement Fund	C-6		25,000.00		
Due to Grant Fund - Unexpended Current Year Grants	G-5		22,037.24		
	Above		<u>\$ 7,236,389.77</u>		

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
TRUST FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS

B

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
<u>Animal License Fund</u>			
Cash and Cash Equivalents	B-1	\$ 1,409.60	\$ 340.00
Due from Current Fund	A, B-4	636.41	636.41
Deficit in Animal License Fund	B-2	-	-
		<u>2,046.01</u>	<u>976.41</u>
<u>Other Trust Fund</u>			
Cash and Cash Equivalents	B-1	632,028.98	691,743.17
Due from Current Fund	B-4	2,644.14	-
		<u>634,673.12</u>	<u>691,743.17</u>
<u>Developers Escrow Fund</u>			
Cash and Cash Equivalents	B-1	132,751.92	696.23
<u>COAH Fund</u>			
Cash and Cash Equivalents	B-1	169,281.05	157,168.85
Due from Current Fund	A, B-4	628.68	628.68
		<u>169,909.73</u>	<u>157,797.53</u>
<u>Unemployment Compensation Fund</u>			
Cash and Cash Equivalents	B-1	697.08	5.02
Due from Other Trust Fund	B-11	-	692.06
		<u>697.08</u>	<u>697.08</u>
<u>Recreation Fund</u>			
Cash and Cash Equivalents	B-1	43,218.96	45,560.33
TOTAL ASSETS		<u>\$ 983,296.82</u>	<u>\$ 897,470.75</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
TRUST FUND

**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS**

B

		<u>At December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>Reference</u>			
<u>LIABILITIES, RESERVES AND SURPLUS</u>			
<u>Animal License Fund</u>			
Due to State of NJ	B-8	\$ 6.00	\$ 6.00
Due to Current Fund	A, B-4		-
Reserve for Animal Fund Expenditures	B-2	2,040.01	970.41
		<u>2,046.01</u>	<u>976.41</u>
<u>Other Trust Fund</u>			
Due to Current Fund	A,B-4	-	78,077.21
Due to Grant Fund	B-12		2,500.00
Due to Unemployment Fund	B-11		692.06
Security Deposits	B-5	345,903.34	258,735.65
Trust Reserves	B-6	288,716.78	351,713.25
Due to State of New Jersey	B-3	53.00	25.00
		<u>634,673.12</u>	<u>691,743.17</u>
<u>Developers Escrow Fund</u>			
Escrow Reserves	B-7	132,603.55	
Due to Current Fund	A,B-4	148.37	696.23
		<u>132,751.92</u>	<u>696.23</u>
<u>COAH Fund</u>			
COAH Development Fees	B-10	169,909.73	157,797.53
<u>Unemployment Fund</u>			
Due to Current Fund	A,B-4	697.08	697.08
		-	-
		<u>697.08</u>	<u>697.08</u>
<u>Recreation Fund</u>			
Due to Current Fund	A,B-4		860.49
Reserve for Recreation	B-9	43,218.96	44,699.84
		<u>43,218.96</u>	<u>45,560.33</u>
TOTAL LIABILITIES, RESERVES AND SURPLUS		<u>\$ 983,296.82</u>	<u>\$ 897,470.75</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
GENERAL CAPITAL FUND

**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS**

C

		At December 31,	
		2011	2010
ASSETS	Reference		
Cash and Cash Equivalents :			
Cash	C-2	\$ 494,881.17	\$ 424,604.27
Deferred Charges to Future Taxation:			
Funded	C-12	4,253,000.00	1,513,000.00
Unfunded	C-3	211,900.00	3,770,056.00
Due from Water Trust Fund	C-10, D		1,516.71
Due from Water Capital Fund	C-2, D	68.00	
Due from Current Fund	A, C-6	25,000.00	61,400.80
Grant Receivable	C-7	472,202.10	291,453.00
TOTAL ASSETS		<u>\$ 5,457,051.27</u>	<u>\$ 6,062,030.78</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-12	\$ 4,253,000.00	\$ 1,513,000.00
Bond Anticipation Notes Payable	C-11	-	3,199,256.00
Improvement Authorizations:			
Funded	C-5	595,469.61	152,053.50
Unfunded	C-5	211,900.00	1,018,021.80
Encumbrances Payable	C-9	30,753.05	22,353.57
Capital Improvement Fund	C-4	1,303.39	1,303.39
Reserve for Grants Receivable	C-8	335,953.00	155,203.00
Due to Water Trust Fund	C-2,D	68.00	
Accrued Interest on Bonds	C-2	1,581.91	
Fund Balance	C-1	27,022.31	839.52
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 5,457,051.27</u>	<u>\$ 6,062,030.78</u>

There were bonds and notes authorized but not issued
of \$211,900 on December 31, 2011 (C-13).

STATEMENT OF FUND BALANCE

C-1

	Reference	
Balance December 31, 2010	C	\$ 839.52
Increased by:		
Improvement Authorizations Canceled	C-5	<u>26,182.79</u>
Balance December 31, 2011	C	<u>\$ 27,022.31</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
WATER UTILITY FUND

**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS**

D

ASSETS	Reference	December 31 ,	
		2011	2010
Operating Fund:			
Cash	D-5	\$ 423,961.60	\$ 320,458.24
Deferred Charge - Overexpenditure of Appropriation	D-4	841.70	7,560.42
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-6	131,850.40	135,773.74
Due from General Capital	C	68.00	
Due from Current Fund	A, D-19		20,944.62
Total Operating Fund		556,721.70	484,737.02
Capital Fund:			
Cash	D-5	453,714.57	497,579.18
Due from Utility Operating Fund	D-8		20,459.37
Due from Current Fund	A, D-13		433.38
Fixed Capital	D-7	4,702,812.24	4,702,812.24
Fixed Capital: Authorized and Uncompleted	D-14	543,442.40	543,442.40
Total Capital Fund		5,699,969.21	5,764,726.57
TOTAL ASSETS		\$ 6,256,690.91	\$ 6,249,463.59
 LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities			
Appropriation Reserve	D-4,9	\$ 31,614.59	\$ 12,112.82
Encumbrance Payable	D-4,9	19,591.74	1,560.00
Storm Damage Reserve		130,000.00	130,000.00
Water Rent Overpayment	D-18	1,261.08	2,337.63
Accrued Interest on BANS			2,966.20
Accrued Interest on Bonds	D-20	18,047.72	13,904.16
Due to Water Capital Fund	D-8		20,459.37
Due to General Capital Fund	C		1,516.71
Reserve for Receivable	D-6	131,850.40	135,773.74
Fund Balance	D-1	224,356.17	164,106.39
Total Operating Fund		556,721.70	484,737.02
Capital Fund:			
Bonds Payable	D-17	1,357,000.00	725,000.00
Bond Anticipation Notes	D-21		684,752.00
Due to General Capital Fund	C	68.00	
Improvement Authorizations:			
Funded	D-10	404,485.04	116,294.10
Unfunded	D-10		427,148.30
Capital Improvement Fund	D-11	44,536.85	44,536.85
Reserve for Amortization	D-12	3,854,386.64	3,727,502.64
Reserve for Deferred Amortization	D-16	31,550.00	31,550.00
Fund Balance	D-2	7,942.68	7,942.68
Total Capital Fund		5,699,969.21	5,764,726.57
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 6,256,690.91	\$ 6,249,463.59

There were bonds and notes authorized but not issued on December 31, 2011 and December 31, 2010
in the amount of \$ 0 and \$74,200, respectively. (Schedule D-15)

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
WATER UTILITY FUND

**COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - OPERATING
(REGULATORY BASIS)**

D-1

		<u>For the Years Ended December 31:</u>	
		<u>2011</u>	<u>2010</u>
	Reference		
REVENUE AND OTHER INCOME REALIZED			
Rents	D-3	\$ 836,454.48	\$ 812,364.08
Fire Hydrant Service	D-3	21,500.00	21,500.00
Interest Income	D-5	6,579.93	4,921.20
Other Credits to Income:			
Appropriation Canceled	D-4	699.08	2,340.33
Unexpended Balance of Appropriation Reserves	D-9	6,016.29	15,798.63
		<hr/>	<hr/>
Total Income		871,249.78	856,924.24
		<hr/>	<hr/>
EXPENDITURES			
Operating	D-4	547,721.58	400,589.91
Capital Improvements	D-4	90,000.00	
Debt Service	D-4	165,718.00	159,730.25
Deferred Charges	D-4	7,560.42	134,579.84
		<hr/>	<hr/>
Total Expenditures	D-4	811,000.00	694,900.00
		<hr/>	<hr/>
EXCESS / (DEFICIT) IN REVENUES		60,249.78	162,024.24
		<hr/>	<hr/>
Fund Balance - Operating - January 1	D	164,106.39	2,082.15
		<hr/>	<hr/>
		224,356.17	164,106.39
		<hr/>	<hr/>
FUND BALANCE-OPERATING-DECEMBER 31	D	<u>\$ 224,356.17</u>	<u>\$ 164,106.39</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
 WATER UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF CAPITAL FUND BALANCE

D-2

	Reference	
Balance December 31, 2010	D	<u>\$ 7,942.68</u>
Balance December 31, 2011	D	<u>\$ 7,942.68</u>

STATEMENT OF REVENUES - REGULATORY BASIS

D-3

	<u>Anticipated Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Rents	\$ 790,000.00	\$ 836,454.48	\$ 46,454.48
Fire Hydrant Service	21,000.00	21,500.00	500.00
			-
TOTAL	<u>\$ 811,000.00</u>	<u>\$ 857,954.48</u>	<u>\$ 46,954.48</u>

	Reference	D-4	D-1,Below
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Analysis of Revenue

	Reference	
Cash Receipts	D-5	\$ 855,616.85
Overpayments Applied	D-6	2,337.63
		<hr/>
TOTAL	Above	<u>\$ 857,954.48</u>

BOROUGH OF HO-HO-KUS, NJ
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-4

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Over- expended</u>	<u>Reserved</u>	<u>Unexpended Balance Lapsed</u>
Operating:						
Salaries and Wages	\$ 250,000.00	\$ 210,000.00	\$ 181,512.31	\$ -	\$ 28,487.69	\$
Other Expenses	275,000.00	312,000.00	308,873.10	-	3,126.90	
Group Health Insurance	25,721.58	25,721.58	25,721.58	-	-	
Total Operating	<u>550,721.58</u>	<u>547,721.58</u>	<u>516,106.99</u>	<u>-</u>	<u>31,614.59</u>	<u>-</u>
Capital Improvements:						
Capital Outlay	90,000.00	90,000.00	89,300.92	-	-	699.08
Total Capital Improvements	<u>90,000.00</u>	<u>90,000.00</u>	<u>89,300.92</u>	<u>-</u>	<u>-</u>	<u>699.08</u>
Debt Service:						
Payment of BAN Principal	16,884.00	16,884.00	16,884.00	-	-	-
Payment of BAN Interest	6,650.00	6,650.00	6,650.00	-	-	-
Payment of Bond Principal	110,000.00	110,000.00	110,000.00	-	-	-
Interest on Bonds	29,184.00	32,184.00	33,025.70	(841.70)	-	-
Total Debt Service	<u>162,718.00</u>	<u>165,718.00</u>	<u>166,559.70</u>	<u>(841.70)</u>	<u>-</u>	<u>-</u>
Deferred Charges:						
Overexpenditure Appropriation	7,560.42	7,560.42	7,560.42	-	-	-
Total Deferred Charges	<u>7,560.42</u>	<u>7,560.42</u>	<u>7,560.42</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL WATER UTILITY APPROPRIATIONS	<u>\$ 811,000.00</u>	<u>\$ 811,000.00</u>	<u>\$ 779,528.03</u>	<u>\$ (841.70)</u>	<u>\$ 31,614.59</u>	<u>\$ 699.08</u>
Reference	D-1,3	D-1,3	Below	D	D	D-1
Reference						
Disbursements	D-5		\$ 751,198.51			
Increase in Accrued Interest on Bonds and BAN's	D-20		1,177.36			
Encumbrances Payable	D		19,591.74			
Deferred Charges	D		7,560.42			
	Above		<u>\$ 779,528.03</u>			

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
PUBLIC ASSISTANCE FUND

**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS**

E

		<u>At December 31,</u>	
P.A.T.F. #1	Reference	<u>2011</u>	<u>2010</u>
ASSETS			
Cash	E-1	\$ 6,018.62	\$ 6,018.62
		<hr/>	<hr/>
TOTAL ASSETS		<u>\$ 6,018.62</u>	<u>\$ 6,018.62</u>
 LIABILITIES AND RESERVES			
Due to Current Fund	A, E-5	\$ 5.04	\$ 5.04
Reserve for Public Assistance	E-4	<u>6,013.58</u>	<u>6,013.58</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 6,018.62</u>	<u>\$ 6,018.62</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
GENERAL FIXED ASSETS ACCOUNT GROUP
AT DECEMBER 31, 2011

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS

F

	<u>2011</u>	<u>2010</u>
General Fixed Assets		
Land (as per assessed valuation)	\$ 13,402,800.00	\$ 16,366,600.00
Buildings (as per assessed valuation)	4,085,900.00	3,962,400.00
Machinery and Equipment	<u>5,109,508.09</u>	<u>5,116,888.93</u>
Total General Fixed Assets	<u>\$ 22,598,208.09</u>	<u>\$ 25,445,888.93</u>
Investment in General Fixed Assets	<u>\$ 22,598,208.09</u>	<u>\$ 25,445,888.93</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
GRANT FUND

COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS

G

		<u>At December 31,</u>	
	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash	G-1	\$ 62,640.05	\$ 77,518.46
Grants Receivable	G-2	28,064.10	17,746.16
Due from Trust Fund	B,G-6		2,500.00
Over-Expenditure of Grant Reserves	G-5	157.99	
TOTAL ASSETS		<u>\$ 90,862.14</u>	<u>\$ 97,764.62</u>
 LIABILITIES			
Unappropriated Reserves	G-4	\$ 7,663.61	\$ 10,296.20
Appropriated Reserves	G-5	72,045.04	63,511.10
Due to Current Fund	A,G-3	11,153.49	23,957.32
TOTAL LIABILITIES		<u>\$ 90,862.14</u>	<u>\$ 97,764.62</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
SOLID WASTE UTILITY FUND

**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS**

H

	<u>Reference</u>	<u>At December 31</u>	
		<u>2011</u>	<u>2010</u>
ASSETS			
Cash	H-4	\$ 769,034.22	\$ 711,118.52
Consumer Accounts Receivable	H-5	25,153.10	25,149.81
Due From Current Fund	A, H-8		1,321.59
TOTAL ASSETS		<u>\$ 794,187.32</u>	<u>\$ 737,589.92</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Encumbrance Payable	H-3,H-6A	\$ 37,083.33	\$ 54,051.53
Appropriations Reserves	H-3,6	12,284.97	255,283.77
Prepaid Utilities	H-4	79,892.43	
Utility Rents Overpaid	H-7	30.75	6,504.14
Appropriations Reserve Committed		46,166.66	46,166.66
		<u>175,458.14</u>	<u>362,006.10</u>
Reserve for Receivable	H-5	25,153.10	25,149.81
Fund Balance	H-1	593,576.08	350,434.01
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 794,187.32</u>	<u>\$ 737,589.92</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
SOLID WASTE UTILITY FUND

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE
- REGULATORY BASIS**

H-1

	<u>Reference</u>	<u>For the Years Ended</u>	
		<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
REVENUE AND OTHER INCOME REALIZED			
Operating Surplus	H-2		\$ 158,000.00
Fees	H-2	784,428.00	775,601.34
Interest Income	H-2	3,959.93	6,834.99
Delinquent Interest	H-2,4	3,012.96	2,394.18
Appropriation Reserve Canceled	H-6	231,741.18	156,778.21
		-	
		1,023,142.07	1,099,608.72
Total Income			
EXPENDITURES			
Operating	H-3	767,000.00	925,000.00
Statutory Expenditures	H-3	13,000.00	9,000.00
		780,000.00	934,000.00
Total Expenditures	H-3		
		243,142.07	165,608.72
EXCESS IN REVENUES			
Fund Balance - Operating - January 1	H	350,434.01	342,825.29
		593,576.08	508,434.01
Surplus Utilized	H-2	-	158,000.00
FUND BALANCE - OPERATING - DECEMBER 31	H	\$ 593,576.08	\$ 350,434.01

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
SOLID WASTE UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF REVENUE - REGULATORY BASIS

H-2

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Solid Waste Fees	775,000.00	784,428.00	9,428.00
Interest on Investments	5,000.00	3,959.93	(1,040.07)
Delinquent Interest		3,012.96	3,012.96
	<u>\$ 780,000.00</u>	<u>\$ 791,400.89</u>	<u>\$ 11,400.89</u>
	H-3	H-1, Below	
	<u>Reference</u>		
Receipts	H-4	777,923.86	
Delinquent Interest	H-4	3,012.96	
Interest Income	H-4	3,959.93	
Overpayment Applied	H-7	6,504.14	
	Above	<u>\$ 791,400.89</u>	

STATEMENT OF EXPENDITURES - REGULATORY BASIS

H-3

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	
			<u>Paid or Charged</u>	<u>Reserved</u>
Operating				
Salaries & Wages	\$ 100,000.00	\$ 230,000.00	\$ 230,000.00	\$ -
Other Expenses	667,000.00	537,000.00	529,715.03	7,284.97
	<u>767,000.00</u>	<u>767,000.00</u>	<u>759,715.03</u>	<u>7,284.97</u>
Statutory Expenditures				
Public Employees Retirement System	5,000.00	5,000.00	-	5,000.00
Social Security System	8,000.00	8,000.00	8,000.00	-
Unemployment Compensation Insurance	-	-	-	-
	<u>13,000.00</u>	<u>13,000.00</u>	<u>8,000.00</u>	<u>5,000.00</u>
Total Solid Waste Utility Appropriations	<u>\$ 780,000.00</u>	<u>\$ 780,000.00</u>	<u>\$ 767,715.03</u>	<u>\$ 12,284.97</u>
Reference	H-2	H-2	Below	H
		<u>Reference</u>		
		H	\$ 37,083.33	
		H-4	730,631.70	
		Above	<u>\$ 767,715.03</u>	

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS, NJ
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

However, the municipalities in the State of New Jersey do not issue financial statements in accordance with GAAP, and thus, do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers, or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the "friends of the municipal library," volunteer fire department or volunteer ambulance squad, which are component units under GAAP.

B. Fund Accounting

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. The accounts of the Borough are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues, and expenses or expenditures.

BOROUGH OF HO-HO-KUS, NJ
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

B. Fund Accounting (Continued)

The following funds and groups of accounts are used by the Borough:

Current Fund - Resources and expenditures for governmental operations of a general nature.

Trust Fund - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. The Division of Local Government Services regulates the accounting for these funds.

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 Fund – revenues and expenditures for the operation of the Borough’s water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities for the water utility are accounted for in the capital section of the fund.

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

General Fixed Assets Account Group - the General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or insurable cost if the actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

Grant Fund - receipt and disbursement of funds from Federal, State, and County Grants.

Solid Waste Utility Fund - receipt and disbursement of funds for solid waste operations.

C. Basis of Accounting

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

Revenues - are recorded when received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal, State, and County grants are realized as revenue when anticipated in the municipal budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the municipality's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the municipality, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and are recorded as revenue when received.

BOROUGH OF HO-HO-KUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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

Utility Rents - utility charges are levied based on water meter readings. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Water Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual and not to be reduced by an allowance for doubtful accounts.

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

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq. Transfers can be made during the last two months and the first three months of the following year. The budget may also be amended by emergency appropriation, which must be raised in the succeeding year's budget. Special items of revenue and corresponding expenditure may be added to the budget with special written consent from the Division of Local Government Services (Chapter 159).

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

Trust Funds
General Capital Fund
Public Assistance Fund

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

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

BOROUGH OF HO-HO-KUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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

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

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

Self-Insurance Contributions - Payments to self-insurance funds are charged to current budget appropriations. GAAP requires payments to be accounted for as an operating transfer and not as an expenditure.

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

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

Cash and Investments - Cash includes amounts in demand deposits, as well as short-term investments, with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

Incurred But Not Reported (IBNR) Reserves- The Borough has not created a reserve for any potential occurrences and the Borough has not received potential notice of any such claims. Additionally, the Borough has not recorded a liability for those claims, which have been filed but have not yet been paid. GAAP requires the establishment of reserves for such potential claims.

BOROUGH OF HO-HO-KUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

C. Basis of Accounting (Continued)

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

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

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

General Fixed Assets – N.J.A.C. 5:30-5.6 codifies fixed asset accounting, the Technical Accounting Directive No. 86-2 (the “TAD”) took affect in 1986. This TAD required local units to create and maintain a fixed asset accounting system for their physical assets. The requirement has now been codified as N.J.A.C. 5:30-5.6. The regulation continues the requirement of the local units to:

1. Place a value of all fixed assets put into service
2. Have a subsidiary ledger of detailed records of fixed assets
3. Provide property management standards to control fixed assets
4. Provide a statement of fixed assets in the annual audit.

GAAP requires that fixed assets be capitalized at historical cost or at estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded. Schedule F of the Financial Statement will disclose the major classes of Fixed Assets as of December 31, 2011 and December 31, 2010, no depreciation has been provided for in the financial statements.

Fixed Assets purchased after December 31, 1989 are stated at cost. Fixed Assets purchased prior to December 31, 1989 are stated as follows:

Land and Buildings	Estimated Market Value / Insurance Value
Machinery and Equipment	Estimated Market Value

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

BOROUGH OF HO-HO-KUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

C. Basis of Accounting (Continued)

Accounting for utility fund "fixed capital" remains unchanged under the Requirements of Technical Accounting Directive No. 85-2. Property and equipment purchased by the Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment and improvements. The Utility does not record depreciation on fixed assets.

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

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

D. Basic Financial Statements

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

2. **Cash, Cash Equivalents and Investments**

Cash and Cash Equivalents

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of December 31, 2011, \$0 of the Borough's bank balance of \$5,356,862.44 was exposed to custodial credit risk.

BOROUGH OF HO-HO-KUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010
 (Continued)

2. Cash and Cash Equivalents (Continued)

Investments

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

Credit Risk. New Jersey Statutes 40A: 5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The Borough places no limit on the amount the Borough may invest in any one issuer.

As of December 31, 2011, the Borough did not have any investments.

3. Municipal Debt

Long-Term Debt

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

	Balance Dec.31, 2010	Additions	Reductions	Balance Dec.31, 2011	Due in One Year
Bonds Payable - General	\$ 1,513,000.00	\$ 3,215,000.00	\$ 475,000.00	\$4,253,000.00	\$ 715,000.00
Bonds Payable - Water Utility	725,000.00	742,000.00	110,000.00	1,357,000.00	160,000.00
	<u>\$ 2,238,000.00</u>	<u>\$ 3,957,000.00</u>	<u>\$ 585,000.00</u>	<u>\$5,610,000.00</u>	<u>\$ 875,000.00</u>

As of December 31, 2011, all outstanding bonds are included in the general capital fund and water utility capital fund and interest and principal reductions are included in the operating budget of the Borough.

BOROUGH OF HO-HO-KUS, NJ
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010
 (Continued)

2. Municipal Debt (Continued)

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

General Obligation Bonds

2003 Bonds, due in annual installments of \$500,000 due 5/1/2012 and \$538,000 due 5/1/2013, interest at 2.95% \$ 1,038,000.00

2011 Bonds, due in annual installments of \$215,000 due 7/15/2012, \$220,000 due 07/15/13, \$260,000 due 07/15/14, \$305,000 due 07/15/15, \$335,000 due 07/15/16, \$350,000 due 07/15/17, \$365,000 due 07/15/18, \$375,000 due 07/15/19, \$390,000 due 07/15/20, \$400,000 due 07/15/21, interest at Variable rates from 1.00% to 2.750% 3,215,000.00

\$4,253,000.00

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Calendar Year</u>	<u>General</u>	
	<u>Principal</u>	<u>Interest</u>
2012	715,000.00	89,308.50
2013	758,000.00	71,848.00
2014	260,000.00	61,712.50
2015	305,000.00	59,112.50
2016	335,000.00	53,012.50
2017-2021	1,880,000.00	149,450.00
Total	<u>\$ 4,253,000.00</u>	<u>\$ 484,444.00</u>

BOROUGH OF HO-HO-KUS, NJ
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010
 (Continued)

Municipal Debt (Continued)

Water Utility Bonds

1998 Bonds, due in annual installments of \$75,000 due 8/01/2012 to 2014, and \$80,000 due 8/01/2015 to 2018, interest at variable rates of 4.50% to 4.85%	\$545,000.00
2003 Bonds, due in annual installments of \$35,000 due 5/01/2012-2013, interest at 2.95%	70,000.00
2011 Bonds, due in annual installments of \$50,000 due 7/15/2012, \$55,000 due 07/15/13, \$60,000 due 07/15/14, \$65,000 due 07/15/15, \$70,000 due 07/15/16, \$75,000 due 07/17/17, \$85,000 due 07/17/18, \$90,000 due 07/15/19, \$95,000 due 07/15/20, \$97,000 due 07/15/21, interest at variable rates of 1.00% to 2.750%	742,000.00
	\$1,357,000.00

Water Utility Debt

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>
2012	160,000.00	42,704.25
2013	165,000.00	37,721.75
2014	135,000.00	33,167.50
2015	145,000.00	29,042.50
2016	150,000.00	23,942.50
2017-2021	602,000.00	47,502.50
Total	\$1,357,000.00	\$214,081.00

Total General Obligation and Water Utility Bonds

\$5,610,000.00

Summary of Municipal Debt

	2011	2010	2009
Bonds and Notes Issued			
General:			
Bonds and Notes	\$ 4,253,000	\$ 4,712,256	\$ 4,092,539
Water Utility Bonds and Notes	1,357,000	1,409,752	1,158,388
Total Bonds and Notes Issued	5,610,000	6,122,008	5,250,927
Authorized but not Issued			
General	211,900	570,800	1,208,500
Water Utility Bonds and Notes	-	74,200	368,000
Total Authorized But not Issued	211,900	645,000	1,576,500
Bonds and Notes Issued and Authorized but not Issued	\$ 5,821,900	\$ 6,767,008	\$ 6,827,427

BOROUGH OF HO-HO-KUS, NJ
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010

(Continued)

3. Municipal Debt (Continued)

Summary of Statutory Debt Condition – Annual Debt Statement

The following summarized statement of debt condition is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.336%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Bonds and Notes for School Purposes	\$ 10,098,000	\$ 10,098,000	\$ -
General Debt			
Bonds	4,253,000		4,253,000
Notes Authorized but Not Issued	211,900		211,900
Water Utility Debt			
Bonds	1,357,000	1,357,000	-
			-
	<u>\$ 15,919,900</u>	<u>\$ 11,455,000</u>	<u>\$ 4,464,900</u>

Net Debt \$4,464,900 divided by Equalized Valuation Basis
 Per N.J.S.A.40A:2-2 as amended \$1,328,142,820 = .336%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 46,484,998.70
Net Debt	4,464,900.00
Remaining Borrowing Power	<u>\$ 42,020,098.70</u>

Water Utility

Calculation of "Self-Liquidating Purpose"

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 858,030.00
Deductions:	
Operating and maintenance cost	648,282.00
Debt service	162,718.00
Deferred Charges & Statutory Expenditures	
Total Deductions	<u>811,000.00</u>
Excess / (deficit) in revenue	<u>\$ 47,030.00</u>

Note: If there is a deficit in revenue, then the utility debt is not deductible to the extent of twenty times such deficit amount.

BOROUGH OF HO-HO-KUS, NJ
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)

4. Contingent Liabilities

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would either be funded by insurance or raised by future taxation. The Borough expects such amounts, if any, to be immaterial.

5. Claims and Judgments

The Borough participated in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2011, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

6. Risk Management

The purpose of the fund Management is to administer employee life, health, property and liability, worker's compensation, unemployment, and disability insurance programs of the Borough on a cost – reimbursement basis. This fund accounts for the risk financing activities of the Borough but does not constitute a transfer of risk from the Borough. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

7. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges were reported on balance sheets of various funds:

Grant Fund:		
Overexpenditure of Appropriations	\$	157.99
Water Utility Operating Fund:		
Overexpenditure of Appropriations		841.70
Total Deferred Charges	<u>\$</u>	<u>999.69</u>

BOROUGH OF HO-HO-KUS, NJ
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010
 (Continued)

8. Taxes Collected in Advance

Taxes collected in advance and the amounts set forth as cash liabilities in the financial statement as follows:

	Balance	Balance
	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
Prepaid Taxes	<u>\$ 250,943.08</u>	<u>\$ 187,120.70</u>

9. Local District School and County Taxes

The Borough collects school and county taxes and is responsible for the full amount of the levy. School and county taxes have been raised on the calendar year.

10. Compensated Absences and Post Employment Benefits

The Borough has permitted employees to accrue unused sick pay which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$1,290,153.76. This amount is not reported either as expenditure or as liability. As of December 31, 2011, \$140,859.16 has been accrued in the Trust Fund towards the estimated cost.

The Borough pays health insurance of \$1,500.00 each year for 10 years to employees who have retired after they have completed 25 years or more of service. Currently the Borough has 4 retired employees who receive this benefit. In 2011, the cost of these health insurance benefits totals \$6,000.00.

11. Retirement Plans

Pension Funds

Description of Plans

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). Those systems are sponsored and administered by the State of New Jersey and are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for PERS and PFRS. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625.

BOROUGH OF HO-HO-KUS, NJ
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010
 (Continued)

11. Retirement Plans (Continued)

Pension Funds (Continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Police and Firemen's Retirement System (PFRS)

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

Funding Policy

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employees. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 6.5% for PERS and 10% for PFRS of the employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount
2011	\$ 143,309.00	\$ 383,520.00
2010	140,219.00	375,676.00
2009	122,824.00	378,280.53

Deferred Compensation Plan

The Borough maintains a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457. Any employee of the Borough is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. The Borough does not and is not required to make contributions to the Plan. Nationwide Retirement Solutions and VALIC administrate the Plan.

BOROUGH OF HO-HO-KUS, NJ
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010
 (Continued)

12. Leases

188 East Franklin Turnpike (Block 1016 Lot 6); Leased to Sanzari Building Corp.

Lease Term Ended	Minimum Rent
June 2014	\$ 30,517.42

The term of the lease is from 2009 to 2014 with a one five-year option through 2019. The rent is to be increased yearly, "triple net" with rent adjustment tied to the lesser of the CPI or a 3% increase. Security deposit of \$4,000.00 was posted.

1 East Franklin Turnpike (Block 1009 Lot 1.01); Leased to Ho-Ho-Kus Inn & Tavern

Lease Term Ended	Minimum Rent
January 2012	78,286.32
January 2013	80,634.91
January 2014	83,053.97
January 2015	85,545.58
January 2016	88,111.95

The term of the lease is from 2006 to 2016 with three five-year extension options. The rent is to be increased yearly, "triple net" with rent adjustment tied to the lesser of the CPI or a 3% increase. Security deposit of \$10,000.00 was posted.

The lease was transferred from Korbitz to the Ho-Ho-Kus Inn & Tavern in 2009.

Cellular Towers at DPW Building

The Borough received lease payments for two cellular towers. The payments were \$57,427.61 in 2011 and \$48,782.57 in 2010.

BOROUGH OF HO-HO-KUS, NJ
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010
 (Continued)

15. Property Tax Calendar

The Borough's property taxes are due the first of February, May, August, and November upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year.

16. Joint Ventures With Other Municipalities

The Borough participates in an interlocal agreement with the Borough of Allendale to share the services of a Municipal Court. The revenues received by the Borough are used to offset the expenses of the Court.

17. Interfund Receivable and Payables

Interfund receivables and payables at December 31, 2011 were as follows:

<u>Fund Type</u>	<u>Receivables</u>	<u>Payables</u>
Current	\$ 12,003.98	\$ 28,909.23
Trust	3,909.23	845.45
Capital	25,068.00	68.00
Water Utility	68.00	
Water Capital		68.00
Grant		11,153.49
Public Assistance	-	5.04
Total Interfund Receivables/Payables	<u>\$ 41,049.21</u>	<u>\$ 41,049.21</u>

Supplementary Data

BOROUGH OF HO-HO-KUS

Supplementary Data

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized In</u> <u>Budget of</u> <u>Succeeding Year</u>
Current Fund	2011	\$ 822,483.14	\$ 187,000.00
	2010	514,346.94	130,000.00
	2009	937,752.39	466,100.00
	2008	1,281,865.71	786,500.00
Water Utility	2011	\$ 224,356.17	\$ -
Operating Fund	2010	164,106.39	-
	2009	2,082.15	-
	2008	2,082.15	
Solid Waste Utility	2011	\$ 593,576.08	\$ 94,500.00
Operating Fund	2010	350,434.01	
	2009	342,825.29	158,000.00
	2008	400,454.09	90,000.00

Comparative Schedule of Tax Rate Information

Assessed Valuation

2011 *	\$	<u>1,241,057,068</u>	
2010	\$	<u>1,372,609,945</u>	
2009	\$	<u>1,370,892,566</u>	
2008	\$	<u>1,362,713,779</u>	
2007 *			<u>\$1,359,069,432</u>

* Revaluation

BOROUGH OF HO-HO-KUS

Supplementary Data

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$ 21,178,159	\$ 20,957,186	98.96%
2010	20,790,977	20,568,847	98.93%
2009	19,789,506	19,611,270	99.10%
2008	19,018,223	18,880,279	99.27%
2007	18,211,543	18,137,385	99.59%

Delinquent Taxes and Tax Title Liens

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

<u>December Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2011		\$222,195	\$ 222,195	1.05%
2010		165,143	165,143	0.79%
2009		167,916	167,916	0.85%
2008		118,431	167,916	0.62%
2007		98,831	118,431	0.54%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2011	\$20,100
2010	20,100
2009	20,100
2008	20,100
2007	20,100

BOROUGH OF HO-HO-KUS

Supplementary Data

Comparison of Water Utility Levies

<u>December Year</u>	<u>Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2011	\$ 854,003	\$ 857,926	100.46%
2010	889,502	840,639	94.51%
2009	683,479	692,830	101.37%
2008	691,689	709,913	102.63%
2007	650,360	717,741	110.36%

Comparison of Solid Waste Utility Levies

<u>December Year</u>	<u>Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2011	\$ 784,432	\$ 784,428	100.00%
2010	778,090	775,601	99.68%
2009	781,044	772,116	98.86%
2008	794,739	797,167	100.31%
2007	795,563	808,374	101.61%

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH-COLLECTOR-TREASURER

A-4

	Reference		
Balance December 31, 2010	A		\$ 1,777,980.75
Increased by Receipts:			
Taxes Receivable	A-9	\$ 20,895,366.91	
Prepaid Municipal Rents	A	4,905.35	
Prepaid Parking Permits	A	24,530.00	
Miscellaneous Revenue	A-2	860,894.50	
Miscellaneous Revenue not Anticipated	A-2	121,857.66	
Due from State of NJ. - Senior Citizens and Veterans Deductions	A-7	34,500.00	
Accounts Payable - Refundable	A-10	145,277.75	
Prepaid Taxes	A-14	206,333.08	
Tax Overpayments	A-15	16,424.92	
Reserve for DCA	A-19	7,074.00	
Adjustment to Payroll- Prior Year Social Security	A-1	3,865.36	
Due from Grant Fund	G-3	23,902.32	
Due from Developer's Escrow Fund	B-4	696.23	
Due from Recreation Fund	B-4	860.49	
Due from Other Trust Fund	B-4	80,698.15	
Due from Trust Fund -POAA	B-4	23.20	
Petty Cash	A-8	290.00	
Budget Offsets	A-3	230,042.91	
			22,657,542.83
			24,435,523.58
Decreased by Disbursements:			
2011 Budget Appropriations	A-3	7,166,808.96	
2010 Appropriation Reserves	A-13	391,346.66	
Interest Paid on Prior year Escrow Refunded	A-1	2,295.18	
Tax Overpayments Refunded	A-15	15,797.58	
County Taxes	A-17	2,580,145.25	
Local District School Tax	A-18	12,054,794.50	
Accounts Payable - Refundable	A-10	141,881.02	
Reserve for DCA	A-19	6,491.00	
Reserve for Revaluation	A-20	5,283.74	
Due to Capital Fund	C-6	61,400.80	
Grant Expenditures	G-3	5,339.53	
Due to Water Utility Fund	D-19	20,944.62	
Due to Water Capital Fund	D-13	433.38	
Due to Solid Waste Fund	H-8	1,321.59	
Petty Cash Funds	A-8	300.00	
			22,454,583.81
Balance December 31, 2011	A		\$ 1,980,939.77

BOROUGH OF HO-HO-KUS, NJ
 CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CHANGE FUNDS

A-5

OFFICE	<u>Balance 12/31/11</u>	<u>Balance 12/31/10</u>
Tax Collector-Treasurer	\$ 100.00	\$ 100.00
Police Department	30.00	30.00
Municipal Court	100.00	100.00
	<u>\$ 230.00</u>	<u>\$ 230.00</u>
Reference	A	A

SCHEDULE OF DUE FROM LOCAL SCHOOL-GASOLINE EXPENSES

A-6

Balance December 31, 2010	Reference A	\$4,506.15
Balance December 31, 2011	A	<u>\$4,506.15</u>

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF DUE (TO) / FROM STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS (CHAPTER. 20, P.L. 1971)**

A-7

	Reference	
Balance December 31, 2010	A	\$ (1,492.32)
Increased by:		
Senior Citizens Deductions		\$ 750.00
Veterans Deductions		33,750.00
Veterans Deductions Allowed		<u>250.00</u>
		<u>34,750.00</u>
		33,257.68
Decreased by:		
Seniors and Veterans Disallowed		-
Received in Cash from State	A-4	<u>34,500.00</u>
		<u>34,500.00</u>
Balance December 31, 2011	A	<u><u>\$ (1,242.32)</u></u>
2011 Tax Revenue Realized:		
Senior Citizens Deductions		\$ 750.00
Veterans Deductions		33,750.00
Senior Citizen Deductions Allowed		<u>250.00</u>
Total Realized	A-9	<u><u>\$ 34,750.00</u></u>

SCHEDULE OF PETTY CASH

A-8

	Reference	
Adjustment to Operations	A-1	\$ 10.00
Cash Received	A-4	<u>290.00</u>
		\$ 300.00
Cash Disbursed	A-4	<u>\$ 300.00</u>

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-9

<u>Year</u>	<u>Balance</u>	<u>Added</u>	<u>2011</u>	<u>Cash Collections</u>		<u>Canceled</u>	<u>Balance</u>
	<u>12/31/10</u>		<u>Levy</u>	<u>2010</u>	<u>2011</u>		<u>12/31/11</u>
2010	\$ 165,143.49	\$ -	\$ -	\$ -	\$ 160,051.67	\$ 26.56	\$ 5,065.26
2011		31,073.26	21,147,085.86	187,120.70	20,770,065.24	3,843.85	217,129.33
	<u>\$ 165,143.49</u>	<u>\$ 31,073.26</u>	<u>\$ 21,147,085.86</u>	<u>\$ 187,120.70</u>	<u>\$ 20,930,116.91</u>	<u>\$ 3,870.41</u>	<u>\$ 222,194.59</u>
Reference	A	Below		A-14	Below		A
Cash	Reference						
State of NJ Realized Seniors and Veterans Deductions	A-4				\$ 20,895,366.91		
	A-7, Below				34,750.00		
	Above				<u>\$ 20,930,116.91</u>		

ANALYSIS OF 2011 PROPERTY TAX LEVY
TAX YIELD

General Purpose Tax		\$ 21,112,335.86
State Share of Senior Citizens and Veterans Deductions	Above	34,750.00
Added Penalty on Taxes	Above	5,348.93
Added Taxes (54:4-63.1 et. seq.)	Above	25,724.33
	Below	<u>\$ 21,178,159.12</u>

TAX LEVY

Local District School Tax (Abstract)	A-18	\$ 12,054,794.50
County Taxes (Abstract)	A-17	2,571,822.38
Due County for Added Taxes	A-17	3,146.80
Local Tax for Municipal Purposes	A-2	6,509,548.20
Add: Additional Taxes		<u>38,847.24</u>
Total Tax Levy	Above	<u>\$ 21,178,159.12</u>

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF ACCOUNTS PAYABLE

	Reference	A-10
Balance December 31, 2010	A	\$ 24,856.42
Increased by Receipts	A-4	145,277.75
		<u>170,134.17</u>
Decreased by:		
Disbursements	A-4	141,881.02
		<u>141,881.02</u>
Balance December 31, 2011	A	<u>\$ 28,253.15</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

	Reference	A-11
Balance December 31, 2010	A	<u>\$ 20,100.00</u>
Balance December 31, 2011	A, Below	<u>\$ 20,100.00</u>

Block	Lot	Amount
1014	11	\$ 4,000.00
1011	10	5,800.00
805	13	10,300.00
	Above	<u>\$ 20,100.00</u>

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance 12/31/10	Accrued 2011	Collected	Balance 12/31/11
Municipal Court	\$ 4,222.50	\$ 4,242.20	\$ 4,222.50	\$ 4,242.20
	<u>\$ 4,222.50</u>	<u>\$ 4,242.20</u>	<u>\$ 4,222.50</u>	<u>\$ 4,242.20</u>
Reference	A			A

BOROUGH OF HO-HO-KUS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF 2010 APPROPRIATION RESERVES

A-13

	Balance Dec. 31, 2010	Encumbrances	Transfers	Balance After Transfers	Reimbursement	Paid or Charged	Balance Lapsed	Over Expenditure
GENERAL GOVERNMENT								
Administrative and Executive								
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	81.27	601.32		682.59		653.08	29.51	
Borough Clerk								
Other Expenses	115.81	181.50		297.31		181.50	115.81	
Election Costs	3,902.59			3,902.59		-	3,902.59	
Financial Administration								
Salaries and Wages	10,895.45	-	(8,000.00)	2,895.45			2,895.45	
Other Expenses	3,558.39			3,558.39			3,558.39	
Audit Services	4,950.00			4,950.00		2,500.00	2,450.00	
Assessment of Taxes								
Salaries and Wages	75.00			75.00			75.00	
Other Expenses	581.29	8,791.57		9,372.86		9,372.86	-	
Collection of Taxes								
Salaries and Wages	1,126.01			1,126.01			1,126.01	
Other Expenses		328.13		328.13		328.13	-	
Legal Services and Costs								
Other Expenses	3,042.75	166.25		3,209.00		348.85	2,860.15	
Municipal Prosecutor								
Salaries and Wages	402.96			402.96		-	402.96	
Engineering Services and Costs								
Other Expenses	342.50			342.50		342.50	-	
Public Buildings and Grounds								
Salaries and Wages	1,706.59			1,706.59		-	1,706.59	
Other Expenses	5,392.97	1,963.41		7,356.38		4,373.17	2,983.21	
Planning Board								
Salaries and Wages	6,521.86		(6,500.00)	21.86		-	21.86	
Other Expenses	2,032.33	37.05		2,069.38		2,069.38	-	
Board of Adjustment								
Other Expenses	1,299.75			1,299.75			1,299.75	
Shade Trees								
Other Expenses	-	10,241.91		10,241.91		10,241.91	-	
Insurance								
General Liability	4,970.87			4,970.87		-	4,970.87	

Continued - Next Page

BOROUGH OF HO-HO-KUS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF 2010 APPROPRIATION RESERVES

A-13

	Balance Dec. 31, 2010	Encumbrances	Transfers	Balance After Transfers	Reimbursement	Paid or Charged	Balance Lapsed	Over Expenditure
PUBLIC SAFETY								
Fire - Other Expenses								
Miscellaneous and Other Expenses	\$ 7,769.56	\$ 2,691.02	\$ 1,500.00	\$ 11,960.58	\$ -	\$ 10,241.77	\$ 1,718.81	\$
Police								
Salaries and Wages	17,183.05			17,183.05		17,183.05	-	
Other Expenses	2,371.67	3,459.91		5,831.58		3,787.09	2,044.49	
Police Cars	91.04			91.04		-	91.04	
Parking Meter Maintenance								
Other Expenses	1,052.48	852.17		1,904.65		852.17	1,052.48	
Aid to Volunteer Ambulance Corps.	132.09	1,167.72		1,299.81		1,167.72	132.09	
Zoning Official								
Salaries and Wages	2,282.18			2,282.18		-	2,282.18	
Other Expenses	790.56			790.56		-	790.56	
PEOSHA								
Other Expenses	2,673.64			2,673.64			2,673.64	
Uniform Fire Safety Act Chapter 383-83								
Fire Prevention Code Official								
Salaries and Wages	7,352.90			7,352.90		-	7,352.90	
Other Expenses	68.20	23.40		91.60		23.40	68.20	
Emergency Management Services								
Salaries and Wages	20.00			20.00		-	20.00	
Other Expenses	908.76	385.86		1,294.62		357.14	937.48	
STREETS AND ROADS								
Road Repairs and Maintenance								
Salaries and Wages	23,022.69			23,022.69		21,368.32	1,454.37	
Other Expenses	13,990.91	1,654.94		15,645.85		14,571.40	1,074.45	
Street Lighting	1,085.71			1,085.71		1,085.71	-	
SANITATION								
Sewer System								
Salaries and Wages	7,417.60		(7,000.00)	417.60			417.60	
Other Expenses	2,796.73			2,796.73		697.08	2,099.65	

Continued - Next Page

BOROUGH OF HO-HO-KUS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF 2010 APPROPRIATION RESERVES

A-13

	Balance Dec. 31, 2010	Encumbrances	Transfers	Balance After Transfers	Reimbursement	Paid or Charged	Balance Lapsed	Over Expenditure
HEALTH AND WELFARE								
Board of Health								
Salaries and Wages	\$ 1,821.00	\$ -	\$ -	\$ 1,821.00	\$ -	\$ -	\$ 1,821.00	\$ -
Other Expenses	236.97		1,500.00	1,736.97		1,426.00	310.97	
Construction Code Official								
Salaries and Wages	144.20			144.20		-	144.20	
Other Expenses	220.13	121.17		341.30		200.32	140.98	
Municipal Court								
Salaries and Wages	25,627.84			25,627.84			25,627.84	
Other Expenses	5,213.75	100.00		5,313.75		100.00	5,213.75	
Sewer Authority Share of Costs	8.04			8.04		-	8.04	
Insurance								
Employee Group Health	21,593.75	1,500.00		23,093.75		23,093.75	-	
Recreation								
Other Expenses	398.83	28.37		427.20		28.37	398.83	
Recycling Program								
Salaries and Wages	11,190.66			11,190.66		11,190.66	-	
Other Expenses	7,983.89	34,570.29	20,000.00	62,554.18		62,554.18	-	
Reserve for Tax Appeals								
Contingent				-			-	
Utilities	1,081.32	1,332.05		2,413.37		2,413.37	-	
Vehicle Maintenance	1,238.15	25,506.16		26,744.31		25,199.93	1,544.38	
Contribution to:								
Social Security System (O.A.S.I.)	529.46			529.46			529.46	
PFRS	324.00			324.00			324.00	
Maintenance of Free Public Library (Chapter 82 & 541, P.L. 1985)	139,620.63	6,158.34		145,778.97		101,048.85	44,730.12	
Storm Water Management	500.00			500.00		-	500.00	
PERS	281.00			281.00		-	281.00	
Volunteer Incentive Program	66,000.00		(1,500.00)	64,500.00		62,145.00	2,355.00	
TOTALS	<u>\$ 426,021.78</u>	<u>\$ 101,862.54</u>	<u>\$ -</u>	<u>\$ 527,884.32</u>	<u>\$ -</u>	<u>\$ 391,346.66</u>	<u>\$ 136,537.66</u>	<u>\$ -</u>
Reference	A			Below	A-4	A-4	A-1	A
Appropriation Reserve	A			\$ 426,021.78				
Encumbrance Payable	A-22			101,862.54				
	Above			<u>\$ 527,884.32</u>				

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF PREPAID TAXES

	Reference		A-14
Balance December 31, 2010	A		\$ 187,120.70
Increased by:			
Tax Appeals Applied to Prepaid	A-16	44,610.00	
Collection of Taxes	A-4	<u>206,333.08</u>	<u>250,943.08</u>
			438,063.78
Decreased by:			
Applied to 2011 Taxes	A-9		<u>187,120.70</u>
Balance December 31, 2011	A		<u><u>\$ 250,943.08</u></u>

SCHEDULE OF TAX OVERPAYMENTS

	Reference		A-15
Balance December 31, 2010	A		\$ 15,021.38
Increased by:			
2011 Overpayments	A-4		<u>16,424.92</u>
			31,446.30
Decreased by:			
Canceled	A-1	98.42	
Refunds	A-4	<u>15,797.58</u>	<u>15,896.00</u>
Balance December 31, 2011	A		<u><u>\$ 15,550.30</u></u>

**SCHEDULE OF RESERVE FOR TAX APPEALS PENDING
NJ DIVISION OF TAX APPEALS (N.J.S.A. 54: 3-27)**

	Reference		A-16
Balance December 31, 2010	A		\$ 51,361.84
Decreased by:			
Tax Appeals Applied to 2012 Taxes	A-14		<u>44,610.00</u>
Balance December 31, 2011	A		<u><u>\$ 6,751.84</u></u>

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF COUNTY TAXES PAYABLE

	Reference		A-17
Balance December 31, 2010	A	\$	8,322.87
Increased by:			
2011 Levy:			
General County	A-1,9	2,540,795.95	
Open Space Preservation	A-1,9	31,026.43	
Due County for Added Taxes	A-1,9	3,146.80	
	A-2		2,574,969.18
			2,583,292.05
Decreased by:			
Payments	A-4		2,580,145.25
Balance December 31, 2011	A	\$	3,146.80

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	Reference		A-18
Balance December 31, 2010	A	\$	-
Levy, Calendar Year (01/01 - 12/31)	A-1,2,9		12,054,794.50
			12,054,794.50
Decreased by:			
Disbursements	A-4		12,054,794.50
Balance December 31, 2011	A	\$	-

SCHEDULE OF RESERVE FOR DCA - CONSTRUCTION PAYABLE

	Reference		A-19
Balance December 31, 2010	A	\$	9,005.65
Increased by:			
DCA Fees Received	A-4		7,074.00
			16,079.65
Decreased by:			
Disbursements to State	A-4		6,491.00
Balance December 31, 2011	A	\$	9,588.65

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RESERVE FOR REVALUATION

A-20

	Reference	
Balance December 31, 2010	A	<u>\$ 5,283.74</u>
Decreased by:		
Disbursements	A-4	<u>5,283.74</u>
Balance December 31, 2011	A	<u><u>\$ -</u></u>

SCHEDULE OF CONSTRUCTION FEES

A-21

	Reference	
Balance December 31, 2010	A	<u>\$ 25,703.32</u>
Balance December 31, 2011	A	<u><u>\$ 25,703.32</u></u>

BOROUGH OF HO-HO-KUS, NJ
 CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF ENCUMBRANCE PAYABLE

A-22

	Reference	
Balance December 31, 2010	A	\$ 101,862.54
Increased by:		
Appropriations	A-3	52,586.48
		<u>154,449.02</u>
Decreased by:		
Applied to Appropriation Reserves	A-13	101,862.54
		<u>101,862.54</u>
Balance December 31, 2011	A	<u><u>\$ 52,586.48</u></u>

DUE TO LIBRARY - STATE AID

A-23

	Reference	
Balance December 31, 2010	A	<u>\$ 19,356.00</u>
Balance December 31, 2011	A	<u><u>\$ 19,356.00</u></u>

BOROUGH OF HO-HO-KUS, NJ
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF FLOOD DAMAGE RESERVE

A-24

	Reference	
Balance December 31, 2010	A	<u>\$ 175,596.98</u>
Balance December 31, 2011	A	<u><u>\$ 175,596.98</u></u>

SCHEDULE OF RESERVE FOR CODIFICATION

A-25

	Reference	
Balance December 31, 2010	A	<u>\$19,077.50</u>
Balance December 31, 2011	A	<u><u>\$19,077.50</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY -
UNEMPLOYMENT ASSESSMENT LIABILITY**

A-26

	Reference	
Balance December 31, 2010	A	<u>\$ 50,677.97</u>
Balance December 31, 2011	A	<u><u>\$ 50,677.97</u></u>

BOROUGH OF HO-HO-KUS, NJ
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF TRUST CASH

B-1

	<u>Reference</u>	<u>Animal License</u>	<u>Trust Other</u>	<u>Developers Escrow</u>	<u>COAH</u>	<u>Unemployment Compensation</u>	<u>Recreation</u>
Balance December 31, 2010	B	\$ 340.00	\$ 691,743.17	\$ 696.23	\$ 157,168.85	\$ 5.02	\$ 45,560.33
Increased by Receipts:							
Licenses and Fees	B-2	6,444.60					
Due to State	B-3,8	596.40	303.00				
Interest Income	B-4	36.09	7,277.89	148.37		1.24	522.79
Budget Appropriation: Deferred Charges	B-2						
Security Deposits	B-5		192,097.58				
Trust Reserves	B-6		149,473.59				
Intrafund	Contra						
Development Fees	B-10				12,112.20		
Other Interest	B-10						
Developers Payments	B-7			132,603.55			
Recreation Fees	B-9						22,253.40
Due from Trust Other	B-11					692.06	
		<u>7,077.09</u>	<u>349,152.06</u>	<u>132,751.92</u>	<u>12,112.20</u>	<u>693.30</u>	<u>22,776.19</u>
		<u>7,417.09</u>	<u>1,040,895.23</u>	<u>133,448.15</u>	<u>169,281.05</u>	<u>698.32</u>	<u>68,336.52</u>
Decreased by Disbursements:							
Animal Fund Expenditures	B-2	5,375.00					
Due to State	B-3,8	596.40	275.00				
Due to Grant Fund	B-12		2,500.00				
Due to Unemployment Fund	B-11		692.06				
Due to Current Fund- Interest	B-4	36.09	7,277.89	696.23		1.24	522.79
Due to Current Fund- Transfers	B-4		80,698.15				860.49
Security Deposits	B-5		104,929.89				
Trust Reserves	B-6		212,493.26				
Unemployment Compensation Reserve	B-7						
Intrafund	Contra						
Recreation Expenditures	B-9						23,734.28
		<u>6,007.49</u>	<u>408,866.25</u>	<u>696.23</u>	<u>-</u>	<u>1.24</u>	<u>25,117.56</u>
Balance December 31, 2011	B	<u>\$ 1,409.60</u>	<u>\$ 632,028.98</u>	<u>\$ 132,751.92</u>	<u>\$ 169,281.05</u>	<u>\$ 697.08</u>	<u>\$ 43,218.96</u>

BOROUGH OF HO-HO-KUS, NJ
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF (DEFICIT IN) / RESERVE FOR ANIMAL FUND
EXPENDITURES**

B-2

	<u>Reference</u>	
Balance December 31, 2010		
Deficit in Animal License Fund	B	\$ 970.41
Increased by:		
Receipts - Licenses and Fees	B-1	6,444.60
		7,415.01
Decreased by Disbursements:		
Animal Fund Expenditures	B-1	5,375.00
		5,375.00
Balance December 31, 2011	B	\$ 2,040.01

OTHER TRUST - SCHEDULE OF DUE TO STATE OF NEW JERSEY

B-3

	<u>Reference</u>	
Balance December 31, 2010	B	\$ 25.00
Increased by:		
Marriage Licenses	B-1	303.00
		328.00
Decreased by:		
Disbursements	B-1	275.00
		275.00
Balance December 31, 2011	B	\$ 53.00

BOROUGH OF HO-HO-KUS, NJ
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE TO/(FROM) CURRENT FUND

B-4

	<u>Reference</u>	<u>Other Trust Funds</u>	<u>Animal License Fund</u>	<u>Developers Escrow</u>	<u>COAH</u>	<u>Unemployment Compensation</u>	<u>Recreation</u>
Balance December 31, 2010	B	\$ 78,077.21	\$ (636.41)	\$ 696.23	\$ (628.68)	\$ 697.08	\$ 860.49
Increased by:							
Interest Income - Due to Current Fund	B-1	7,277.89	36.09	148.37		1.24	522.79
FEMA Reimbursements	A-2, B-6						
Unemployment Reserve	B-6						
County Taxes	A-17, B-6						
Canceled Reserves	B-6						
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		85,355.10	(600.32)	844.60	(628.68)	698.32	1,383.28
Decreased by:							
Transfers to Current- Interfunds	B-1	80,698.15					860.49
Transfers of Interest to Current	B-1	7,277.89	36.09	696.23		1.24	522.79
POAA Overexpenditure	A-4, B-6	23.20					
Tax Overpayment Refund	A-15, B-1						
Prior Year Adjustment							
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		87,999.24	36.09	696.23	0.00	1.24	1,383.28
Balance December 31, 2011	B	<u>\$ (2,644.14)</u>	<u>\$ (636.41)</u>	<u>\$ 148.37</u>	<u>\$ (628.68)</u>	<u>\$ 697.08</u>	<u>\$ -</u>

BOROUGH OF HO-HO-KUS, NJ
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE OF CONSTRUCTION SECURITY DEPOSITS AND
ESCROW FOR PROFESSIONAL FEES**

B-5

	<u>Reference</u>	
Balance December 31, 2010	B	\$ 258,735.65
Increased by:		
Receipts	B-1	192,097.58
		450,833.23
Decreased by:		
Disbursements	B-1	104,929.89
		104,929.89
Balance December 31, 2011	B	\$ 345,903.34

SCHEDULE OF OTHER TRUST RESERVES

B-6

	<u>Balance</u>					<u>Balance</u>
	<u>Dec. 31, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Adjustment</u>		<u>Dec. 31, 2011</u>
Donations	\$ 700.00					\$ 700.00
Library Grants	44.62					44.62
Firemen's Death Benefit Fund	8,700.00					8,700.00
Police Accessories	18,805.55	1,692.90	6,241.73			14,256.72
Accrued Sick Leave	170,802.16	50,000.00	79,943.00			140,859.16
Girl Scouts	195.22					195.22
Insurance Reimbursements	4,028.55					4,028.55
Uniform Fire Safety Penalties	3,135.00					3,135.00
Tax Sale Certificate - Premium	18,600.00					18,600.00
Sewer Connection Fees	2,800.00					2,800.00
Treasurer Clearing	20.00	17.75				37.75
Unemployment Reserve	23,007.87	19,896.96	27,382.20			15,522.63
Dare Donations	200.00					200.00
Streetscape Donations	4,256.54					4,256.54
Shade Tree Ross Donation	67,731.37	1,345.10	8,221.89			60,854.58
POAA Court Fees	468.00	194.00	685.20	(23.20)		(0.00)
JIF Awards	448.97					448.97
State Health Benefit Program	5,147.88	71,401.21	74,922.84			1,626.25
Fuel Reimbursement	-	4,669.67				4,669.67
Lightning Detection System	3,226.00					3,226.00
Tax Appeals	16,257.62		15,096.40			1,161.22
Historical Society	110.00					110.00
Restitution for Building Damages	2,403.00					2,403.00
Tree Lighting Ceremony	-	200.00				200.00
Ho-Ho-Kus Celebration	624.90	56.00				680.90
	<u>\$ 351,713.25</u>	<u>\$ 149,473.59</u>	<u>\$ 212,493.26</u>	<u>\$ (23.20)</u>		<u>\$ 288,716.78</u>
Reference	B	B-1	B-1	B-4		B

BOROUGH OF HO-HO-KUS, NJ
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF ESCROW RESERVE

B-7

	<u>Reference</u>	
Balance December 31, 2010	B	
Increased by:		
Developer Escrow Fees	B-1	<u>132,603.55</u>
Balance December 31, 2011	B	<u><u>\$ 132,603.55</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
ANIMAL FUND**

B-8

	<u>Reference</u>	
Balance December 31, 2010	B	\$ 6.00
Increased by:		
2011 Dog Licenses	B-1	<u>596.40</u>
		602.40
Decreased by:		
State Payments	B-1	<u>596.40</u>
Balance December 31, 2011	B	<u><u>\$ 6.00</u></u>

BOROUGH OF HO-HO-KUS, NJ
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RESERVE FOR RECREATION

B-9

<u>ACTIVITY</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Budget Appropriation	\$ 1,374.78			\$ 1,374.78
North Field	14,321.17	7,353.40	8,959.28	12,715.29
Baseball / Softball	-	4,800.00	4,800.00	-
Football	5,366.90	4,900.00	4,900.00	5,366.90
Tennis	435.12			435.12
Soccer	500.00	4,800.00	4,800.00	500.00
Ducky Derby Day	22,501.87		275.00	22,226.87
Movie Night	-	400.00		400.00
HHK/SR Men's Softball	200.00			200.00
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 44,699.84	\$ 22,253.40	\$ 23,734.28	\$ 43,218.96
<u>Reference</u>	<u>B</u>	<u>B-1</u>	<u>B-1</u>	<u>B</u>

BOROUGH OF HO-HO-KUS, NJ
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF COAH DEVELOPMENT FEES

B-10

	<u>Reference</u>	
Balance December 31, 2010	B	\$ 157,797.33
Increased by:		
Development Fees	B-1	<u>12,112.20</u> 169,909.53
 Balance December 31, 2011	 B	 <u><u>\$ 169,909.53</u></u>

SCHEDULE OF TO/(FROM) OTHER TRUST FUND

B-11

	<u>Reference</u>	
Balance December 31, 2010	B	\$ (692.06)
Increased by:		
Transfer from Trust Fund	B-1	<u>692.06</u>
 Balance December 31, 2011	 B	 <u><u>\$ -</u></u>

SCHEDULE OF DUE TO/(FROM) GRANT FUND

B-12

	<u>Reference</u>	
Balance December 31, 2010	B	\$ 2,500.00
Decreased by:		
Transfer to Grant Fund	B-1	<u>2,500.00</u>
 Balance December 31, 2011	 B	 <u><u>\$ -</u></u>

BOROUGH OF HO-HO-KUS, NJ
 GENERAL CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF GENERAL CAPITAL CASH

C-2

	Reference	
Balance December 31, 2010	C	\$ 424,604.27
Increased by Receipts:		
Serial Bonds Issued	C-12	\$3,215,000.00
Accrued Interest on Bond Anticipation Notes	C	1,581.91
Grant Received Applied to Unfunded- BC Open Space	C-3,13	127,297.00
Grant Received Applied to Receivable- BC Open Space	C-7	0.90
Current Fund Paydown on Bond Anticipation Notes	C-3	166,859.00
Interest Income	C-6	34,873.18
Transfer from Current Fund	C-6	61,400.80
Improvement authorization refunds	C-5	43,460.71
Due from Water Operating Fund	C-10	1,584.71
Received from Water Operating for Interest Payment	Contra	6,642.09
Bond Proceeds - Water Capital	D-17	742,000.00
		<u>\$4,400,700.30</u>
Decreased by Disbursements:		
Due to Current Fund - Interest	C-6	34,873.18
Improvement Authorization	C-5	325,230.56
Encumbrances Paid	C-9	22,353.57
Payment of Bond Anticipation Notes	C-11	3,199,256.00
Water BAN Interest Payment	Contra	6,642.09
Payment of Water Capital Bond Anticipation Note	D-21	684,752.00
Transfer to Water Capital Fund	D-5	57,316.00
Excess Transfer of Bond Proceeds to Water Capital	C,D	68.00
		<u>4,330,491.40</u>
Balance December 31, 2011	C	<u>\$ 494,813.17</u>

BOROUGH OF HO-HO-KUS, NJ
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-3

Ord. #	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	BAN Principal Paydowns	Serial Bond Issue	Canceled/ Funded Improv Auth.	Balance Dec. 31, 2011
887	General Improvements - 2004	\$ 448,532.00	\$ -	\$ 15,631.00	\$ 132,901.00	\$ 300,000.00	\$ -
888	General Improvements - 2005	366,000.00		30,000.00	295,637.59	40,362.41	-
912	General Improvements - 2006	411,387.00		13,614.00	397,773.00		-
922	General Improvements - 2007	160,272.00		10,728.00	135,392.42	14,151.58	-
928	General Improvements & Equipment - 2007	604,565.00		43,810.00	520,971.99	39,783.01	-
940	General Improvements & Equipment	666,500.00		26,854.00	382,646.00	257,000.00	-
941	Streetscape Improvements	190,000.00		10,000.00	180,000.00		-
955	Various Public Improvements	352,000.00		16,222.00	335,778.00		-
967	General Improvements & Equipment - 2010	570,800.00			570,800.00		-
991	General Improvements -2011		500,000.00		263,100.00	25,000.00	211,900.00
		<u>\$ 3,770,056.00</u>	<u>\$ 500,000.00</u>	<u>\$ 166,859.00</u>	<u>\$ 3,215,000.00</u>	<u>\$ 676,297.00</u>	<u>\$211,900.00</u>
	Reference	C	C-5	C-2	C-12	Below	C
			Capital Improvement Fund		C-4	\$ 25,000.00	
			Cancel Unfunded Ordinances		C-5	524,000.00	
			Funded Thru Grant Receivable		C-2	<u>127,297.00</u>	
					Above	<u>\$ 676,297.00</u>	

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-4

Reference		
Balance December 31, 2010	C	\$ 1,303.39
Increased by:		
Budget Appropriation	C-6	<u>25,000.00</u>
		26,303.39
Decreased by:		
Appropriations to Finance Down		
Payment on Improvement Authorizations	C-5,13	<u>25,000.00</u>
Balance December 31, 2011	C	<u>\$ 1,303.39</u>

BOROUGH OF HO-HO-KUS, NJ
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-5

Ord. #	Improvement Description	Balance December 31, 2010		2011 Authorizations	Expended/ Canceled	Refunded	Balance December 31, 2011	
		Funded	Unfunded				Funded	Unfunded
747	General Improvements - 1995	\$ -	\$ -				\$ -	\$ -
759	General Improvements - 1996	-					-	
780	General Improvements - 1997	1,736.21			1,736.21		-	
825	General Improvements - 2001	4,040.53			4,040.53		-	
837	General Improvements - 2001	-					-	
852	Improvements and Acquisition of Equipment and Machinery - 2002	118,780.62			23,156.11		95,624.51	
867	General Improvements - 2003	27,496.14			27,496.14		-	
887	General Improvements - 2004		314,047.14		306,490.36		7,556.78	
898	General Improvements - 2005		40,362.41		40,362.41		-	-
922	General Improvements - 2007		14,151.58		14,151.58		-	-
928	General Improvements & Equipment		57,145.29		39,783.01		17,362.28	
940	General Improvements & Equipment		156,572.39		134,794.92		21,777.47	
941	Streetscape Improvements		1,455.57		1,455.57	43,460.71	43,460.71	
955	Various Public Improvements		131,742.18		3,317.51		128,424.67	
967	General Improvements & Equipment		302,545.24		76,949.24		225,596.00	
991	General Improvements -2011			500,000.00	232,432.81		55,667.19	211,900.00
		<u>\$ 152,053.50</u>	<u>\$ 1,018,021.80</u>	<u>\$ 500,000.00</u>	<u>\$ 906,166.40</u>	<u>\$ 43,460.71</u>	<u>\$ 595,469.61</u>	<u>\$ 211,900.00</u>
		C	C	C-3	Below	C-2	C	C
	Cash Disbursements			C-2	\$ 325,230.56			
	Cancel - Funded			C-1	26,182.79			
	Cancel- Unfunded			C-3	524,000.00			
	Encumbrances Payable			C-9	30,753.05			
				Above	<u>\$ 906,166.40</u>			

BOROUGH OF HO-HO-KUS, NJ
 GENERAL CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE TO/(FROM) CURRENT FUND

C-6

	Reference		
Balance December 31, 2010	C		\$ (61,400.80)
Increased by:			
Transfer from Current Fund	A-4, C-2	\$ 61,400.80	
Interest Earned - Checking Account	C-2	34,873.18	96,273.98
		34,873.18	34,873.18
Decreased by:			
Transfers to Current Fund	C-2	34,873.18	
Appropriation - Capital Improvement Fund	A-3, C-4	25,000.00	59,873.18
		25,000.00	59,873.18
 Balance December 31, 2011	 C		 <u>\$ (25,000.00)</u>

SCHEDULE OF GRANTS RECEIVABLE

C-7

	Reference		
Balance December 31, 2010	C		\$ 291,453.00
Increased by:			
New Jersey Department of Transportation	C-8	150,000.00	
Bergen County Open Space Grant - Ord #991	C-8	30,750.00	180,750.00
		30,750.00	472,203.00
Decreased by:			
Grant Received	C-2		0.90
			0.90
 Balance December 31, 2011	 C		 <u>\$ 472,202.10</u>

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

C-8

	Reference		
Balance December 31, 2010	C		\$ 155,203.00
Increased by:			
New Jersey Department of Transportation	C-7	150,000.00	
Bergen County Open Space Grant - Ord #991	C-7	30,750.00	180,750.00
		30,750.00	180,750.00
 Balance December 31, 2011	 C		 <u>\$ 335,953.00</u>

BOROUGH OF HO-HO-KUS, NJ
 GENERAL CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF ENCUMBRANCES PAYABLE

C-9

	Reference	
Balance December 31, 2010	C	\$ 22,353.57
Increased by:		
Encumbrances Payable	C-5	<u>30,753.05</u> 53,106.62
Decreased by:		
Disbursements	C-2	<u>22,353.57</u>
Balance December 31, 2011	C	<u><u>\$ 30,753.05</u></u>

SCHEDULE OF DUE FROM (TO) WATER TRUST

C-10

	Reference	
Balance December 31, 2010	C	\$ 1,516.71
Decreased by:		
Cash Receipts	C-2	<u>1,584.71</u>
Balance December 31, 2011	C	<u><u>\$ (68.00)</u></u>

BOROUGH OF HO-HO-KUS, NJ
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
SCHEDULE OF BOND ANTICIPATION NOTES

C-11

Ord. #	Purpose	Original Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Issued	Paid	Balance Dec. 31, 2011
887	General Improvements - 2004	12/23/04	07/22/11	0.97%	\$ 448,532.00		\$ 448,532.00	\$ -
888	General Improvements - 2005	10/02/05	07/22/11	0.97%	366,000.00		366,000.00	-
912	General Improvements - 2006	10/02/06	07/22/11	0.97%	411,387.00		411,387.00	-
922	General Improvements - 2007	10/02/07	07/22/11	0.97%	160,272.00		160,272.00	-
928	Improvements & Equipment - 2007	10/02/07	07/22/11	0.97%	604,565.00		604,565.00	-
940	Improvements & Equipment - 2010	07/22/10	07/22/11	0.97%	666,500.00		666,500.00	-
941	Streetscape Improvements - 2010	07/22/10	07/22/11	0.97%	190,000.00		190,000.00	-
955	Various Improvements - 2010	07/22/10	07/22/11	0.97%	352,000.00		352,000.00	-
					\$3,199,256.00	\$ -	\$3,199,256.00	\$ -
Reference					C	C-13	C-2	C

SCHEDULE OF GENERAL SERIAL BONDS

C-12

Date of Issue	Purpose of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2011	Interest Rate	Balance Dec. 31, 2010	Increase	Decrease	Balance Dec. 31, 2011	
05/01/03	General Improvements	\$4,138,000.00	05/01/12	500,000.00	2.95%	\$1,513,000.00		\$ 475,000.00	\$1,038,000.00
			05/01/13	538,000.00	2.95%				
07/15/11	General Improvements	\$3,215,000.00	07/15/12	215,000.00	1.00%		3,215,000.00		3,215,000.00
			07/15/13	220,000.00	1.00%				
			07/15/14	260,000.00	1.00%				
			07/15/15	305,000.00	2.00%				
			07/15/16	335,000.00	2.00%				
			07/15/17	350,000.00	2.00%				
			07/15/18	365,000.00	2.25%				
			07/15/19	375,000.00	2.50%				
			07/15/20	390,000.00	2.75%				
			07/15/21	400,000.00	2.75%				
					\$1,513,000.00	\$3,215,000.00	\$ 475,000.00	\$4,253,000.00	
Reference					C	C-2		C	
Paid by Budget Appropriation A-3, Above							\$ 475,000.00		

BOROUGH OF HO-HO-KUS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-13

Ord. No.	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Funded / Transferred	Balance Dec. 31, 2011
967	General Improvements and Equipment - 2010	570,800.00			-
991	General Improvements -2011		500,000.00	288,100.00	211,900.00
		<u>\$ 570,800.00</u>	<u>\$ 500,000.00</u>	<u>\$ 288,100.00</u>	<u>\$ 211,900.00</u>
			Below	C-2, 11	C

Funded Through:

Grants Receivable

Serial Bond

Capital Improvement Fund

C-3	\$ 263,100.00
C-4	25,000.00
Above	<u>\$ 288,100.00</u>

BOROUGH OF HO-HO-KUS, NJ
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH

D-5

	Reference	Operating	Capital
Balance December 31, 2010	D	<u>\$ 320,458.24</u>	<u>\$ 497,579.18</u>
Increased by:			
Budget Revenues	D-3	855,616.85	
Interest Income	D-1	6,579.93	
Transfer of Interest to Water Operating	D-8		4,498.29
Water Rents Overpaid	D-18	1,261.08	
Due from Water Operating Fund	D-8		20,459.37
Due from General Capital Fund	C-2		57,316.00
Due From Current Fund	D-19	20,944.62	433.38
BAN Paydown	D-21		16,884.00
		<u>884,402.48</u>	<u>99,591.04</u>
		<u>1,204,860.72</u>	<u>597,170.22</u>
Decreased by Disbursements:			
2011 Appropriations	D-4	751,198.51	
2010 Appropriations	D-9	7,656.53	
Improvement Authorization	D-10		138,957.36
Transfer Interest	D-8		4,498.29
Transfer to Water Capital	D-8	20,459.37	
Transfer to General Capital		1,584.71	
		<u>780,899.12</u>	<u>143,455.65</u>
Balance December 31, 2011	D	<u><u>\$ 423,961.60</u></u>	<u><u>\$ 453,714.57</u></u>

BOROUGH OF HO-HO-KUS, NJ
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF ACCOUNTS RECEIVABLE

D-6

	Reference	
Balance December 31, 2010	D	\$ 135,773.74
Increased by:		
Water Rents levied		<u>854,003.02</u>
		989,776.76
Decreased by:		
Collections	D-5	\$ 855,588.73
Overpayment applied	D-3,18	<u>2,337.63</u>
		<u>857,926.36</u>
Balance December 31, 2011	D	<u><u>\$ 131,850.40</u></u>

SCHEDULE OF FIXED CAPITAL

D-7

	Balance Dec. 31, 2010	Balance Dec. 31, 2011
Pumping Station and structures	\$ 1,596,402.61	\$ 1,596,402.61
Meters and hydrants	130,179.02	130,179.02
Distribution Mains and accessories	99,837.33	99,837.33
General equipment	185,383.58	185,383.58
Computer system	13,707.50	13,707.50
Improvements	1,171,435.51	1,171,435.51
Storage tank	1,503,077.14	1,503,077.14
Chlorine Retention well	<u>2,789.55</u>	<u>2,789.55</u>
	<u>\$ 4,702,812.24</u>	<u>\$ 4,702,812.24</u>
Reference	D	D

BOROUGH OF HO-HO-KUS, NJ
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE FROM/(TO) WATER CAPITAL FUND

D-8

	Reference		
Balance December 31, 2010	D		\$ (20,459.37)
Increased by:			
Transfer from Utility Operating	D-5	20,459.37	
Interest - Income	D-5	<u>4,498.29</u>	<u>24,957.66</u>
			4,498.29
Decreased by:			
Transfer of Interest to Water Operating	D-5		<u>4,498.29</u>
Balance December 31, 2011	D		<u><u>\$ -</u></u>

SCHEDULE OF APPROPRIATION RESERVES

D-9

	Balance Dec. 31, 2010	Paid or Charged	(Overexpended)/ Lapsed
Salaries and Wages	\$ 3,853.13		\$ 3,853.13
Other Expenses	<u>9,819.69</u>	<u>7,656.53</u>	<u>2,163.16</u>
	<u>\$ 13,672.82</u>	<u>\$ 7,656.53</u>	<u>\$ 6,016.29</u>
	Below	D-5	D-1
		<u>Reference</u>	
Appropriation Reserve	\$ 12,112.82	D	
Encumbrances Payable	<u>1,560.00</u>	D	
	<u>\$ 13,672.82</u>		
	Above		

BOROUGH OF HO-HO-KUS, NJ
WATER UTILITY - CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

Ord. #	Improvement Description	Ord.: Date	Balance 12/31/10		2011 Authorizations	Expended	Balance 12/31/11	
			Funded	Unfunded			Funded	Unfunded
825	Various Improvements	2000	\$ 112,083.65	\$ -			\$ 112,083.65	\$ -
913	Water Tank & Other Improvements	2006		113,976.61		93,763.97	20,212.64	
929	Install Water Valves and Acquis. Of Mach. & Equip.	2007		44,354.29		11,219.10	33,135.19	
942	Various Improvements	2008		98,670.82			98,670.82	
954	Various Public Improvements	2009	4,210.45	133,000.00		7,880.20	129,330.25	
968	Acquisition of Machinery & Equip.	2010		37,146.58		26,094.09	11,052.49	
			<u>\$ 116,294.10</u>	<u>\$ 427,148.30</u>	<u>\$ -</u>	<u>\$ 138,957.36</u>	<u>\$ 404,485.04</u>	<u>\$ -</u>
Reference			D	D	D-14	D-5	D	D

BOROUGH OF HO-HO-KUS, NJ
 WATER UTILITY - CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-11

	Reference	
Balance December 31, 2010	D	\$ 44,536.85
Balance December 31, 2011	D	<u>\$ 44,536.85</u>

SCHEDULE OF RESERVE FOR AMORTIZATION

D-12

	Reference	
Balance December 31, 2010	D	\$ 3,727,502.64
Increased by:		
BAN Payment	D-21	\$ 16,884.00
Bond Payment	D-17	<u>110,000.00</u>
		<u>126,884.00</u>
Balance December 31, 2011	D	<u>\$ 3,854,386.64</u>

SCHEDULE OF DUE FROM/(TO) CURRENT FUND

D-13

	Reference	
Balance December 31, 2010	D	\$ 433.38
Decreased by:		
Transfer from Current	A-4, D-5	<u>433.38</u>
Balance December 31, 2011	D	<u>\$ -</u>

BOROUGH OF HO-HO-KUS, NJ
 WATER UTILITY - CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF FIXED CAPITAL AUTHORIZED & UNCOMPLETED

D-14

	Reference	
Balance December 31, 2010	D	\$ 543,442.40
Balance December 31, 2011	D	<u>\$ 543,442.40</u>

SCHEDULE OF BONDS & NOTES AUTHORIZED BUT NOT ISSUED

D-15

	Reference	
Balance December 31, 2010	D	\$ 74,200.00
Decreased by:		
Funded through Serial Bond Issue		<u>74,200.00</u>
Balance December 31, 2011	D	<u>\$ -</u>

SCHEDULE OF DEFERRED AMORTIZATION

D-16

	Reference	
Balance December 31, 2010	D	\$ 31,550.00
Balance December 31, 2011	D	<u>\$ 31,550.00</u>

BOROUGH OF HO-HO-KUS, NJ
 WATER UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF UTILITY SERIAL BONDS

D-17

Date of Issue	Purpose of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance			
			Outstanding Dec. 31, 2011	Date		Amount	Dec. 31, 2010	Increase	Decrease
08/01/98	General Improvements	\$ 1,375,000	8/1/2012	75,000	4.60%	\$ 620,000.00	\$	\$ 75,000.00	\$ 545,000.00
			8/1/2013	75,000	4.65%				
			8/1/2014	75,000	4.70%				
			8/1/2015	80,000	4.75%				
			8/1/2016	80,000	4.80%				
			8/1/2017-2018	80,000	4.85%				
05/01/03	General Improvements	\$ 315,000	5/1/2012-2013	35,000	2.95%	105,000.00		35,000.00	70,000.00
07/15/11	General Improvements	\$ 742,000	07/15/2012	50,000	1.00%		742,000.00		742,000.00
			07/15/2013	55,000	1.00%				
			07/15/2015	60,000	1.00%				
			07/15/2016	65,000	2.00%				
			07/15/2017	70,000	2.00%				
			07/15/2018	75,000	2.00%				
			07/15/2018	85,000	2.25%				
			07/15/2019	90,000	2.50%				
			07/15/2020	95,000	2.75%				
			07/15/2021	97,000	2.75%				
						\$ 725,000.00	\$ 742,000.00	\$ 110,000.00	\$1,357,000.00
						D	Below	D-12	D
						Received in Capital	C-2, Above	\$ 742,000.00	

BOROUGH OF HO-HO-KUS, NJ
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RENT OVERPAYMENTS

D-18

	Reference	
Balance December 31, 2010	D	\$ 2,337.63
Increased by:		
Receipts	D-5	<u>1,261.08</u>
		3,598.71
Decreased by:		
Overpayments Applied	D-6	<u>2,337.63</u>
Balance December 31, 2011	D	<u><u>\$ 1,261.08</u></u>

SCHEDULE OF DUE TO / (FROM) CURRENT FUND

D-19

	Reference	
Balance December 31, 2010	D	\$ (20,944.62)
Decreased by:		
Transferred from Current Fund	A-4,D-5	<u>20,944.62</u>
Balance December 31, 2011	D	<u><u>\$ -</u></u>

SCHEDULE OF ACCRUED INTEREST ON BONDS

D-20

	Reference	
Balance December 31, 2010	D	\$ 13,904.16
Increased by:		
Increase in Accrued Interest on Bonds	D-4	1,177.36
Adjustment- Accrued Interest on BANS	D	<u>2,966.20</u>
		<u>4,143.56</u>
Balance December 31, 2011	D	<u><u>\$ 18,047.72</u></u>

BOROUGH OF HO-HO-KUS, NJ
 WATER UTILITY - CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF BOND ANTICIPATION NOTES

D-21

Ordinance Number	Purpose of Issue	Amount of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Issued	Paid	Balance Dec. 31, 2011
913	General Improvements	\$ 251,750	10/02/09	7/22/2011	0.97%	\$ 220,201.00		\$ 220,201.00	\$ -
929	Various Improvements & Acquisition of Equipment	\$ 100,000	10/02/09	07/22/11	0.97%	96,551.00		\$96,551.00	-
942	Various Improvements & Acquisition of Equipment	\$ 235,000	07/22/10	07/22/11	0.97%	235,000.00		\$235,000.00	-
954	Various Public Improvements	\$ 133,000	07/22/10	07/22/11	0.97%	133,000.00		\$133,000.00	-
						<u>\$ 684,752.00</u>	<u>\$ -</u>	<u>\$ 684,752.00</u>	<u>\$ -</u>
Reference						D		C-2	D
						Budget Pay-down Paid in Capital Fund	D-1,12	16,884.00 <u>667,868.00</u>	
							Above	<u>\$ 684,752.00</u>	

BOROUGH OF HO-HO-KUS, NJ
PUBLIC ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

E-1

	Reference	P.A.T.F. #I
Balance December 31, 2010	E	<u>\$ 6,018.62</u>
Increased by:		
Interest Income	E-5	62.02
		<u>62.02</u>
Decreased by:		
Transfer to Current Fund	E-5	62.02
		<u>62.02</u>
Balance December 31, 2011	E	<u><u>\$ 6,018.62</u></u>

		<u>P.A.T.F. #I</u>
Reconciliation - December 31, 2011		
Balance on deposit per statement of:		
Valley National Bank 41004841		\$6,018.62
		<u> </u>
Less: Outstanding Checks		<u> -</u>
Balance-December 31, 2011		<u><u>\$ 6,018.62</u></u>
	<u>Reference</u>	E

BOROUGH OF HO-HO-KUS, NJ
PUBLIC ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF PUBLIC ASSISTANCE REVENUES

E-2

	<u>Reference</u>	<u>P.A.T.F. #I</u>
Interest Income - Due to Current Fund	E-5	\$ 62.02
Total		<u>\$ 62.02</u>

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES

E-3

	<u>Reference</u>	<u>P.A.T.F. #I</u>
Transfer Interest to Current Fund	E-5	\$ 62.02
Total		<u>\$ 62.02</u>

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

E-4

	<u>Reference</u>	<u>P.A.T.F. #I</u>
Balance December 31, 2010	E	\$ 6,013.58
Balance December 31, 2011	E	<u>\$ 6,013.58</u>

BOROUGH OF HO-HO-KUS, NJ
PUBLIC ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE TO CURRENT FUND

E-5

	Reference	P.A.T.F. #I
Balance December 31, 2010	E	<u>\$ 5.04</u>
Increased by:		
Interest Income	E-1,2	<u>62.02</u>
		<u>62.02</u>
Decreased by:		
Transfer to Current Fund	E-1,2	<u>62.02</u>
		<u>62.02</u>
Balance December 31, 2011	E	<u><u>\$ 5.04</u></u>

BOROUGH OF HO-HO-KUS, NJ
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH

G-1

	<u>Reference</u>		
Balance December 31, 2010	G		\$ 77,518.46
Increased by receipts:			
Grants Received Appropriated	G-2	\$ 7,182.06	
Grants Received Unappropriated	G-4	7,663.61	
Non-Budgeted Grants Received & Expended	G-5	7,000.00	
Due From Trust Fund	G-6	2,500.00	
Interest Income	G-3	769.62	
		25,115.29	
			102,633.75
Decreased by:			
Grant Expenditures	G-5	15,321.76	
Transfer to Current Fund	G-3	23,902.32	
Transfer to Current Fund- Interest	G-3	769.62	
		39,993.70	
Balance December 31, 2011	G		\$ 62,640.05

SCHEDULE OF GRANTS RECEIVABLE

G-2

	<u>Reference</u>		
Balance December 31, 2010	G		\$ 17,746.16
Increased by:			
Budget Appropriation	A-2, G-5		17,500.00
Decreased by:			
Grants Received	G-1	7,182.06	
			7,182.06
Balance December 31, 2011	G		\$ 28,064.10
Analysis of Receivables:			
Clean Communities			317.94
Municipal Alliance	G		27,746.16
			\$ 28,064.10

BOROUGH OF HO-HO-KUS, NJ
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE FROM / (TO) CURRENT FUND

G-3

	<u>Reference</u>		
Due to Current Fund December 31, 2010	G		\$(23,957.32)
Increased by:			
Transfer to Current Fund		\$ 23,902.32	
Transfer Interest Income to Current Fund	G-1	769.62	
Matching Funds for Grants	G-5	4,500.00	
		<u>29,171.94</u>	<u>29,171.94</u>
			5,214.62
Decreased by:			
Grants Expended in Current Fund	G-5	10,258.96	
Prior Year Grant Expenditures	A-4, G-5	5,339.53	
Interest Income	G-1	769.62	
		<u>16,368.11</u>	<u>16,368.11</u>
Due to Current Fund December 31, 2011	G		<u><u>\$(11,153.49)</u></u>

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

G-4

<u>GRANTS</u>	<u>12/31/10</u>	<u>Budget</u>	<u>Recd.</u>	<u>12/31/11</u>
Police Vest Fund	\$ 2,652.24	\$ 2,652.24		\$ -
Alcohol Education & Rehabilitation	201.09	201.09	647.22	647.22
Recycling Tonnage Grant	5,515.87	5,515.87		-
State Library Aid	1,927.00	1,927.00	1,503.00	1,503.00
Drunk Driving Enforcement Fund	0.00		5,513.39	5,513.39
	<u>\$ 8,534.65</u>	<u>\$ 10,296.20</u>	<u>\$ 7,663.61</u>	<u>\$ 7,663.61</u>
	G	A-2, G-5	G-1	G

BOROUGH OF HO-HO-KUS, NJ
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

G-5

<u>GRANTS</u>	December 31, 2010	Transferred from 2011 Budget Appropriations		<u>Expended</u>	<u>Deferred Charges Overexpenditure</u>	December 31, 2011
		<u>Budget</u>	<u>Non-Budgeted Grants</u>			
Alcohol Rehabilitation	\$ 3,866.47	\$ 201.09		\$ 201.09		\$ 3,866.47
Clean Community	8,110.70	7,500.00		3,106.45		12,504.25
State Tonnage Recycling Grant	7,744.61			7,902.60	157.99	(0.00)
Drunk Driving	1,193.03					1,193.03
Safety Belt Performance Grant	555.00					555.00
Bergen County Community Development Grant	2,150.00					2,150.00
Police Vest Grant	3,484.61	2,652.24				6,136.85
Shade Tree	300.00		7,000.00	7,000.00		300.00
SLAHEOP OEM Grant	14.22					14.22
Municipal Alliance	24,710.96	10,000.00		2,615.00		32,095.96
Municipal Alliance Matching Funds	7,202.50	4,500.00				11,702.50
Stormwater Management Grant	4,179.00			2,652.24		1,526.76
Bergen County Recycling Grant	-	5,515.87		5,515.87		-
Library Aid	-	1,927.00		1,927.00		-
	<u>\$ 63,511.10</u>	<u>\$ 32,296.20</u>	<u>\$ 7,000.00</u>	<u>\$ 30,920.25</u>	<u>\$ 157.99</u>	<u>\$ 72,045.04</u>
<u>Reference</u>	G	Below	G-1	Below	G	G
Budget Appropriations	G-2	\$ 17,500.00				
Budget Appropriations - Matching Fund	G-3	4,500.00				
Budget Appropriations - Unappropriated	G-4	10,296.20				
	Above	<u>\$ 32,296.20</u>				
Grant Expended in Current Fund	G-3	(10,258.96)				
	A-3	<u>\$ 22,037.24</u>				
			Due From Current Fund:			
			Current Year Grants	G-3	\$ 10,258.96	
			Prior Year Grant Expenditures	G-3	5,339.53	
			Grant Fund Expenditures	G-1	15,321.76	
					<u>\$ 30,920.25</u>	
					Above	

BOROUGH OF HO-HO-KUS, NJ
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE FROM / (TO) TRUST FUND

G-6

	<u>Reference</u>	
Due to Current Fund December 31, 2010	G	\$ 2,500.00
Decreased by:		
Cash Receipts	G-1	<u>\$ 2,500.00</u>
Due to Current Fund December 31, 2011	G	<u><u>\$ -</u></u>

BOROUGH OF HO-HO-KUS, NJ
SOLID WASTE UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH

H-4

	<u>Reference</u>		
Balance December 31, 2010	H		\$ 711,118.52
Increased by:			
Solid Waste Fees	H-2,5	\$ 777,923.86	
Fee Overpayments	H-7	30.75	
Delinquent Interest	H-1	3,012.96	
Prepaid Utility Rents	H	79,892.43	
Interest Income	H-2	3,959.93	
Transfer from Current Fund	H-8	1,321.59	
			866,141.52
			1,577,260.04
Decreased by:			
Appropriation Reserves	H-6	77,594.12	
Appropriations	H-3	730,631.70	
			808,225.82
Balance December 31, 2011	H		\$ 769,034.22

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

H-5

	<u>Reference</u>		
Balance December 31, 2010	H		\$ 25,149.81
Increased by:			
Solid Waste Charges			784,431.65
			809,581.46
Decreased by:			
Collections	H-4	\$ 777,923.86	
Overpayments applied	H-7	6,504.14	
			784,428.00
Balance December 31, 2011	H		\$ 25,153.46

BOROUGH OF HO-HO-KUS, NJ
SOLID WASTE UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF APPROPRIATION RESERVES

H-6

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Encumbrance</u> <u>Payable</u>	<u>Paid or</u> <u>Charged</u>	<u>Canceled</u>
Salaries & Wages	\$ 98,162.31	\$ 14,318.62		\$ 112,480.93
Other Expenses	152,121.46	39,732.91	77,594.12	114,260.25
Statutory Expenditures	5,000.00	-		5,000.00
	<u>\$ 255,283.77</u>	<u>\$ 54,051.53</u>	<u>\$ 77,594.12</u>	<u>\$ 231,741.18</u>
<u>Reference</u>	H	H, H-6A	H-4	H-1

SCHEDULE OF ENCUMBRANCE PAYABLE

H-6A

	<u>Reference</u>	
Balance December 31, 2010	H	\$ 54,051.53
Increased by:		
Encumbrance Payable	H	37,083.33
		91,134.86
Decreased by:		
Applied to Appropriation Reserves	H-6	54,051.53
Balance December 31, 2011	H	\$ 37,083.33

BOROUGH OF HO-HO-KUS, NJ
 SOLID WASTE UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RENT OVERPAYMENTS

H-7

	<u>Reference</u>	
Balance December 31, 2010	H	\$ 6,504.14
Increased by:		
Receipts	H-4	30.75
		6,534.89
Decreased by:		
Overpayments Applied	H-2,5	6,504.14
		6,504.14
Balance December 31, 2011	H	\$ 30.75

SCHEDULE OF DUE FROM CURRENT FUND

H-8

	<u>Reference</u>	
Balance December 31, 2010	H	\$ 1,321.59
Decreased by:		
Cash Receipts	A-4, H-4	1,321.59
		1,321.59
Balance December 31, 2011	H	\$ -

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members
of the Borough Council
Borough of Ho-Ho-Kus, New Jersey

We have audited the financial statements of the Borough of Ho-Ho-Kus ("Borough"), State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated July 6, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough'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 expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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

However, we identified certain deficiencies in internal control over finance reporting, described in the accompanying Audit Comments and Recommendations as #11-01, 11-05, 11-06, and 11-07, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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 the 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 test disclosed instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards**, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which are described in the accompanying schedule of comments and recommendations as item 11-02, 11-03, 11-04, 11-05, and 11-06.

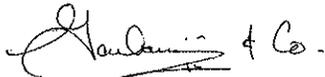
We also noted certain matters that we have reported to management of the Borough in a separate letter dated July 6, 2012.

The Borough's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not audit the Borough's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Borough's management, council members, others within the organization, the DLGS, 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.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534



Garbarini & Co. P.C. CPA's
Registered Municipal Accountants

July 6, 2012
Carlstadt, New Jersey

BOROUGH OF HO-HO-KUS
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2011

Schedule I-1

Federal Grant Program	Pass - Through Entity ID #	Federal Account Number	Grant Period	Cash Received	Program Expenditures	Receivable
Stormwater Management Grant	NJ Dept. of Environmental Protection	CFDA 66.605	01/01/11 - 12/31/11	\$ -	\$ 2,652.24	\$ -
New Jersey Department of Transportation: NJ- DOT Ordinance #991 General Improvements NJ- DOT Ordinance #955 General Improvements	NJ Dept. of Transportation	CFDA 20.205	01/01/11 - 12/31/11 01/01/10 - 12/31/10		150,000.00	150,000.00 81,250.00
FEMA Reimbursements	NJ Dept of Law & Public Safety	CFDA 97.036	01/01/11 - 12/31/11	57,509.67	57,509.67	
Shade Tree Grant- ARRA	NJ Department of Environmental Protection	CFDA 10.688	01/01/11 - 12/31/11	7,000.00	7,000.00	
Total Federal Financial Assistance				<u>\$ 64,509.67</u>	<u>\$ 217,161.91</u>	<u>\$ 231,250.00</u>

BOROUGH OF HO-HO-KUS
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2011

Schedule I-2

State Grant Program	State Account Number	Grant Period	Cash Received	Program Expenditures	Schedule I-2 Receivable
New Jersey Department of Treasury: Library State Aid	2541-100-074-2541-006	01/01/11 - 12/31/11	\$ 1,503.00	\$ 1,927.00	\$ -
Solid Waste Administration: Clean Communities Grant	4900-765-042-4900-004	01/01/11 - 12/31/11	7,182.06	3,106.45	
Recycling Tonnage Grant	4900-752-042-4900-001	01/01/11 - 12/31/11		7,902.60	
Municipal Court Judiciary: Alcohol Education & Rehabilitation Grant	9735-760-098-9735-001	01/01/11 - 12/31/11	647.22	201.09	
Drunk Driving Enforcement Fund		01/01/11 - 12/31/11	5,513.39		
Total State Financial Assistance			<u>\$ 14,845.67</u>	<u>\$ 13,137.14</u>	<u>\$ -</u>

BOROUGH OF HO-HO-KUS
 SCHEDULE OF COUNTY FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2011

Schedule I-3

County Grant Program	Pass - Through Entity ID #	County Account Number	Grant Period	Cash Received	Program Expenditures	Receivable
Municipal Alliance Grant		026-032-651-16-58	01/01/08 - 12/31/08		\$ -	\$ 246.16
Municipal Alliance Grant		026-032-651-16-58	01/01/09 - 12/31/09			7,500.00
Municipal Alliance Grant		026-032-651-16-58	01/01/10 - 12/31/10			10,000.00
Municipal Alliance Grant		026-032-651-16-58	01/01/11 - 12/31/11		2,615.00	10,000.00
Bergen County Recycling Tonnage		N/A	01/01/10-12/31/10		5,515.87	
Total County Financial Assistance				<u>\$ -</u>	<u>\$ 8,130.87</u>	<u>\$ 27,746.16</u>
Total Federal, State & County Financial Assistance				<u>\$ 33,542.86</u>	<u>\$ 192,617.44</u>	<u>\$ 258,996.16</u>

BOROUGH OF HO-HO-KUS, NJ
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

1. General

The accompanying schedules present the activity of all federal and state financial assistance programs of the Borough of Ho-Ho-Kus (the "Borough"). The Borough is defined in Note 1A of the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

2. Basis of Accounting

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

3. Relationship of Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements, exclusive of the unappropriated reserves. Expended State, Federal, and County awards amounted to \$192,617.44 in 2011.

4. 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.

BOROUGH OF HO-HO-KUS
 ROSTER OF OFFICIALS AND SURETY BONDS
 AT DECEMBER 31, 2011

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Thomas Randall	Mayor	
John Mongelli	Council President	
Maryellen Lennon	Council Member	
Phil Rorty	Council Member	
Kevin Shea	Council Member	
Douglas Troast	Council Member	
Kim Weiss	Council Member	
Donald Cirulli	Business Administrator Human Resource Director	
Joseph Citro	Chief Financial Officer Qualified Purchasing Agent	\$1,000,000 (A)
Laura Borchers	Borough Clerk Registrar of Vital Statistics Registrar of Elections Assessment Search Officer Liaison/Secretary for Board of Health Claims Processor Public Agency Compliance Officer Security Information Officer Municipal Housing Liaison	(B)
Lawrence Scorzelli	Zoning Officer and Inspector Property Maintenance Officer Chief Construction Code Official Fire Sub-Code Official and Inspector	

BOROUGH OF H0-H0-KUS
 ROSTER OF OFFICIALS AND SURETY BONDS (Continued)
 AT DECEMBER 31, 2011

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
James Dougherty	Electrical Sub-Code Official and Inspector	
Ralph Venturini	Bldg. Sub-Code Official and Inspector	
Joseph Mazzone	Plumbing Sub-Code Official and Inspector	
Harry Norton	Municipal Judge	(B)
Rosemarie Novelli-Salyer	Court Administrator/Violations Clerk	(B)
Marie Merolla	Tax Assessor	
Jeff Kropiewnicki	Tax Collector/Payroll Supervisor	\$1,000,000 (A)
Claudette Wahid	Deputy Tax Collector/Water Registrar Deputy Tax Search Officer/ Deputy Purchasing Agent/Assistant Solid Waste Registrar	\$1,000,000 (A)
Joanne Mc Donald	Assistant to Tax Collector/ Assistant To Water Registrar/ Assistant to Solid Waste Registrar / Sec. Administration Personnel Office/ Deputy Registrar Vital Statistics	(B)

(A)- The Municipal Excess Liability Joint Insurance Fund (MEL) Blanket Bond Coverage of \$1,000,000 is provided through the Bergen County Municipal Joint Insurance Fund.

(B)- Covered under the Blanket Bond Limit with the Bergen County Municipal JIF.

All bonds were examined and properly executed.

BOROUGH OF HO-HO-KUS
GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

N.J.S.40A:11-4 states "Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 "a contract year the total sum of \$26,000...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000."], shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

N.J.S.40A:11-9 states "The governing body of any contracting unit may by ordinance, in the case of a municipality, by ordinance or resolution, as the case may be, in the case of a county, or by resolution in all other cases, establish the office of purchasing agent, or a purchasing department or a purchasing board, with the authority, responsibility, and accountability as its contracting agent, for the purchasing activity for the contract in unit, to prepare public advertising for bids and to receive bids for the provision or performance of goods or services on behalf of the contracting unit and to award contracts permitted pursuant to subsection a. of section 3 of P.L.1971, c. 198 (C.40A:11-3) in the name of the contracting unit, and conduct any activities as may be necessary or appropriate to the purchasing function of the contracting unit."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the calendar year or any twelve-month period. Where questions arise as to whether any contract or agreement might result in a violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Expenditure of \$5,400 or more and less than \$36,000 Per N.J.S.A. 40A:11-6.1

N.J.S.A 40A:11-6.1 states, "a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5), except for paragraph (a) of that subsection professional services and paragraph (b) of the subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor. d. Whenever two or more responses to a request of a contracting agent offer equal prices and are the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous."

BOROUGH OF HO-HO-KUS
GENERAL COMMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

Collection of Interest of Delinquent Taxes and Assessments and Solid Waste Charges

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

The Governing Body on January 1, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00.

Collection of Interest of Delinquent Taxes, Assessments and Solid Waste Charges

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of Ho-Ho-Kus, County of Bergen, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00. Real estate taxes for 2010 will be advertised for sale after April 1, 2010.
2. Effective January 1, 2010 there will be a ten-day grace period of quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

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

Collection of Interest on Delinquent Water Rents

Please note Chapter 81 of the Code of the Borough provides that if a bill is not paid within thirty days from the date of the bill a penalty of 10% shall be imposed. If a bill remains unpaid for a period of over sixty days after mailing or presentation, notice will be served on or mailed to the customer. Unless the bill is paid within seven days from the date of notice, the water supply will be discontinued.

BOROUGH OF HO-HO-KUS
YEAR ENDED DECEMBER 31, 2011

STATUS OF PRIOR YEAR
COMMENTS AND RECOMMENDATIONS

Comments:

Recommendation 10-1:

That controls be in place in the Construction Code Department to ensure that cash receipts are reconciled to the computer records and the Treasurer's deposit on a daily basis. The fees charged in the computer system need to be corrected in order to agree with the Borough's Ordinance

Status:

Corrective action has not been taken. See current year's findings.

Recommendation 10-2:

That formal minutes of Mayor and Council meetings be prepared and signed for approval by the Borough Clerk. All minutes should be bound for maintenance of an official record.

Status:

Corrective action has not been taken. See current year's findings.

Recommendation 10-3:

That monthly dog license reports be completed and filed with the State of New Jersey on a timely basis.

Status:

Corrective action has been taken.

Recommendation 10-4:

That over-expenditures in appropriations be avoided.

Status:

Corrective action has not been taken. See current year's findings.

Recommendation 10-5:

That the expenditures be monitored to be in compliance with the Local Public Contracts Law. That all advertisements, contracts and award of bid resolutions and minutes be available for inspection.

Status:

Corrective action has been taken.

BOROUGH OF HO-HO-KUS
YEAR ENDED DECEMBER 31, 2011

CURRENT YEAR
COMMENTS AND RECOMMENDATIONS

CONSTRUCTION CODE OFFICIAL:

***Comment 11-1:**

Cash receipt records must reconcile with the cash receipts posted to the Treasurer's records. The fees in the computer system do not agree with the fees as per the Borough Ordinance. Not all permits were available for inspection.

Recommendations:

That controls be in place to ensure that cash receipts are reconciled to the computer records and the Treasurer's deposit on a daily basis. The fees charged in the computer system need to be corrected in order to agree with the Borough's Ordinance. That all permits be available for inspection.

BOROUGH CLERK:

***Comment 11-2:**

Approved minutes of Mayor and Council meetings were not prepared timely, nor available for inspection from July 2011 to June 2012. Minutes were not formally bound and maintained as official records in a timely manner.

Recommendation:

That formal minutes of Mayor and Council meetings be prepared and signed for approval by the Borough Clerk on a timely basis, in accordance with the Open Public Meetings Act (N.J.S.A. 10:4-14). All minutes should be bound for maintenance as an official record of the Borough of Ho-Ho-Kus.

Comment 11-03:

Several vendors and professional service contracts awarded did not complete Vendor Certification and Disclosure of Political Contributions forms required by N.J.S.A. 19:44A-20.26-20.27.

Recommendation:

That the Borough Clerk maintain and monitor all Business Registration Certificates and Vendor Certification and Disclosure of Political Contributions forms from vendors and or professional services as required by the requirements of Public Law 2005, Chapter 51 (N.J.S.A. 19:44A-20.13-20.25, superseding Executive Order 134 (2004) and comply with Executive Order 117(2008).

BOROUGH OF HO-HO-KUS
YEAR ENDED DECEMBER 31, 2011

CURRENT YEAR
COMMENTS AND RECOMMENDATIONS

BOROUGH CLERK (continued):

Comment 11-04:

The bill lists were not approved in the minutes.

Recommendation:

That all claims approved for payment by the governing body shall be recorded in the minutes and that such record of approval be available for inspection in accordance with N.J.S.A. 40A:5-18.

OTHER:

***Comment 11-5:**

There was an over-expenditure of appropriations in the amount of \$841.70 in the Water Utility Fund and \$157.99 in the Grant Fund.

Recommendation:

That over-expenditures in appropriations be avoided in accordance with Chapter 131 Laws of 1989, making the disbursing of monies or the incurring of obligations by public officials in excess of appropriations or an amount limited by law a gross violation of state statute.

BOROUGH OF HO-HO-KUS
YEAR ENDED DECEMBER 31, 2011

CURRENT YEAR
COMMENTS AND RECOMMENDATIONS

FINANCE

Comment 11-6:

Police salary and wage charges were posted to Solid Waste salaries and wages in the amount of \$ 121,786, Water salary and wage in the amount of \$12,535 and Library appropriation in the amount of \$50,000.

Recommendation:

That Police salary and wages only be posted to the Police salary and wage budget appropriation. That appropriations should be monitored and transfers and or emergencies should be approved when amounts appropriated are expected to exceed budgeted amounts in accordance with New Jersey Local Budget Law N.J.S.A. 40A:4-1 et seq.

PAYROLL:

Comment 11-7:

Over-time is not being approved by the department heads on the time sheets.

Recommendation:

That all over-time be approved by department heads on the timesheets.

APPRECIATION

We desire to express our appreciation of the assistance and courtesies rendered by the Borough Officials and employees during the year

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.