

**TOWNSHIP OF MOUNT OLIVE**  
**MORRIS COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2009**

**TOWNSHIP OF MOUNT OLIVE**

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**TOWNSHIP OF MOUNT OLIVE  
MORRIS COUNTY, NEW JERSEY**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2009**

# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

FAIR LAWN, NJ 07410

TELEPHONE (201) 791-7100

FACSIMILE (201) 791-3035

WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH KOZAK, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Mount Olive  
Mount Olive, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Mount Olive as of December 31, 2009 and 2008 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2009. These financial statements are the responsibility of the Township of Mount Olive's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the fourth paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mount Olive's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect 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.

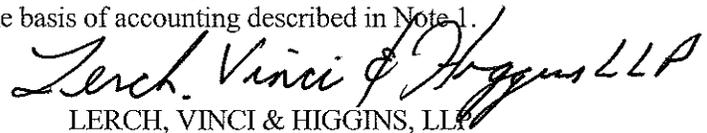
In addition, the financial statements of the Length of Service Awards Program (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Township's financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund, and represent 14.0 percent and 9.7 percent of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2009 and 2008.

In our opinion, because of the effects of the Township preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Mount Olive as of December 31, 2009 and 2008, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Township has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

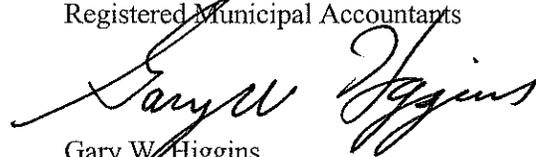
However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Township of Mount Olive as of December 31, 2009 and 2008 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the revenues - regulatory basis and the expenditures - regulatory basis of the various funds for the year ended December 31, 2009 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 22, 2010 on our consideration of the Township of Mount Olive's internal control over financial reporting and on 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 considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Mount Olive. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Mount Olive. 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 taken as a whole on the basis of accounting described in Note 1.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants



Gary W. Higgins  
Registered Municipal Accountant  
RMA Number CR00405

Fair Lawn, New Jersey  
June 22, 2010

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>			
<b>Regular Fund</b>			
Cash	A-4	\$ 4,853,742	\$ 5,622,954
Change Funds	A-5	1,450	850
Due from the State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	<u>32,047</u>	<u>31,746</u>
		<u>4,887,239</u>	<u>5,655,550</u>
<b>Receivables and Other Assets with Full Reserves</b>			
Delinquent Taxes Receivable	A-7	1,134,854	1,089,273
Tax Title Liens Receivable	A-8	270,782	243,635
Property Acquired for Taxes - Assessed Valuation	A-9	4,380,394	4,349,894
Revenue Accounts Receivable	A-10	<u>41,261</u>	<u>55,403</u>
		<u>5,827,291</u>	<u>5,738,205</u>
<b>Deferred Charges</b>			
Special Emergency Authorizations	A-11	<u>204,955</u>	<u>325,755</u>
<b>Total Regular Fund</b>		<u>10,919,485</u>	<u>11,719,510</u>
<b>Federal and State Grant Fund</b>			
Cash	A-4	92,793	71,944
Grants Receivable	A-24	<u>124,475</u>	<u>267,965</u>
<b>Total Federal and State Grant Fund</b>		<u>217,268</u>	<u>339,909</u>
<b>Total Assets</b>		<u>\$ 11,136,753</u>	<u>\$ 12,059,419</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Regular Fund</b>			
Appropriation Reserves	A-3,A-12	\$ 218,269	\$ 91,632
Encumbrances Payable	A-13	579,666	515,045
Special Emergency Notes Payable	A-17	192,200	192,200
Prepaid Taxes	A-16	294,498	295,508
Reserve for Tax Appeals	A-21	347,363	397,805
Fees Payable	A-15	750	475
Miscellaneous Reserves and Deposits	A-20	<u>254,461</u>	<u>369,012</u>
		1,887,207	1,861,677
Reserve for Receivables and Other Assets	A	5,827,291	5,738,205
Fund Balance	A-1	<u>3,204,987</u>	<u>4,119,628</u>
<b>Total Regular Fund</b>		<u>10,919,485</u>	<u>11,719,510</u>
<b>Federal and State Grant Fund</b>			
Encumbrances Payable	A-14	23,114	175,287
Reserve for Grants and Donations - Unappropriated	A-23	-	2,453
Reserve for Grants and Donations - Appropriated	A-22	<u>194,154</u>	<u>162,169</u>
<b>Total Federal and State Grant Fund</b>		<u>217,268</u>	<u>339,909</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 11,136,753</u>	<u>\$ 12,059,419</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Fund Balance Utilized	A-2	\$ 2,991,310	\$ 3,000,000
Miscellaneous Revenue Anticipated	A-2	5,523,779	6,343,045
Receipts from Delinquent Taxes	A-7	1,023,953	820,449
Receipts from Current Taxes	A-2	87,094,618	83,350,242
Non-Budget Revenue	A-2	254,425	312,739
Other Credits to Income			
Tax Sale Premium Escheated	A-20	6,300	500
Unexpended Balances of Appropriation Reserves	A-12	177,610	254,393
		<hr/>	<hr/>
Total Income		97,071,995	94,081,368
		<hr/>	<hr/>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	9,136,284	9,096,912
Other Expenses	A-3	8,709,493	9,668,455
Capital Improvements	A-3	28,155	45,671
Municipal Debt Service	A-3	4,581,435	4,496,781
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,294,765	918,397
County Taxes	A-18	7,498,413	7,255,774
County Taxes - Added Taxes	A-18	14,665	17,277
County Taxes - Open Space Preservation	A-18	1,254,826	1,632,702
Local District School Taxes	A-19	59,532,178	56,786,067
Sanitation District Taxes	A-26	1,329,926	1,348,454
Sanitation District Taxes - Added Taxes	A-26	2,721	3,626
Municipal - Open Space Preservation	A-25	587,826	588,776
Other Debits to Income			
Refund of Prior Year Revenue	A-4	22,889	6,556
Prior Year Senior Citizens Deduction Disallowed - Net	A-6	1,750	3,440
		<hr/>	<hr/>
Total Expenditures		94,995,326	91,868,888
		<hr/>	<hr/>
Excess in Revenue		2,076,669	2,212,480
		<hr/>	<hr/>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Excess in Revenue (Brought Forward)		\$ 2,076,669	\$ 2,212,480
FUND BALANCE, JANUARY 1	A	<u>4,119,628</u>	<u>4,907,148</u>
		6,196,297	7,119,628
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>2,991,310</u>	<u>3,000,000</u>
FUND BALANCE, DECEMBER 31,	A	<u>\$ 3,204,987</u>	<u>\$ 4,119,628</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	2009 Anticipated Budget	<u>Added</u> by NJS 40A:4-87	Realized in 2009	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 2,991,310	-	\$ 2,991,310	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-10	24,000		24,227	\$ 227
Fees and Permits					
Other	A-2	195,000		226,924	31,924
Fines and Costs - Municipal Court	A-10	475,000		432,438	(42,562)
Interest and Costs on Taxes	A-10	160,000		244,929	84,929
Interest on Investments and Deposits	A-2	55,000		30,980	(24,020)
Water Tower Rental - NYNEX	A-10	180,000		174,734	(5,266)
Interest on Developers' Deposit Fees	A-10	30,000		12,500	(17,500)
Life Hazard Use Fees	A-10	42,399		44,513	2,114
Fire Prevention Inspection Fees	A-10	73,000		77,685	4,685
Highlands Reimbursement Aid	A-10	7,106		7,106	
Consolidated Municipal Property Tax Relief	A-10	458,600		458,600	
Energy Receipts Tax	A-10	1,922,224		1,922,224	
Supplemental Energy Receipts Tax	A-10	90,868		90,868	
Watershed Moratorium Aid	A-10	9,165		9,165	
Reserve for Garden State Trust Fund	A-10	109,212		109,212	
Uniform Construction Code Fees	A-10	245,000		280,403	35,403
State and Federal Revenues Offset					
With Appropriations					
Interlocal Health Agreement	A-10	65,690		65,690	
Recycling Tonnage Grant	A-24		\$ 74,503	74,503	
Cops Universal Hiring Grant	A-24	25,000		25,000	
Bulletproof Vest	A-24		1,313	1,313	
Pandemic Flu Planning	A-24		2,500	2,500	
Over the Limit Under Arrest	A-24		6,000	6,000	
Alcohol, Education and Rehabilitation	A-24		1,717	1,717	
Highlands Council Grant	A-24	50,000		50,000	
Clean Energy Program	A-24		14,297	14,297	
Obey the Signs or Pay the Fines	A-24		4,000	4,000	
Tobacco Age-of-Sale Enforcement Program	A-24	1,500		1,500	
Holiday - Over the Limit Under Arrest	A-24	5,000		5,000	

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	2009 <u>Anticipated</u> <u>Budget</u>	<u>Added</u> by NJS <u>40A:4-87</u>	<u>Realized</u> in 2009	<u>Excess or</u> <u>(Deficit)</u>
State and Federal Revenues Offset					
With Appropriations (Continued)					
Donation - Mt. Olive Lions Club	A-23	\$ 2,453		\$ 2,453	
Donation - Siemen's	A-24	5,000		5,000	
Donation - BASF	A-24		\$ 500	500	
Donation - Benjamin Moore	A-24		1,125	1,125	
State Health Services Grant	A-24		90,672	90,672	
Drunk Driving Enforcement Fund	A-24		18,178	18,178	
Clean Communities Program	A-24	44,244		44,244	
Water Use and Conservation Management	A-24		5,000	5,000	
Donation - Walmart	A-24		1,000	1,000	
Public Health Priority Funding	A-24	6,337	6,337	12,674	
Other Special Items:					
Cable TV Franchise Fees	A-10	82,870		82,870	
Solid Waste Collection District Budget					
Surplus-Down Payment-Capital Ordinances	A-10	18,087		18,087	
Hotel Tax Revenues	A-10	200,000		177,258	\$ (22,742)
Due from Mt. Olive Child Care - Lease	A-10	77,175		77,175	
General Capital Fund Surplus	A-10	2,664		2,664	-
Due from Open Space Trust Fund - Debt Service	A-10	586,851	-	586,851	-
	A-1	<u>5,249,445</u>	<u>227,142</u>	<u>5,523,779</u>	<u>47,192</u>
Receipts from Delinquent Taxes	A-2	<u>966,000</u>	-	<u>1,023,953</u>	<u>57,953</u>
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	A-2	<u>18,006,957</u>	-	<u>19,560,347</u>	<u>1,553,390</u>
Budget Totals		<u>\$ 27,213,712</u>	<u>\$ 227,142</u>	29,099,389	<u>\$ 1,658,535</u>
Non-Budget Revenue	A-2, A-4			<u>254,425</u>	
				<u>\$ 29,353,814</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 87,094,618
Allocated to School, County and Special District Taxes	A-18, A-19, A-25, A-26	<u>70,220,555</u>
		16,874,063
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,686,284</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 19,560,347</u>
<b>Fees and Permits - Other</b>		
Township Clerk	A-10	\$ 3,302
Board of Health	A-10	101,374
Registrar	A-10	4,332
SMA Clinic, Shots and Screenings	A-10	50,426
Police Department	A-10	11,306
Tax Search Officer	A-10	70
Tax Assessor	A-10	770
Engineering	A-10	2,469
Planning Board	A-10	24,430
Zoning Board	A-10	13,225
Water Testing	A-10	4,555
Senior Activities	A-10	890
Board of Adjustment	A-10	<u>9,775</u>
	A-2	<u>\$ 226,924</u>
<b>Interest on Investments and Deposits</b>		
Revenue Accounts Receivable	A-10	\$ 29,533
Due from Federal and State Grant Fund	A-4	154
Due from General Capital Fund	C-7	<u>1,293</u>
	A-2	<u>\$ 30,980</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
Miscellaneous Receipts		\$ 18,778
Tax Sale Cert. Cancellation Fees		80
CBS Outdoor Lease Agreement		4,925
Comcast Cable Franchise Fees		2,098
Verizon Franchise Fees		10,307
Coffee Machine/Vending Receipts		715
NSF Fees		440
Duplicate Tax Bill Fees		25
Prior Year Refunds		15,198
Paragon In-Lieu Tax		100,000
Abiding Peace In-Lieu Tax		73,405
Bid Specifications		150
Administrative Fee- Seniors and Veterans		2,704
Inspection Fees		3,654
Off Duty Administrative Fee		<u>21,946</u>
	A-2,A-4	<u>\$ 254,425</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009 Appropriated		2009 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
Mayor and Council					
Salaries & Wages	\$ 35,500	\$ 35,500	\$ 35,267	\$ 233	
Other Expenses	28,464	24,964	22,612	2,352	
Township Clerk					
Salaries & Wages	171,000	172,000	171,992	8	
Other Expenses	22,151	23,151	22,678	473	
Business Administration					
Salaries & Wages	269,000	273,500	271,951	1,549	
Other Expenses	21,660	17,660	14,697	2,963	
Financial Administration					
Salaries & Wages	174,000	175,500	174,958	542	
Other Expenses	13,300	13,300	12,514	786	
Annual Audit	33,709	33,709	33,709		
Revenue Administration (Tax Collection)					
Salaries & Wages	59,000	59,800	59,364	436	
Other Expenses	9,025	9,025	8,985	40	
Assessment of Taxes					
Salaries & Wages	160,000	161,500	161,235	265	
Other Expenses	171,098	169,098	168,814	284	
Legal Services & Costs					
Other Expenses	265,716	250,716	237,700	13,016	
Engineering Services					
Salaries & Wages	64,000	64,000	62,323	1,677	
Other Expenses	18,810	17,810	15,517	2,293	
Industrial and Economic Development Committee					
Other Expenses	500	500	80	420	
Pride Committee					
Other Expenses	3,500	3,500	3,309	191	
Open Space Committee					
Other Expenses	250	250	238	12	
Mount Olive Historical Society					
Other Expenses	1,000	1,000	785	215	
Ethics Board					
Other Expenses	500	500	352	148	
Information Technology Support					
Other Expenses	53,931	53,931	53,683	248	
<b>LAND USE ADMINISTRATION</b>					
Municipal Land Use Law (NJS 40:55D-1)					
Planning Board					
Salaries & Wages	167,000	169,000	167,732	1,268	
Other Expenses	42,964	42,964	36,359	6,605	
Board of Adjustment					
Other Expenses	10,446	9,446	8,554	892	
<b>INSURANCE</b>					
General Liability	234,568	234,568	234,544		\$ 24
Workers Compensation	286,690	286,690	286,690		
Employee Group Health	2,413,971	2,441,471	2,434,320	7,151	
<b>PUBLIC SAFETY</b>					
Police					
Salaries & Wages	5,412,880	5,475,880	5,454,332	21,548	
Other Expenses	242,324	240,494	237,753	2,741	
Emergency Management System					
Salaries & Wages	4,160	4,240	4,238	2	
Other Expenses	2,121	2,121	971	1,150	
Fire					
Other Expenses					
Flanders Fire Company	69,203	69,203	69,203		
Budd Lake Fire Company	65,987	65,987	65,191	796	
Fire Hydrant Rental	14,260	14,410	14,403		7

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY (Continued)					
Fire (Continued)					
Contribution to Volunteer Fire Companies					
Flanders Fire Company	\$ 45,000	\$ 45,000	\$ 45,000		
Budd Lake Fire Company	45,000	45,000	45,000		
First Aid Organization - Contributions					
Budd Lake Rescue Squad	35,000	35,000	35,000		
Flanders Rescue Squad	35,000	35,000	35,000		
First Aid Organization					
Other Expenses					
Budd Lake Rescue Squad	75,515	75,515	75,424	\$ 91	
Flanders Rescue Squad	48,428	48,428	47,721	707	
Uniform Fire Safety Act (PL 1983, Ch. 183)					
Fire Prevention					
Salaries & Wages	113,000	114,300	114,192		108
Other Expenses	4,991	4,991	4,211		780
PUBLIC WORKS FUNCTIONS					
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	913,000	886,212	886,212		
Other Expenses	469,638	490,138	460,587	29,551	
Street Signs					
Other Expenses	45,980	42,980	41,685	1,295	
Buildings and Grounds					
Salaries & Wages	359,000	360,400	360,104		296
Other Expenses	348,746	343,746	322,963	20,783	
Fleet Maintenance					
Other Expenses	594,338	556,351	548,271	8,080	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries & Wages	448,000	453,900	448,844	5,056	
Other Expenses	10,920	10,920	1,527	9,393	
Environmental Committee (R.S. 40:56A-1 et seq)					
Other Expenses	500	500	490	10	
Animal Control					
Other Expenses	62,658	42,658	42,658		
Division of Senior Social Services					
Salaries & Wages	136,000	136,000	133,731	2,269	
Other Expenses	13,495	13,495	13,293	202	
Mount Olive Municipal Alliance Commission					
Other Expenses	7,500	5,500	5,500		
PARKS AND RECREATION					
Recreation					
Other Expenses	14,567	14,567	14,441	126	
Beach Front Maintenance					
Salaries & Wages	23,347	17,627	17,627		

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009 Appropriated		2009 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS" (Continued)					
Uniform Construction Code					
Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4-17)					
Inspection of Buildings					
Salaries & Wages	\$ 212,000	\$ 213,425	\$ 213,418	\$ 7	
Other Expenses	53,701	58,201	57,291	910	
UNCLASSIFIED					
Accumulated Absence Trust Fund	100,000	100,000	100,000		
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	200,000	204,700	204,500	200	
Street Lighting	172,500	172,500	165,279	7,221	
Gas (Natural or Propane)	105,000	80,500	44,880	35,620	
Telecommunications	80,000	83,000	83,000		
Vehicle Fuel	225,000	217,070	201,266	15,804	
Municipal Court					
Salaries and Wages	362,000	363,500	360,557	2,943	
Other Expenses	16,508	13,508	11,458	2,050	
Public Defender (P.L. 1977, C. 256)					
Other Expenses	9,377	9,377	9,197	180	-
<b>Total Operations Within "CAPS"</b>	<b>15,928,397</b>	<b>15,911,397</b>	<b>15,697,380</b>	<b>213,986</b>	<b>\$ 31</b>
Detail:					
Salaries & Wages	9,082,887	9,136,284	9,098,077	38,207	-
Other Expenses	6,845,510	6,775,113	6,599,303	175,779	31
Deferred Charges and Statutory Expenditures -					
Municipal Within "CAPS"					
Statutory Charges					
Public Employees Retirement System	370,654	370,654	370,654		
Social Security System (O.A.S.I.)	695,000	712,000	707,736	4,264	
Police and Firemen's Retirement System of NJ	1,072,321	1,072,321	1,072,319		2
Deferred Contribution Retirement Program	1,000	1,000	227	19	754
<b>Total Deferred Charges &amp; Statutory Expenditures - Municipal Within "CAPS"</b>	<b>2,138,975</b>	<b>2,155,975</b>	<b>2,150,936</b>	<b>4,283</b>	<b>756</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>18,067,372</b>	<b>18,067,372</b>	<b>17,848,316</b>	<b>218,269</b>	<b>787</b>
OPERATIONS - EXCLUDED FROM "CAPS"					
INSURANCE (N.J.S.A. 40A:4-45.3(OO))					
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,292,125	1,292,125	1,292,125		
Length of Service Award Program (LOSAP)	140,000	140,000	140,000		
Morris County Improvement Program Lease Program					
Principal	45,000	45,000	45,000		
Interest	24,920	24,920	24,920	-	-
<b>Total Other Operations Excluded from "CAPS"</b>	<b>1,502,045</b>	<b>1,502,045</b>	<b>1,502,045</b>	<b>-</b>	<b>-</b>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009 Appropriated		2009 Expended		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
<b>OPERATIONS - EXCLUDED FROM "CAPS" (Continued)</b>					
Interlocal Municipal Service Agreements					
Health Services	\$ 65,690	\$ 65,690	\$ 65,690	-	-
Total Interlocal Municipal Service Agreements	65,690	65,690	65,690	-	-
<b>Public and Private Programs Offset by Revenues</b>					
Recycling Tonnage Grant		74,503	74,503		
Cops Universal Hiring Grant	25,000	25,000	25,000		
Bulletproof Vest		1,313	1,313		
Pandemic Flu Planning		2,500	2,500		
Over the Limit Under Arrest		6,000	6,000		
Alcohol, Education and Rehabilitation		1,717	1,717		
Highlands Council Grant	50,000	50,000	50,000		
Clean Energy Program		14,297	14,297		
Obey the Signs or Pay the Fines		4,000	4,000		
Tobacco Age-of-Sale Enforcement Program	1,500	1,500	1,500		
Holiday - Over the Limit Under Arrest	5,000	5,000	5,000		
Donation - Mt. Olive Lions Club	2,453	2,453	2,453		
Donation - Siemen's	5,000	5,000	5,000		
Donation - BASF		500	500		
Donation - Benjamin Moore		1,125	1,125		
State Health Services Grant		90,672	90,672		
Drunk Driving Enforcement Fund		18,178	18,178		
Clean Communities Program	44,244	44,244	44,244		
Water Use and Conservation Management		5,000	5,000		
Donation - Walmart		1,000	1,000		
Public Health Priority Funding	6,337	12,674	12,674	-	-
Total Public and Private Programs Offset by Revenues	139,534	366,676	366,676	-	-
Total Operations Excluded from "CAPS"	1,707,269	1,934,411	1,934,411	-	-
Detail:					
Other Expenses	1,707,269	1,934,411	1,934,411	-	-
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	28,155	28,155	28,155	-	-
Total Capital Improvements Excluded from "CAPS"	28,155	28,155	28,155	-	-
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	3,160,000	3,160,000	3,160,000		
Interest on Bonds	942,897	942,897	942,897		
Interest on Notes	7,208	7,208	7,208		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	150,788	150,788	150,788		
Wastewater Loan:					
Principal	245,745	245,745	245,745		
Interest	57,732	57,732	54,081		\$ 3,651
EDA Loan Payable	20,716	20,716	20,716	-	-
Total Municipal Debt Service Excluded from "CAPS"	4,585,086	4,585,086	4,581,435	-	3,651

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Special Emergency Authorizations - 5 Years	\$ 120,800	\$ 120,800	\$ 120,800		
Deferred Charges to Future Taxation Unfunded:					
Ord. No. 23-06	659	659	659	-	
Ord. No. 46-08	<u>18,087</u>	<u>18,087</u>	<u>18,087</u>	<u>-</u>	<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>139,546</u>	<u>139,546</u>	<u>139,546</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>6,460,056</u>	<u>6,687,198</u>	<u>6,683,547</u>	<u>-</u>	<u>\$ 3,651</u>
Subtotal General Appropriations	24,527,428	24,754,570	24,531,863	\$ 218,269	4,438
Reserve for Uncollected Taxes	<u>2,686,284</u>	<u>2,686,284</u>	<u>2,686,284</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 27,213,712</u>	<u>\$ 27,440,854</u>	<u>\$ 27,218,147</u>	<u>\$ 218,269</u>	<u>\$ 4,438</u>
<u>Reference</u>	A-2			A	

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 27,213,712	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	<u>227,142</u>	
		<u>\$ 27,440,854</u>	
Cash Disbursed	A-4		\$ 24,521,728
Less: Refunds	A-4		<u>1,057,007</u>
			23,464,721
Federal and State Grants Appropriated	A-22		366,676
Deferred Charges - Special Emergency	A-11		120,800
Encumbrances Payable	A-13		579,666
Reserve for Uncollected Taxes	A-2		<u>2,686,284</u>
			<u>\$ 27,218,147</u>

**TOWNSHIP OF MOUNT OLIVE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-3	\$ 13,165	\$ 29,309
<b>OTHER TRUST FUND</b>			
Cash	B-3	6,405,252	6,983,420
<b>OPEN SPACE TRUST FUND</b>			
Cash	B-3	481,935	500,662
<b>LENGTH OF SERVICE AWARD PROGRAM (LOSAP) TRUST FUND (Unaudited)</b>			
Investments	B	1,002,272	680,335
Contribution Receivable	B	121,132	124,016
		<u>1,123,404</u>	<u>804,351</u>
<b>Total Assets</b>		<u>\$ 8,023,756</u>	<u>\$ 8,317,742</u>

**TOWNSHIP OF MOUNT OLIVE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Due to State of New Jersey	B-5	\$ 190	\$ 114
Reserve for Animal Control Expenditures	B-4	<u>12,975</u>	<u>29,195</u>
		<u>13,165</u>	<u>29,309</u>
<b>OTHER TRUST FUND</b>			
Escrow Deposits	B-6	4,501,650	4,918,891
Due to the State of New Jersey	B-8	8,197	
Reserve for Payroll and Payroll Deductions	B-10	12,028	4,219
Miscellaneous Reserves	B-7	<u>1,883,377</u>	<u>2,060,310</u>
		<u>6,405,252</u>	<u>6,983,420</u>
<b>OPEN SPACE TRUST FUND</b>			
Reserve for Open Space	B-9	<u>481,935</u>	<u>500,662</u>
<b>LENGTH OF SERVICE AWARD PROGRAM (LOSAP) TRUST FUND (Unaudited)</b>			
Reserve for Investments in Length of Service Award Program	B	<u>1,123,404</u>	<u>804,351</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,023,756</u>	<u>\$ 8,317,742</u>

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF REVENUES - REGULATORY BASIS - OPEN SPACE TRUST FUND**

	<u>Reference</u>	<u>2009 Anticipated</u>	<u>2009 Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	B-3	\$ 586,851	\$ 587,826	\$ 975
		<u>\$ 586,851</u>	587,826	<u>\$ 975</u>
Non-Budget Revenue	B-3		<u>84,899</u>	
			<u>\$ 672,725</u>	
Analysis of Non-Budget Revenue				
Interest on Investments and Deposits			3,142	
Reserve for Land Sale Proceeds			<u>81,757</u>	
			<u>\$ 84,899</u>	

EXHIBIT B-2

**STATEMENT OF EXPENDITURES - REGULATORY BASIS - OPEN SPACE TRUST FUND**

	<u>Reference</u>	<u>Budget (Memorandum)</u>	<u>Paid or Charged</u>	<u>Excess or (Deficit)</u>
Development of Lands for Recreation and Conservation				
Other Expenses	B-3		\$ 104,601	\$ (104,601)
Debt Service	B-3	<u>\$ 586,851</u>	<u>586,851</u>	<u>-</u>
		<u>\$ 586,851</u>	<u>\$ 691,452</u>	<u>\$ (104,601)</u>
		<u>Reference</u>	B-3	

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 444,535	\$ 651,107
Deferred Charges to Future Taxation			
Funded	C-4	27,717,206	31,411,968
Unfunded	C-9	1,864,946	1,349,348
Department of Transportation Grant Receivable	C-5	423,852	400,000
Due from Community Development Block Grant	C-8	133	133,400
Due from County of Morris Historic Preservation Trust Fund	C-6	<u>160,000</u>	<u>160,000</u>
 Total Assets		 <u>\$ 30,610,672</u>	 <u>\$ 34,105,823</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-11	\$ 24,524,000	\$ 27,779,000
Wastewater Loans Payable	C-17	1,647,900	1,893,645
EDA Loan Payable	C-18	47,344	68,060
Green Trust Loan Payable	C-19	673,592	778,244
Garden State Preservation Trust Loan Payable	C-20	354,370	378,019
MCIA Loan Payable	C-21	470,000	515,000
Bond Anticipation Notes	C-22	1,275,000	
Improvement Authorizations			
Funded	C-10	365,099	400,741
Unfunded	C-10	708,265	951,349
Capital Improvement Fund	C-12	6,438	6,420
Encumbrances Payable	C-13	449,948	1,198,424
Reserve for Land Proceeds	C-14	-	81,757
Reserve for Pocket Parks	C-15	15,000	15,000
Reserve for Recreation Improvements	C-16	37,500	37,500
Fund Balance	C-1	<u>36,216</u>	<u>2,664</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 30,610,672</u>	 <u>\$ 34,105,823</u>

There were bonds and notes authorized but not issued on December 31, 2009 and 2008 of \$589,946 and \$1,349,348, respectively (See Exhibit C-23).

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	C	\$ 2,664	\$ 6,328
Increased By:			
Cancellation of Funded Improvement Authorizations	C-10	<u>36,216</u>	<u>189</u>
		38,880	6,517
Decreased by:			
Utilized as Current Fund Revenue	C-7	<u>2,664</u>	<u>3,853</u>
Balance, December 31	C	<u>\$ 36,216</u>	<u>\$ 2,664</u>

**TOWNSHIP OF MOUNT OLIVE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
WATER UTILITY FUND  
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	D-5	\$ 500,684	\$ 755,145
Receivables With Full Reserves Consumer Accounts Receivable	D-7	<u>39,058</u>	<u>50,044</u>
Total Operating Fund		<u>539,742</u>	<u>805,189</u>
<b>CAPITAL FUND</b>			
Cash	D-5,D-6	591,051	722,090
Fixed Capital Authorized and Uncompleted	D-16	2,531,742	2,049,340
Fixed Capital	D-8	<u>5,142,119</u>	<u>5,023,104</u>
Total Capital Fund		<u>8,264,912</u>	<u>7,794,534</u>
Total Assets		<u>\$ 8,804,654</u>	<u>\$ 8,599,723</u>

**TOWNSHIP OF MOUNT OLIVE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
WATER UTILITY FUND  
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCES			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-3,14	\$ 49,502	\$ 20,328
Encumbrances Payable	D-9	58,326	60,075
Accrued Interest on Bonds	D-10	<u>13,334</u>	<u>16,654</u>
		121,162	97,057
Reserve for Receivables	D	39,058	50,044
Fund Balance	D-1	<u>379,522</u>	<u>658,088</u>
Total Operating Fund		<u>539,742</u>	<u>805,189</u>
CAPITAL FUND			
Serial Bonds	D-15	1,413,000	1,793,000
Encumbrances Payable	D-17	174,475	222,317
Improvement Authorizations:			
Funded	D-18	564,120	607,951
Unfunded	D-18	1,784,273	1,218,472
Capital Improvement Fund	D-19	5,750	5,750
Deferred Reserve for Amortization	D-13	10,650	17,650
Reserve for Amortization	D-12	4,306,861	3,914,394
Fund Balance	D-4	<u>5,783</u>	<u>15,000</u>
Total Capital Fund		<u>8,264,912</u>	<u>7,794,534</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 8,804,654</u>	<u>\$ 8,599,723</u>

There were bonds and notes authorized but not issued at December 31, 2009 and 2008 of \$1,943,350 and \$1,347,400, respectively, (See Exhibit D-20)

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING**  
**FUND BALANCE - REGULATORY BASIS - WATER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	D-2	\$ 357,079	\$ 155,273
Rents	D-2	1,314,343	1,319,616
Other Budget Revenues	D-2	107,464	253,733
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	<u>17,238</u>	<u>13,077</u>
 Total Income		 <u>1,796,124</u>	 <u>1,741,699</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operating	D-3	1,223,104	1,128,515
Capital Improvements	D-3	11,250	18,250
Debt Service	D-3	432,931	299,740
Deferred Charges and Statutory Expenditures	D-3	50,326	43,908
Other Debits to Income			
Refund of Prior Year Revenue	D-1	<u>-</u>	<u>8,957</u>
 Total Expenditures		 <u>1,717,611</u>	 <u>1,499,370</u>
 Excess in Revenue		 78,513	 242,329
 FUND BALANCE, JANUARY 1,	D	 <u>658,088</u>	 <u>571,032</u>
		736,601	813,361
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>357,079</u>	<u>155,273</u>
 FUND BALANCE, DECEMBER 31,	D	 <u>\$ 379,522</u>	 <u>\$ 658,088</u>

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF REVENUES - REGULATORY BASIS - WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	2009 <u>Anticipated</u>	2009 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	D-1	\$ 357,079	\$ 357,079	
Rents	D-1, D-7	1,275,000	1,314,343	\$ 39,343
Miscellaneous	D-1	100,000	92,464	(7,536)
Fund Balance - Capital Fund	D-4	<u>15,000</u>	<u>15,000</u>	<u>-</u>
		<u>\$ 1,747,079</u>	<u>\$ 1,778,886</u>	<u>\$ 31,807</u>
<u>Analysis of Miscellaneous Budget Revenue</u>	<u>Reference</u>	D-3		
Tower Rental Fees			\$ 73,630	
Pool Permits			3,100	
Interest on Delinquent Rents			5,909	
Miscellaneous			<u>2,632</u>	
	D-5		<u>85,271</u>	
Interest on Investments:				
Cash Receipts	D-5		3,523	
Due from Water Capital Fund	D-11		<u>3,670</u>	
			<u>7,193</u>	
Total Miscellaneous Revenue	D-1, D-2		<u>\$ 92,464</u>	

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>					
Salaries and Wages	\$ 462,032	\$ 462,032	\$ 420,491	\$ 26,541	\$ 15,000
Other Expenses	786,072	786,072	755,295	20,777	10,000
Capital Improvement Fund	11,250	11,250	11,250		
<b>DEBT SERVICE</b>					
Payment of Bond Principal	380,000	380,000	380,000		
Interest on Bonds	56,251	56,251	52,931		3,320
<b>STATUTORY EXPENDITURES</b>					
Contribution to PERS	15,974	15,974	15,974	-	
Social Security System	35,500	35,500	32,168	2,184	1,148
	<u>\$ 1,747,079</u>	<u>\$ 1,747,079</u>	<u>\$ 1,668,109</u>	<u>\$ 49,502</u>	<u>\$ 29,468</u>

	<u>Reference</u>	D-2	D-2	D
Cash Disbursed	D-5			\$ 1,601,734
Less: Refunds	D-5			<u>5,285</u>
				1,596,449
Encumbrances Payable	D-9			58,326
Accrued Interest on Bonds and Notes	D-10			<u>13,334</u>
				<u>\$ 1,668,109</u>

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	D	\$ 15,000	\$ 145,415
Increased By:			
Cancellation of Improvement Authorizations	D-18	<u>5,783</u>	<u>15,000</u>
		20,783	160,415
Decreased By:			
Transfer to Water Utility Operating Fund	D-11	<u>15,000</u>	<u>145,415</u>
Balance, December 31	D	<u>\$ 5,783</u>	<u>\$ 15,000</u>

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SEWER UTILITY FUND**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	E-7	<u>\$ 2,677,507</u>	<u>\$ 2,767,949</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	E-9	234,489	503,154
Utility Liens Receivable	E-10	<u>3,572</u>	<u>1,628</u>
		<u>238,061</u>	<u>504,782</u>
Total Operating Fund		<u>2,915,568</u>	<u>3,272,731</u>
<b>ASSESSMENT TRUST FUND</b>			
Cash	E-7	1,296,900	1,837,704
Assessments Receivable	E-11	3,500,689	4,475,795
Assessment Lien Receivable	E-12	1,806	2,354
Prospective Assessments Funded	E-13	3,241,438	3,274,170
Amount to be Raised by Taxes	E-17	<u>2,005</u>	<u>-</u>
Total Assessment Trust Fund		<u>8,042,838</u>	<u>9,590,023</u>
<b>CAPITAL FUND</b>			
Cash	E-7,E-8	-	230
Fixed Capital	E-18	<u>32,784,152</u>	<u>32,670,494</u>
Total Capital Fund		<u>32,784,152</u>	<u>32,670,724</u>
Total Assets		<u>\$ 43,742,558</u>	<u>\$ 45,533,478</u>

**TOWNSHIP OF MOUNT OLIVE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
SEWER UTILITY FUND  
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Appropriation Reserves	E-4,E-16	\$ 54,729	\$ 22,197
Encumbrances Payable	E-14	227,345	187,648
Accrued Interest on Bonds and Notes	E-23	<u>142,387</u>	<u>165,348</u>
		424,461	375,193
Reserve for Receivables	E	238,061	504,782
Fund Balance	E-1	<u>2,253,046</u>	<u>2,392,756</u>
Total Operating Fund		<u>2,915,568</u>	<u>3,272,731</u>
<b>ASSESSMENT TRUST FUND</b>			
Serial Bonds	E-25	668,000	763,000
Wastewater Loans Payable	E-15	7,024,864	8,476,886
Reserve for Assessment Interest and Costs	E-20	186	349
Reserve for Prospective Assessments Funded	E-19	<u>349,788</u>	<u>349,788</u>
		<u>8,042,838</u>	<u>9,590,023</u>
<b>CAPITAL FUND</b>			
Serial Bonds	E-24	2,597,000	2,932,000
Wastewater Loans Payable	E-15	433,722	500,696
Reserve for Amortization	E-21	29,753,430	29,237,798
Capital Improvement Fund	E-22	<u>-</u>	<u>230</u>
Total Capital Fund		<u>32,784,152</u>	<u>32,670,724</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 43,742,558</u>	<u>\$ 45,533,478</u>

There were no Bonds and Notes authorized but not issued on December 31, 2009 and 2008.

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING**  
**FUND BALANCE - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	E-2	\$ 893,968	\$ 684,605
Sewer Rents and liens	E-2	3,754,513	3,581,040
Other Budget Revenues	E-2	287,564	489,487
Prior Year Accounts Payable Cancelled	E-1	-	12,143
Unexpended Balance of Appropriation Reserves	E-16	<u>51,072</u>	<u>36,496</u>
 Total Income		 <u>4,987,117</u>	 <u>4,803,771</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operating	E-4	3,298,432	3,123,814
Capital Outlay	E-4	135,000	265,000
Deferred Charges and Statutory Expenditures	E-4	46,683	40,430
Debt Service	E-4	<u>752,744</u>	<u>765,118</u>
 Total Expenditures		 <u>4,232,859</u>	 <u>4,194,362</u>
 Excess in Revenue		 754,258	 609,409
 FUND BALANCE, JANUARY 1	E	 <u>2,392,756</u>	 <u>2,467,952</u>
 Decreased by:		 3,147,014	 3,077,361
Utilized as Anticipated Revenue	E-1	<u>893,968</u>	<u>684,605</u>
 FUND BALANCE, DECEMBER 31	E	 <u>\$ 2,253,046</u>	 <u>\$ 2,392,756</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF REVENUES - REGULATORY BASIS  
SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	2009 <u>Anticipated</u>	2009 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	E-1	\$ 893,968	\$ 893,968	
Sewer Rents and Liens	E-1,E-9	3,300,000	3,754,513	\$ 454,513
Miscellaneous	E-1	150,000	66,409	(83,591)
Reimbursement - Mt. Olive School District	E-1,E-7	70,000	82,495	12,495
Interest on Assessments	E-1,E-7	135,000	138,430	3,430
Sewer - Capital Improvement Fund	E-1,E-22	<u>229</u>	<u>230</u>	<u>1</u>
		<u>\$ 4,549,197</u>	<u>\$ 4,936,045</u>	<u>\$ 386,848</u>
	<u>Reference</u>	E-4		
Analysis of Miscellaneous Revenues				
Interest on Delinquent Rents			\$ 47,279	
Return Check Fees			460	
Miscellaneous Fees			<u>186</u>	
	E-7		47,925	
Interest on Investments and Deposits:				
Sewer Operating Fund	E-7	\$ 13,240		
Sewer Capital Fund	E-7	1		
Sewer Assessment Trust Fund	E-7	<u>5,243</u>		
			<u>18,484</u>	
Total Miscellaneous Revenues	E-2		<u>\$ 66,409</u>	

**STATEMENT OF REVENUES - REGULATORY BASIS  
SEWER UTILITY ASSESSMENT TRUST FUND**

	<u>Reference</u>	2009 <u>Anticipated</u>	2009 <u>Realized</u>	Excess or <u>(Deficit)</u>
Assessment Cash	E-7	\$ 1,547,022	\$ 1,547,022	-
		<u>\$ 1,547,022</u>	1,547,022	<u>\$ -</u>
	<u>Reference</u>	E-5		
Receipts from Sale of EDU's	E-7		<u>39,421</u>	
			<u>\$ 1,586,443</u>	

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>					
Salaries and Wages	\$ 421,374	\$ 421,374	\$ 382,492	\$ 23,882	\$ 15,000
Other Expenses	835,324	835,324	786,568	28,756	20,000
Musconetcong Sewerage Authority	2,119,075	2,119,075	2,076,734		42,341
Capital Outlay	325,000	325,000	135,000		190,000
<b>DEBT SERVICE</b>					
Payment of Bonds and Loans	401,974	401,974	401,974		
Interest on Bonds and Loans	398,619	398,619	350,770		47,849
<b>STATUTORY EXPENDITURES</b>					
Contribution to PERS	15,331	15,331	15,331		
Social Security System	32,500	32,500	29,261	2,091	1,148
	<u>\$ 4,549,197</u>	<u>\$ 4,549,197</u>	<u>\$ 4,178,130</u>	<u>\$ 54,729</u>	<u>\$ 316,338</u>

	<u>Reference</u>	E-2	E-2	E
Cash Disbursed	E-7		\$ 3,811,318	
Less: Refunds	E-7		<u>2,920</u>	
			3,808,398	
Accrued Interest on Bonds and Notes	E-23		142,387	
Encumbrances Payable	E-14		<u>227,345</u>	
			<u>\$ 4,178,130</u>	

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
SEWER UTILITY ASSESSMENT TRUST FUND**

	<u>Reference</u>	<u>Budget</u>	<u>Paid or Charged</u>	<u>Variance</u>
Payment of Loan Principal	E-15	\$ 1,452,022	\$ 1,452,022	
Payment of Bond Principal	E-25	<u>95,000</u>	<u>95,000</u>	<u>-</u>
		<u>\$ 1,547,022</u>	<u>\$ 1,547,022</u>	<u>\$ -</u>
	<u>Reference</u>	E-3		
Cash Disbursed			<u>\$ 1,547,022</u>	

**TOWNSHIP OF MOUNT OLIVE  
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS  
SEWER UTILITY CAPITAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	E	\$ -	\$ 75,039
Decreased By:			
Transfer to Sewer Operating Fund	E-1	<u>-</u>	<u>75,039</u>
Balance, December 31	E	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF MOUNT OLIVE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
SOLID WASTE COLLECTION DISTRICT FUND  
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>			
Cash	F-4	\$ 124,971	\$ 289,454
Due from County of Morris	F-5	<u>113,875</u>	<u>122,366</u>
Total Assets		<u>\$ 238,846</u>	<u>\$ 411,820</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Appropriation Reserves	F-3, F-6	\$ 71,727	\$ 38,051
Encumbrance Payable	F-7	<u>137,094</u>	<u>102,667</u>
Fund Balance	F-1	208,821 <u>30,025</u>	140,718 <u>271,102</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 238,846</u>	<u>\$ 411,820</u>

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE -**  
**REGULATORY BASIS - SOLID WASTE COLLECTION DISTRICT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	F-2	\$ 271,000	\$ 381,122
Sanitation District Taxes	F-2	1,332,647	1,352,080
Host Benefit Fees	F-2	707,039	811,891
Recycling Revenue	F-2	67,847	52,809
Bulk Item Pick-Up Fees	F-2	26,150	29,999
Yard Waste Fees	F-2	1,861	2,217
Dumpster Fees	F-2	5,980	9,100
Nonbudget Revenue	F-2	1,180	5,733
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	F-6	<u>21,501</u>	<u>92,282</u>
 Total Revenues		 <u>2,435,205</u>	 <u>2,737,233</u>
 <b>EXPENDITURES</b>			
Budget Appropriations:			
Operating	F-3	2,259,590	2,356,587
Statutory Expenditures	F-3	127,595	116,912
Surplus ( General Budget)	F-3	18,087	100,150
Refund of Prior Year Revenue	F-4	<u>10</u>	<u>-</u>
 Total Expenditures		 <u>2,405,282</u>	 <u>2,573,649</u>
 Excess in Revenue		 29,923	 163,584
 FUND BALANCE, JANUARY 1	 F	 <u>271,102</u>	 <u>488,640</u>
		301,025	652,224
Decreased by:			
Utilized as Anticipated Revenue	F-1,F-2	<u>271,000</u>	<u>381,122</u>
 BALANCE, DECEMBER 31,	 F	 <u>\$ 30,025</u>	 <u>\$ 271,102</u>

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF REVENUES - REGULATORY BASIS - SOLID WASTE COLLECTION DISTRICT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	F-1	\$ 271,000	\$ 271,000	-
Sanitation District Taxes	F-1	<u>1,327,454</u>	<u>1,332,647</u>	<u>\$ 5,193</u>
Host Benefit Fees -				
Transfer Station	F-1	703,518	645,213	(58,305)
County Reimbursement	F-1	64,400	61,826	(2,574)
Recycling Revenue	F-1	52,800	67,847	15,047
Bulk Item Pick-Up Fees	F-1	29,900	26,150	(3,750)
Dumpster Fees	F-1	9,000	5,980	(3,020)
Yard Waste Fees	F-1	<u>2,200</u>	<u>1,861</u>	<u>(339)</u>
		<u>861,818</u>	<u>808,877</u>	<u>(52,941)</u>
 Total		 <u>\$ 2,460,272</u>	 2,412,524	 <u>\$ (47,748)</u>
 Nonbudget Revenue	 F-1, F-4		 <u>1,180</u>	
			 <u>\$ 2,413,704</u>	
 <u>Analysis of Revenues</u>				
Fund Balance Anticipated	F-1		\$ 271,000	
Cash Receipts	F-4		1,497,491	
Due from County of Morris	F-5		<u>645,213</u>	
	F-2		<u>\$ 2,413,704</u>	
 <u>Analysis of Non Budget Revenue</u>				
Interest on Investments and Deposits			\$ 1,092	
NSF Fees			60	
Prior Year Refunds			<u>28</u>	
	F-2,F-4		<u>\$ 1,180</u>	

The Accompanying Notes are in Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SOLID WASTE COLLECTION DISTRICT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>					
Salaries & Wages	\$ 1,039,098	\$ 1,039,098	\$ 930,025	\$ 59,073	\$ 50,000
Other Expenses	1,249,492	1,249,492	1,244,929	4,563	-
Recycling Tax	26,000	26,000	19,847	1,153	5,000
<b>STATUTORY EXPENDITURES</b>					
Contribution to Public Employees					
Retirement System	48,206	48,206	48,206		
Social Security System	79,389	79,389	72,451	6,938	
Surplus (General Budget)-Downpayment					
Capital Ordinances	<u>18,087</u>	<u>18,087</u>	<u>18,087</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 2,460,272</u>	<u>\$ 2,460,272</u>	<u>\$ 2,333,545</u>	<u>\$ 71,727</u>	<u>\$ 55,000</u>

	<u>Reference</u>	F-2	F-2	F
Cash Disbursed	F-4		\$ 2,231,586	
Less Refunds	F-4		<u>35,135</u>	
Encumbrances Payable	F-7		2,196,451	
			<u>137,094</u>	
			<u>\$ 2,333,545</u>	

**TOWNSHIP OF MOUNT OLIVE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
RECREATION UTILITY FUND  
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	G-4	\$ 154,451	\$ 164,007
Total Operating Fund		<u>154,451</u>	<u>164,007</u>
<b>CAPITAL FUND</b>			
Fixed Capital	G-7	<u>2,595</u>	<u>-</u>
Total Capital Fund		<u>2,595</u>	<u>-</u>
Total Assets		<u>\$ 157,046</u>	<u>\$ 164,007</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Appropriation Reserves	G-3	\$ 31,525	\$ 13,321
Encumbrance Payable	G-5	<u>5,495</u>	<u>7,993</u>
Fund Balance	G-2	<u>37,020</u> <u>117,431</u>	<u>21,314</u> <u>142,693</u>
Total Operating Fund		<u>154,451</u>	<u>164,007</u>
<b>CAPITAL FUND</b>			
Reserve for Amortization	G-8	<u>2,595</u>	<u>-</u>
Total Capital Fund		<u>2,595</u>	<u>-</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 157,046</u>	<u>\$ 164,007</u>

The Accompanying Notes are in Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE -**  
**REGULATORY BASIS - RECREATION UTILITY FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Anticipated	G-2	\$ 100,000	\$ 65,071
Program Fees	G-2	349,964	335,566
Non-Budget Revenue	G-2	1,129	2,980
Unexpended Balance of Appropriation Reserves	G-6	<u>15,691</u>	<u>33,169</u>
Total Revenues		<u>466,784</u>	<u>436,786</u>
<b>EXPENDITURES</b>			
Budget Appropriations:			
Operating	G-3	375,448	293,753
Capital	G-3	2,595	
Statutory Expenditures	G-3	<u>14,003</u>	<u>13,957</u>
Total Expenditures		<u>392,046</u>	<u>307,710</u>
Excess in Revenue		74,738	129,076
FUND BALANCE, JANUARY 1	G	<u>142,693</u>	<u>78,688</u>
Decreased by:		217,431	207,764
Utilized as Anticipated Revenue	G-1,2	<u>100,000</u>	<u>65,071</u>
BALANCE, DECEMBER 31,	G	<u>\$ 117,431</u>	<u>\$ 142,693</u>

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF REVENUES - REGULATORY BASIS - RECREATION UTILITY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	G-1	\$ 100,000	\$ 100,000	
Program Fees	G-1	260,000	260,000	
New Programs	G-1	75,000	75,000	
Additional New Programs	G-1	<u>138,931</u>	<u>14,964</u>	\$ (123,967)
Total		<u>\$ 573,931</u>	449,964	<u>\$ (123,967)</u>
Nonbudget Revenue	G-1,G-4		<u>1,129</u>	
			<u>\$ 451,093</u>	
<u>Analysis of Budget Revenues</u>				
Fund Balance Anticipated	G-2		\$ 100,000	
Cash Receipts	G-4		<u>349,964</u>	
			<u>\$ 449,964</u>	
<u>Analysis of Nonbudget Revenues</u>				
Interest on Investments and Deposits			\$ 1,089	
Returned Check Fee			<u>40</u>	
	G-1,G-2,G-4		<u>\$ 1,129</u>	

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
RECREATION UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>					
Salaries & Wages	\$ 273,043	\$ 273,043	\$ 178,619	\$ 4,424	\$ 90,000
Other Expenses	277,405	277,405	165,643	26,762	85,000
<b>CAPITAL</b>					
Capital Outlay	2,595	2,595	2,595		
<b>STATUTORY EXPENDITURES</b>					
Social Security System	<u>20,888</u>	<u>20,888</u>	<u>13,664</u>	<u>339</u>	<u>6,885</u>
<b>Total</b>	<u>\$ 573,931</u>	<u>\$ 573,931</u>	<u>\$ 360,521</u>	<u>\$ 31,525</u>	<u>\$ 181,885</u>
	<u>Reference</u>	G-2	G-2	G	G
Cash Disbursed	G-4		\$ 355,026		
Encumbrances Payable	G-5		<u>5,495</u>		
			<u>\$ 360,521</u>		

**TOWNSHIP OF MOUNT OLIVE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
Land	\$ 20,819,500	\$ 19,587,900
Buildings and Building Improvements	12,248,200	11,911,300
Machinery and Equipment	<u>15,911,842</u>	<u>14,920,895</u>
Total Assets	<u>\$ 48,979,542</u>	<u>\$ 46,420,095</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 48,979,542</u>	<u>\$ 46,420,095</u>
Total Reserves	<u>\$ 48,979,542</u>	<u>\$ 46,420,095</u>

**NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

**A. Reporting Entity**

The Township of Mount Olive (the "Township") was incorporated in 1871 and operates under an elected Mayor/Council form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township is not includable in any other reporting entity as a component unit.

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 Township do not include the municipal library, volunteer fire companies and rescue squads, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

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

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

TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

The Township has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Township as collateral.

Open Space Trust Fund - This fund is used to account for the receipts and disbursements relating to the preservation of open space.

Length of Service Award Program Trust Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Township.

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

Water Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's sanitary sewerage system and the assets and liabilities relative to such activities. Special benefit assessments levied against properties for specific purposes are accounted for in the assessment trust section of the fund. Acquisition or improvement of the capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

Solid Waste Collection District Fund – This fund is used to account for the revenues and expenditures for operation of the solid waste collection district.

Recreation Utility Fund - This fund is used to account for the revenues and expenditures for the Township's recreation programs and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the recreation utility is accounted for in the capital assets section of the fund.

TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

*General Fixed Assets Account Group* - This account group is used to account for all general fixed assets of the Township, other than those accounted for in the water, sewer and recreation utility funds. The Township's infrastructure is not reported in the account group.

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

**Property Tax Revenues** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**Miscellaneous Revenues** - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Utility Rents** - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Recreation utility charges are based on a fee schedule for type of activity. 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 Township's water and sewer utility operating funds. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant and Similar Award Revenues** - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

**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 Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

Trust Funds (except for Open Space and the Sewer Assessment Trust Funds)  
Capital Funds

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2009 and 2008 the Township Council increased the original budget by \$227,142 and \$78,847. The increases were funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2009 and 2008.

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

TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

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

**Appropriation Reserves** – Appropriation reserves are recorded as liabilities and 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 leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. 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 are recorded as a long-term obligation in the government-wide financial statements.

**Property Acquired for Taxes** – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

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

**Inventories** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**Cash and Investments** - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

**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; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**General Fixed Assets** - In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, the Township of Mount Olive has developed a fixed assets accounting and reporting system.

**TOWNSHIP OF MOUNT OLIVE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**General Fixed Assets (Continued)**

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

Fixed Assets are stated as follows:

Land	Assessed Value
Buildings and Building Improvements	Assessed Value
Machinery and Equipment	Estimated Historical Cost

No depreciation has been provided for in the financial statements.

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

Accounting for utility fund "fixed capital" remains unchanged under N.J.A.C. 5:30-5.6.

Property and equipment purchased by the water, sewer and recreation utility funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent 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 Funds represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

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

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2008 balances to conform to the December 31, 2009 presentation.

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

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

**C. Basic Financial Statements**

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Township 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 reporting requirements under GAAP.

**NOTE 2 DEPOSITS AND INVESTMENTS**

The Township considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

**Deposits**

The Township's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for a temporary period ending December 31, 2013. The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2009 and 2008, the book value of the Township's deposits were \$17,638,436 and \$20,396,825 and bank and brokerage firm balances of the Township's deposits amounted to \$17,789,098 and \$20,701,559, respectively. The Township's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2009</u>	<u>2008</u>
Insured	\$ 8,663,664	\$ 7,715,643
Uninsured and Uncollateralized	<u>9,125,434</u>	<u>12,985,916</u>
	<u>\$ 17,789,098</u>	<u>\$ 20,701,559</u>

**TOWNSHIP OF MOUNT OLIVE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Deposits (Continued)**

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 Township does not have a formal policy for custodial credit risk. As of December 31, 2009 and 2008, the Township’s bank balance of \$9,125,434 and \$12,985,916 was exposed to custodial credit risk as follows:

	<u>2009</u>	<u>2008</u>
Uninsured and Uncollateralized		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ 9,125,434	\$ 12,985,916

**Investments**

The Township is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Township or bonds or other obligations of the school districts which are a part of the Township or school districts located within the Township, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Township is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2009 and 2008, the Township had the following investments:

	<u>Fair Value</u>
<u>2009</u>	
Investment:	
Length of Service Award Program	\$ 1,002,272
	<u>Fair Value</u>
<u>2008</u>	
Investment:	
Length of Service Award Program	\$ 680,335

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for custodial risk. . As of December 31, 2009 and 2008, \$1,002,272 and \$680,335 of the Township’s investments was exposed to custodial credit risk as follows:

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

	<u>Fair Value</u>	
	<u>2009</u>	<u>2008</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department		
but not in the Township's name	\$ <u>1,002,272</u>	\$ <u>680,335</u>

Interest Rate Risk – The Township does not have a formal investment policy that limits investment maturities as a means of managing it’s exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices.

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

The fair value of the above-listed investment was based on quoted market prices

Interest earned in the General Capital Fund, Assessment Trust Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Utility Capital Funds and Utility Assessment Trust Funds are assigned to the Utility Operating Funds in accordance with the regulatory basis of accounting.

**NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE**

Receivables at December 31, 2009 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u> <u>Sewer</u>	<u>Total</u>
<b><u>2009</u></b>				
Property Taxes	\$ 1,134,854			\$ 1,134,854
Tax Title Liens	270,782			270,782
Utility Rents		\$ 39,058	\$ 234,489	273,547
Utility Liens	-	-	3,572	3,572
	<u>\$ 1,405,636</u>	<u>\$ 39,058</u>	<u>\$ 238,061</u>	<u>\$ 1,682,755</u>

In 2009, the Township collected \$1,023,953 and \$549,565 from delinquent taxes and utility rents, which represented 77%, 100% and 99% of the delinquent tax, water and sewer charges receivable at December 31, 2008.

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE (Continued)**

Receivables at December 31, 2008 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u> <u>Sewer</u>	<u>Total</u>
<b>2008</b>				
Property Taxes	\$ 1,089,273			\$ 1,089,273
Tax Title Liens	243,635			243,635
Utility Rents		\$ 50,044	\$ 503,154	553,198
Utility Liens	<u>-</u>	<u>-</u>	<u>1,628</u>	<u>1,628</u>
	<u>\$ 1,332,908</u>	<u>\$ 50,044</u>	<u>\$ 504,782</u>	<u>\$ 1,887,734</u>

In 2008, the Township collected \$820,449 and \$620,543 from delinquent taxes and utility rents, which represented 73%, 100% and 69% of the delinquent tax, water and sewer charges receivable at December 31, 2007.

**NOTE 4 MUNICIPAL DEBT**

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

	<u>2009</u>	<u>2008</u>
Issued		
General		
Bonds, Notes and Loans	\$ 28,992,206	\$ 31,411,968
Water Utility		
Bonds and Notes	1,413,000	1,793,000
Sewer Utility		
Bonds and Notes	3,030,722	3,432,696
Sewer Utility Assessment		
Bonds and Notes	<u>7,692,864</u>	<u>9,239,886</u>
	41,128,792	45,877,550
Less: Funds Temporarily Held to Pay Bonds and Notes	<u>1,296,900</u>	<u>1,837,704</u>
Net Debt Issued	<u>39,831,892</u>	<u>44,039,846</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

	<u>2009</u>	<u>2008</u>
Authorized But Not Issued		
General		
Bonds and Notes	\$ 589,946	\$ 1,349,348
Water Utility		
Bonds and Notes	<u>1,943,350</u>	<u>1,347,400</u>
	<u>2,533,296</u>	<u>2,696,748</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 42,365,188</u>	<u>\$ 46,736,594</u>

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of .76% and .85% at December 31, 2009 and 2008, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2009</u></b>			
General Debt	\$ 29,582,151	\$ 470,000	\$ 29,112,151
School Debt	59,773,721	59,773,721	
Utility Debt	<u>14,079,937</u>	<u>14,079,937</u>	<u>-</u>
Total	<u>\$ 103,435,809</u>	<u>\$ 74,323,658</u>	<u>\$ 29,112,151</u>
<b><u>2008</u></b>			
General Debt	\$ 32,761,316	\$ 515,000	\$ 32,246,316
School Debt	62,045,695	62,045,695	
Utility Debt	<u>15,812,982</u>	<u>15,812,982</u>	<u>-</u>
Total	<u>\$ 110,619,993</u>	<u>\$ 78,373,677</u>	<u>\$ 32,246,316</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

The Township's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2009</u>	<u>2008</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 133,847,626	\$ 131,266,040
Net Debt	<u>29,112,151</u>	<u>32,246,316</u>
Remaining Borrowing Power	<u>\$ 104,735,475</u>	<u>\$ 99,019,724</u>

The Township's long-term debt consisted of the following at December 31:

**General Obligation Bonds**

The Township levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2009</u>	<u>2008</u>
\$3,000,000, 1999 Bonds, due in annual installments of \$150,000 through August 15, 2009, interest at 5.25%		\$ 150,000
\$7,665,000, 2002 Bonds, due in annual installments of \$600,000 through February 15, 2016 interest at 4.00% to 4.60%. The Bonds maturing after February 15, 2009 were refunded in 2009.		4,800,000
\$5,795,000, 2003 Bonds, due in annual installments of \$390,000 through February 15, 2019, interest at 3.00% to 3.375%	\$ 3,900,000	4,290,000
\$2,958,000, 2004 Bonds, due in annual installments of \$275,000 to \$300,000 through February 15, 2016, interest at 3.40% to 3.95%	2,038,000	2,258,000

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**General Obligation Bonds (Continued)**

	<u>2009</u>	<u>2008</u>
\$1,430,000, 2005 Bonds, due in annual installments of \$160,000 through April 1, 2015, interest at 3.375% to 3.75%	\$ 960,000	\$ 1,100,000
\$1,320,000, 2005 Tax Appeal Bonds, due in annual installments of \$240,000 to \$260,000 through April 1, 2011, interest at 3.375%	500,000	720,000
\$7,190,000, 2005 Refunding Bonds, due in annual installments of \$665,000 to \$760,000 through February 15, 2019, interest at 3.625% to 5.00%	6,645,000	7,165,000
\$3,279,000, 2006 Bonds, due in annual installments of \$220,000 to \$230,000 through May 15, 2021, interest at 4.00% to 4.10%	2,729,000	2,949,000
\$3,405,000, 2007 Bonds, due in annual installments of \$225,000 to \$560,000 through March 15, 2017 at 3.625% to 3.75%	2,465,000	2,975,000
\$1,372,000, 2008 Bonds, due in annual installments of \$180,000 to \$377,000 through September 1, 2013 at 3.00%	1,182,000	1,372,000
\$4,105,000, 2009 Refunding Bonds, due in annual installments of \$555,000 to \$590,000 through February 15, 2016 at 4.00%	<u>4,105,000</u>	<u>-</u>
	<u>\$ 24,524,000</u>	<u>\$ 27,779,000</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Sewer Utility Bonds**

The Township pledges revenue from operations to pay debt service on utility bonds issued. Sewer utility bonds outstanding at December 31 are as follows:

<b>Sewer Capital Fund</b>	<u><b>2009</b></u>	<u><b>2008</b></u>
\$2,957,000, 2005 Refunding Bonds, due in annual installments of \$135,000 to \$335,000 through August 15, 2018, interest at 3.25% to 5.00%	\$ 2,597,000	\$ 2,932,000
Total Sewer Capital Fund	<u>2,597,000</u>	<u>2,932,000</u>
 <b>Sewer Assessment Trust Fund</b>		
\$1,603,000, 1999 Bonds, due in annual installments of \$95,000 through December 1, 2009, interest at 5.25% to 5.30%	-	95,000
\$668,000, 2005 Bonds, due in annual installments of \$95,000 to \$98,000 through August 15, 2016, interest at 3.25% to 5.00%	<u>668,000</u>	<u>668,000</u>
Total Sewer Assessment Trust Fund	<u>668,000</u>	<u>763,000</u>
Total Sewer Utility Bonds	<u>\$ 3,265,000</u>	<u>\$ 3,695,000</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Water Utility Bonds**

The Township pledges revenue from operations to pay debt service on utility bonds issued. Water utility bonds outstanding at December 31 are as follows:

	<u>2009</u>	<u>2008</u>
<b>Water Utility Bonds</b>		
\$465,000, 2005 Bonds, due in annual installments of \$100,000 through April 1, 2010, interest at 3.375%	\$ 100,000	\$ 200,000
\$416,000, 2006 Bonds, due in annual installments of \$100,000 to \$106,000 through May 15, 2011, interest at 4.00%	206,000	281,000
\$645,000, 2007 Bonds, due in annual installments of \$100,000 to \$180,000 through March 15, 2012, interest at 3.625% to 3.750%	455,000	555,000
\$757,000, 2008 Bonds, due in annual installments of \$110,000 to \$207,000 through September 1, 2013, interest at 3.00%	<u>652,000</u>	<u>757,000</u>
Total Water Utility Bonds	<u>\$ 1,413,000</u>	<u>\$ 1,793,000</u>

**Garden State Preservation Trust Loan Payable**

The Township has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing relating to the Turkey Brook Park Development Project in the Township for Recreational and Conservation purposes. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. The loan balance outstanding at December 31, which is included in the General Capital Fund, is as follows:

	<u>2009</u>	<u>2008</u>
\$500,000, 2002 Loan due in semi-annual installments of \$12,002 to \$15,392 through July 2022, interest at 2.00%	<u>\$ 354,370</u>	<u>\$ 378,019</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Green Trust Loan Payable**

The Township has entered into loan agreements with the New Jersey Department of Environmental Protection for the financing relating to the Acquisition and Condemnation of Land in the Township for Recreational and Conservation purposes. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. The loan balances outstanding at December 31, which is included in the General Capital Fund, is as follows:

	<u>2009</u>	<u>2008</u>
\$1,884,294, 1996 Loan due in semi-annual installments of \$53,112 to \$59,255 through December, 2015, interest at 2.00%	\$ 673,592	\$ 778,244

**Wastewater Loans Payable**

The Township has entered into three loan agreements with the New Jersey Department of Environmental Protection and Energy Fund and the New Jersey Wastewater Treatment Trust for the financing relating to the cost of the Township's Wastewater Treatment System Projects. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued in the General Capital Fund and pledges and utilizes sewer fees to pay debt service in the Sewer Capital Fund. The loan balances outstanding at December 31, which is included in the General Capital and Sewer Utility Funds, are as follows:

	<u>2009</u>	<u>2008</u>
\$21,024,543, 1993 Loan due in semi-annual installments of \$12,796 to \$1,920,957 through February 2013, interest at 4.2% to 4.8%	\$ 6,084,981	\$ 7,396,842
\$7,001,920, 1995 Loan due in semi-annual installments of \$4,377 to \$456,119 through August 2015, interest at 4.6% to 5.25%	2,587,783	2,973,689
\$1,231,851, 1996 Loan due in semi-annual installments of \$2,888 to \$68,622 through August 2016, interest at 5.0% to 5.25%	433,722	500,696
	<u>\$ 9,106,486</u>	<u>\$ 10,871,227</u>

	<u>2009</u>	<u>2008</u>
General Capital Fund	\$ 1,647,900	\$ 1,893,645
Sewer Utility Fund	7,458,586	8,977,582
	<u>\$ 9,106,486</u>	<u>\$ 10,871,227</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**EDA Loan Payable**

The Township has entered into a loan agreement with the New Jersey Economic Development Authority through the UST Petroleum Remediation, Upgrade and Closure Fund for the financing relating to the improvement of Township property. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. The loan balance outstanding at December 31, which is included in the General Capital Fund, is as follows:

	<u>2009</u>	<u>2008</u>
\$118,400, 2001 Loan due in annual installments of \$11,840 through March 2010, interest at 0.00%	\$ 11,840	\$ 23,680
\$88,760, 2003 Loan due in annual installments of \$8,876 through June 2013, interest at 0.00%	<u>35,504</u>	<u>44,380</u>
	<u>\$ 47,344</u>	<u>\$ 68,060</u>

**Loan Revenue Bonds (MCIA)**

The Township has entered into a loan agreement with the Morris County Improvement Authority for the financing relating to the funding of the Township's early retirement incentive pension program. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. The loan balance outstanding at December 31, which is included in the General Capital Fund, is as follows:

	<u>2009</u>	<u>2008</u>
\$650,000 2003 Loan due in annual installments of \$45,000 to \$95,000 through February 2016, interest at 1.75% to 5.75%	<u>\$ 470,000</u>	<u>\$ 515,000</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2009 is as follows:

Calendar Year	General		Water Utility		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 3,683,490	\$ 1,047,131	\$ 410,000	\$ 42,613	\$ 1,990,690	\$ 337,030	\$ 7,510,954
2011	3,850,016	873,500	406,000	28,411	2,038,312	274,463	7,470,702
2012	3,418,196	743,019	390,000	15,885	2,079,426	207,252	6,853,778
2013	3,488,282	613,519	207,000	6,210	2,580,012	135,661	7,030,684
2014	3,150,254	480,297			652,895	84,902	4,368,348
2015-2019	9,577,874	859,621			1,382,251	100,648	11,920,394
2020-2022	549,094	21,920	-	-	-	-	571,014
Total	<u>\$ 27,717,206</u>	<u>\$ 4,639,007</u>	<u>\$ 1,413,000</u>	<u>\$ 93,119</u>	<u>\$ 10,723,586</u>	<u>\$ 1,139,956</u>	<u>\$ 45,725,874</u>

**Changes in Long-Term Municipal Debt**

The Township's long-term capital debt activity for the years 2009 and 2008 were as follows:

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within One Year
<b><u>2009</u></b>					
General Capital Fund					
Bonds Payable	\$ 27,779,000	\$ 4,105,000	\$ 7,360,000	\$ 24,524,000	\$ 3,275,000
Intergovernmental Loans Payable	3,632,968	-	439,762	3,193,206	408,490
General Capital Fund Long-Term Liabilities	<u>\$ 31,411,968</u>	<u>\$ 4,105,000</u>	<u>\$ 7,799,762</u>	<u>\$ 27,717,206</u>	<u>\$ 3,683,490</u>
Water Utility Capital Fund					
Bonds Payable	\$ 1,793,000	\$ -	\$ 380,000	\$ 1,413,000	\$ 410,000
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 1,793,000</u>	<u>\$ -</u>	<u>\$ 380,000</u>	<u>\$ 1,413,000</u>	<u>\$ 410,000</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 2,932,000		\$ 335,000	\$ 2,597,000	\$ 330,000
Intergovernmental Loans	500,696	-	66,974	433,722	65,861
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 3,432,696</u>	<u>\$ -</u>	<u>\$ 401,974</u>	<u>\$ 3,030,722</u>	<u>\$ 395,861</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<b>2009 (Continued)</b>					
Sewer Utility Assessment Fund					
Bonds Payable	\$ 763,000		\$ 95,000	\$ 668,000	\$ 95,000
Intergovernmental Loans	8,476,886	-	1,452,022	7,024,864	1,499,829
Sewer Utility Assessment Fund Long-Term Liabilities	<u>\$ 9,239,886</u>	<u>\$ -</u>	<u>\$ 1,547,022</u>	<u>\$ 7,692,864</u>	<u>\$ 1,594,829</u>
	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>	Due Within <u>One Year</u>
<b><u>2008</u></b>					
General Capital Fund					
Bonds Payable	\$ 29,229,000	\$ 1,372,000	\$ 2,822,000	\$ 27,779,000	\$ 3,160,000
Intergovernmental Loans Payable	4,058,832	-	425,864	3,632,968	439,672
General Capital Fund Long-Term Liabilities	<u>\$ 33,287,832</u>	<u>\$ 1,372,000</u>	<u>\$ 3,247,864</u>	<u>\$ 31,411,968</u>	<u>\$ 3,599,672</u>
Water Utility Capital Fund					
Bonds Payable	\$ 1,291,000	\$ 757,000	\$ 255,000	\$ 1,793,000	\$ 380,000
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 1,291,000</u>	<u>\$ 757,000</u>	<u>\$ 255,000</u>	<u>\$ 1,793,000</u>	<u>\$ 380,000</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 3,264,000		\$ 332,000	\$ 2,932,000	\$ 335,000
Intergovernmental Loans	568,760	-	68,064	500,696	66,974
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 3,832,760</u>	<u>\$ -</u>	<u>\$ 400,064</u>	<u>\$ 3,432,696</u>	<u>\$ 401,974</u>

TOWNSHIP OF MOUNT OLIVE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4 MUNICIPAL DEBT (Continued)

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>	Due Within <u>One Year</u>
<b>2008 (Continued)</b>					
Sewer Utility Assessment Fund					
Bonds Payable	\$ 858,000		\$ 95,000	\$ 763,000	\$ 95,000
Intergovernmental Loans	<u>9,890,569</u>	<u>-</u>	<u>1,413,683</u>	<u>8,476,886</u>	<u>1,452,022</u>
 Sewer Utility Assessment Fund					
Long-Term Liabilities	<u>\$ 10,748,569</u>	<u>\$ -</u>	<u>\$ 1,508,683</u>	<u>\$ 9,239,886</u>	<u>\$ 1,547,022</u>

**Short-Term Debt**

The Township's short-term capital debt activity for the years 2009 and 2008 was as follows:

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<b><u>2009</u></b>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ -</u>	<u>\$ 1,275,000</u>	<u>\$ -</u>	<u>\$ 1,275,000</u>
	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<b><u>2008</u></b>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ 792,992</u>	<u>\$ -</u>	<u>\$ 792,992</u>	<u>\$ -</u>
	<u>\$ 792,992</u>	<u>\$ -</u>	<u>\$ 792,992</u>	<u>\$ -</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Short-Term Debt (Continued)**

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Township's statutory debt limit calculation is reported in the Current Fund for the years 2009 and 2008 as follows:

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<b><u>2009</u></b>				
Special Emergency Notes	\$ 192,200	\$ 192,200	\$ 192,200	\$ 192,200
	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<b><u>2008</u></b>				
Special Emergency Notes	\$ 313,000	\$ 192,200	\$ 313,000	\$ 192,200

**NOTE 5 FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years 2009 and 2008.

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2009</u>
<b><u>2009</u></b>				
Land	\$ 19,587,900	\$ 1,231,600		\$ 20,819,500
Buildings and Building Improvements	11,911,300	336,900		12,248,200
Machinery and Equipment	14,920,895	1,376,194	\$ 385,247	15,911,842
	<u>\$ 46,420,095</u>	<u>\$ 2,944,694</u>	<u>\$ 385,247</u>	<u>\$ 48,979,542</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 5 FIXED ASSETS (Continued)**

**General Fixed Assets (Continued)**

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2008</u>
<b><u>2008</u></b>				
Land	\$ 19,587,900			\$ 19,587,900
Buildings and Building Improvements	11,911,300			11,911,300
Machinery and Equipment	<u>14,726,612</u>	<u>\$ 413,221</u>	<u>\$ 218,938</u>	<u>14,920,895</u>
	<u>\$ 46,225,812</u>	<u>\$ 413,221</u>	<u>\$ 218,938</u>	<u>\$ 46,420,095</u>

**Water Utility Fund Fixed Assets**

The following is a summary of changes in the utility fund fixed assets for the years 2009 and 2008.

	Balance January 1, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<b><u>2009</u></b>				
Fixed Capital				
System and System Improvements	\$ 5,023,104	<u>\$ 119,015</u>	<u>\$ -</u>	<u>\$ 5,142,119</u>
	<u>\$ 5,023,104</u>	<u>\$ 119,015</u>	<u>\$ -</u>	<u>\$ 5,142,119</u>
	Balance January 1, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<b><u>2008</u></b>				
Fixed Capital				
System and System Improvements	\$ 4,897,884	<u>\$ 125,220</u>	<u>\$ -</u>	<u>\$ 5,023,104</u>
	<u>\$ 4,897,884</u>	<u>\$ 125,220</u>	<u>\$ -</u>	<u>\$ 5,023,104</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 5 FIXED ASSETS (Continued)**

**Sewer Utility Fund Fixed Assets**

	Balance January 1, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Fixed Capital				
Sewer Coll. & Treatment System	\$ 24,476,290			\$ 24,476,290
Construction of Sewer Connection	1,508,302			1,508,302
MSA Capital Charges	675,018			675,018
Refunding Bond Ordinances	5,130,142			5,130,142
Pump Station Improvements	266,060			266,060
Various Improvements	311,656	\$ 113,658		425,314
Vehicles and Equipment	303,026	-	-	303,026
	<u>\$ 32,670,494</u>	<u>\$ 113,658</u>	<u>\$ -</u>	<u>\$ 32,784,152</u>
	Balance January 1, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Fixed Capital				
Sewer Coll. & Treatment System	\$ 24,476,290			\$ 24,476,290
Construction of Sewer Connection	1,508,302			1,508,302
MSA Capital Charges	675,018			675,018
Refunding Bond Ordinances	5,130,142			5,130,142
Pump Station Improvements	266,060			266,060
Various Improvements	154,761	\$ 156,895		311,656
Vehicles and Equipment	303,026	-	-	303,026
	<u>\$ 32,513,599</u>	<u>\$ 156,895</u>	<u>\$ -</u>	<u>\$ 32,670,494</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 5 FIXED ASSETS (Continued)**

**Recreation Utility Fund Fixed Assets**

	Balance January 1, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Fixed Capital				
Various Equipment & Improvements	\$ -	\$ 2,595	\$ -	\$ 2,595
	<u>\$ -</u>	<u>\$ 2,595</u>	<u>\$ -</u>	<u>\$ 2,595</u>
	Balance January 1, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Fixed Capital				
Various Equipment & Improvements	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 6 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Funds are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance December 31, <u>2009</u>	Utilized in Subsequent Year's Budget (A)	Fund Balance December 31, <u>2008</u>	Utilized in Subsequent Year's Budget
<b>Current Fund</b>				
Cash Surplus	\$ 3,160,185	\$ 2,350,000	\$ 3,954,327	\$ 2,991,310
Non-Cash Surplus	44,802	-	165,301	-
	<u>\$ 3,204,987</u>	<u>\$ 2,350,000</u>	<u>\$ 4,119,628</u>	<u>\$ 2,991,310</u>
<b>Water Utility Operating Fund</b>				
Cash Surplus	379,522	\$ 340,787	658,088	357,079
Non-Cash Surplus	-	-	-	-
	<u>\$ 379,522</u>	<u>\$ 340,787</u>	<u>\$ 658,088</u>	<u>\$ 357,079</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 6 FUND BALANCES APPROPRIATED (Continued)**

	Fund Balance December 31, <u>2009</u>	Utilized in Subsequent Year's Budget (A)	Fund Balance December 31, <u>2008</u>	Utilized in Subsequent Year's Budget
<b>Sewer Utility Operating Fund</b>				
Cash Surplus	\$ 2,253,046	\$ 970,279	\$ 2,392,756	\$ 893,968
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,253,046</u>	<u>\$ 970,279</u>	<u>\$ 2,392,756</u>	<u>\$ 893,968</u>
<b>Solid Waste Collection District</b>				
Cash Surplus	\$ 30,025	\$ 26,672	\$ 271,102	\$ 271,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,025</u>	<u>\$ 26,672</u>	<u>\$ 271,102</u>	<u>\$ 271,000</u>
<b>Recreation Utility Fund</b>				
Cash Surplus	\$ 117,431	\$ 87,600	\$ 142,693	\$ 100,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 117,431</u>	<u>\$ 87,600</u>	<u>\$ 142,693</u>	<u>\$ 100,000</u>

(A) The above fund balance amounts appropriated represent the surplus anticipated in the 2010 introduced municipal budget. The 2010 municipal budget has not been legally adopted as of the date of audit.

**NOTE 7 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>2009</u>			
Current Fund			
Special Emergency Authorizations	<u>\$ 204,955</u>	<u>\$ 120,800</u>	<u>\$ 84,155</u>
	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>2008</u>			
Current Fund			
Special Emergency Authorizations	<u>\$ 325,755</u>	<u>\$ 120,800</u>	<u>\$ 204,955</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 8 COMPENSATED ABSENCES**

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$3,139,455 and \$2,993,118 at December 31, 2009 and 2008, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

On April 30, 2002 the Township adopted an ordinance establishing accumulated absence benefit fund to reserve funds to meet obligations that arise as a result of compensatory time that has accrued and is due upon retirement.

As of December 31, 2009 and 2008, the Township has reserved \$162,589 and \$158,704, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Township employees who are eligible for pension coverage.

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

**Public Employees' Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement healthcare coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Township employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Other Pension Funds**

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the State of New Jersey Division of Pensions and Benefits website at [www.state.nj.us/treasury/pension](http://www.state.nj.us/treasury/pension).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Significant Legislation**

P.L. 2009, c. 19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS and PFRS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS and PFRS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of PERS and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

**Funded Status and Funding Progress**

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and \$11.4 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of employees' annual compensation.

**Annual Pension Cost (APC)**

The annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employee contribution.

During the years ended December 31, 2009, 2008 and 2007, the Township was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2009	\$ 1,072,319	\$ 450,165	\$ 227
2008	900,900	336,913	46
2007	606,394	181,684	

**NOTE 10 POST-RETIREMENT MEDICAL BENEFITS**

**Plan Description**

The Township provides a post employment healthcare plan for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the Township. In accordance with Township ordinances, contracts and/or policies, the Township provides coverage based on the following eligibility.

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Service Retirement**

Eligibility

An employee is eligible to receive postretirement health benefits through the Mount Olive Township health plan by meeting the following criteria:

- For FOP and SOP, retire from active employment with Mount Olive Township with at least 15 years of service.
- For MOTPEA and non-union, be at least 55 years of age and retire from active employment with Mount Olive Township with at least 25 years of service.

**Disability Retirement**

Eligibility

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

**Funding Policy**

The required contribution is funded on a pay-as-you-go basis with an additional amount to prefund benefits as determined annually by the Township. For the year 2009, the Township contributed \$385,488 to the plan. The total of \$385,488 was for current premiums.

**Annual OPEB Cost and Net OPEB Obligation**

The Township's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation to the plan.

Annual Required Contribution	\$ 4,662,100
Interest on Net OPEB Obligation	186,484
Total (Annual OPEB Cost (Expense))	4,848,584
Contributions Made	385,488
Increase in Net OPEB Obligation	4,463,096
Net OPEB Obligation - Beginning of Year	4,389,200
Net OPEB Obligation - End of Year	<u>\$ 8,852,296</u>

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 10 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years 2009 and 2008 are as follows:

<u>Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligations</u>
2009	\$ 4,848,584	7.9%	\$ 8,852,296
2008	4,662,100	5.9%	4,389,200

**Funded Status and Funding Progress**

As of December 31, 2008, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$39,935,400, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$39,935,400. The covered payroll (annual payroll of active employees covered by the plan) was not available.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expense) which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10.5 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after eleven years. For prescription drug benefits and Medicare B reimbursement the cost trend rate is 11.5% decreasing to a 5% long term rate after thirteen years and a trend rate of 6.5% for three years, decreasing to a 5% long-term rate after three years, respectively.

**TOWNSHIP OF MOUNT OLIVE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 11 RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Township has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Township should they occur.

The Township of Mount Olive is a member of the Morris County Municipal Joint Insurance Fund (MJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The MJIF and MEL coverage amounts are on file with the Township.

The relationship between the Township and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009		\$ 17,916	\$ 26,897	\$ 63,871
2008	\$ 50,000	14,483	406	72,852
2007		14,005	54,289	8,114

**NOTE 12 CONTINGENT LIABILITIES**

The Township is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Township's Attorney, the potential claims against the Township not covered by insurance policies would not materially affect the financial condition of the Township.

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 12 CONTINGENT LIABILITIES (Continued)**

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2009 and 2008. Amounts claimed have not yet been determined. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be material. As of December 31, 2009 and 2008, the Township reserved \$347,363 and \$397,805, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance or from a refunding bond ordinance pursuant to N.J.S.A. 40A:2-51.

**Federal and State Awards** - The Township participates 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 Township may be required to reimburse the grantor government. As of December 31, 2009 and 2008, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Township believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Township.

**NOTE 13 FEDERAL ARBITRAGE REGULATIONS**

The Township is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2009 and 2008, the Township has not estimated any potential arbitrage earnings due to the IRS.

**NOTE 14 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)**

The Township of Mount Olive Length of Service Award Program (the Plan) was created by a Township ordinance adopted on August 24, 1999 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Mount Olive approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Companies and rescue squads, come from contributions made solely by the Township on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

**TOWNSHIP OF MOUNT OLIVE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 14 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (Continued)**

The Township of Mount Olive has contributed \$1,442 and \$1,442 for 2009 and 2008, respectively, for each eligible volunteer fire company and rescue squad member.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Township has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln National Life Insurance Co. is the administrator of the plan. The Township's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

**Vesting and Benefits**

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**Reporting Requirements**

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Township perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Township's Trust Fund.

**NOTE 15 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

As of December 31, the Township had the following commitments with respect to unfinished capital projects:

<u>2009</u> <u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
Construction of Library	<u>\$ 101,248</u>	2010

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 15 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)**

<u>2008</u> <u>Capital Project/Commitment</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
Construction of Library	\$ 101,248	2009
Acquisition of Various Equipment - #33-2007	599,964	2009
Various Improvements - #46-08	402,016	2009
Flanders Well #2	<u>114,000</u>	2009
	<u>\$ 1,217,228</u>	

**NOTE 16 DEFEASANCE OF DEBT**

On March 30, 2009, the Township issued \$4,105,000 in General Obligation Refunding Bonds having an interest rate of 4.0% to 5.0%. These Bonds were issued in order to currently refund certain principal maturities of General Improvement Bonds of the Township. The total principal currently refunded was \$4,200,000. This current refunding resulted in a decrease of \$95,000 in bonds and resulted in an increase of cash flows over the life of these bonds issues in the amount \$140,118. The current refunding was undertaken to reduce total debt service payments over the next 7 years by \$140,118.

**CURRENT FUND**

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF CURRENT CASH - TREASURER**

	<u>Current Fund</u>	<u>State and Federal Grant Fund</u>
Balance, December 31, 2008	\$ 5,622,954	\$ 71,944
Increased by Receipts:		
Taxes Receivable	\$ 87,685,792	
Non-Budget Revenues	254,425	
State of NJ - Senior Citizens' and Vet. Deductions	135,220	
Revenue Accounts Receivable	4,456,929	
Special Emergency Notes Payable	192,200	
Fees Payable	3,025	
Prepaid Taxes	294,498	
Receipts from Open Space Trust Fund	586,851	
Receipts from General Capital Fund	3,957	
Receipts from State and Federal Grant Fund	154	
Budget Refunds	1,057,007	
Interest on Investments and Deposits		\$ 154
Grants Receivable		293,146
Tax Overpayments	151,270	
Miscellaneous Reserves and Deposits	338,061	
	<u>95,159,389</u>	<u>293,300</u>
	100,782,343	365,244
Decreased by Disbursements:		
2009 Budget Appropriations	24,521,728	
2008 Appropriation Reserves	429,067	
Miscellaneous Reserves and Deposits	337,100	
Special Emergency Notes Payable	192,200	
Encumbrances Payable		16,369
Reserve for Grants Appropriated		255,928
Refund of Prior Year Revenue	22,889	
Fees Payable	2,750	
County Taxes Payable	8,767,904	
Local District School Taxes Payable	59,532,178	
Sanitation District Taxes Payable	1,332,647	
Open Space Trust Taxes Payable	587,826	
Reserve for Tax Appeals	50,442	
Cash Disbursed to Current Fund		154
Tax Overpayments	151,270	
Change Fund	600	
	<u>95,928,601</u>	<u>272,451</u>
Balance, December 31, 2009	<u>\$ 4,853,742</u>	<u>\$ 92,793</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF CASH - CHANGE FUNDS**

	Balance, December 31, <u>2008</u>	<u>Increased</u>	Balance, December 31, <u>2009</u>
Tax Collector	\$ 300	\$ 600	\$ 900
Planning	50		50
Water and Sewer	100		100
Police Department	50		50
Recreation	50		50
Municipal Court	50		50
Buildings/Construction	100		100
Sanitation	50		50
Municipal Beach	50		50
Township Clerk	50	-	50
	<u>\$ 850</u>	<u>\$ 600</u>	<u>\$ 1,450</u>

**STATEMENT OF DUE FROM THE STATE OF NEW JERSEY  
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2008		\$ 31,746
Increased by:		
Veterans Deductions Per Tax Billings - 2009	\$ 111,000	
Senior Citizen Deductions Per Tax Billings - 2009	22,000	
Veterans Deductions Allowed Per Tax Collector - 2009	3,000	
Senior Citizen Deductions Allowed Per Tax Collector -2009	<u>2,500</u>	
		<u>138,500</u>
		170,246
Decreased by:		
Cash Received	135,220	
Senior Citizen Deductions Disallowed Per Tax Collector-2009	1,229	
Senior Citizen Deductions Disallowed Per Tax Collector-2008	<u>1,750</u>	
		<u>138,199</u>
Balance, December 31, 2009		<u>\$ 32,047</u>

TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF TAXES RECEIVABLE

Year	Balance, December 31, 2008	2009 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	2008 Collections	2009 Collections	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2009
2005	\$ 11,720				\$	\$ 3,993		\$ 7,727		
2006	19,643					19,643				
2007	35,767					34,409				\$ 1,358
2008	1,022,143	-	\$ 9,581	\$ 1,750	-	965,908	-	-	\$ 11,063	56,503
2009	1,089,273	-	9,581	1,750	-	1,023,953	-	7,727	11,063	57,861
		\$ 88,241,067	147,315	1,229	\$ 295,508	86,661,839	138,500	199,371	17,400	1,076,993
	\$ 1,089,273	\$ 88,241,067	\$ 156,896	\$ 2,979	\$ 295,508	\$ 87,685,792	\$ 138,500	\$ 207,098	\$ 28,463	\$ 1,134,854

Analysis of 2009 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 88,241,067
Added Taxes	147,315
	<u>\$ 88,388,382</u>
Tax Levy	
County Taxes (Abstract)	\$ 7,498,413
Due County for Added and Omitted Taxes	14,665
County Open Space Preservation	1,254,826
	<u>\$ 8,767,904</u>
Local District School Tax (Abstract)	59,532,178
Local Sanitation District	
Local Sanitation District - Added Taxes	2,721
	<u>1,332,647</u>
Local Open Space Levy	586,851
Local Open Space Levy-Added Taxes	975
	<u>587,826</u>
Local Tax for Municipal Purposes	18,006,957
Add Additional Tax Levied	160,870
	<u>18,167,827</u>
	<u>\$ 88,388,382</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2008		\$ 243,635
Increased by:		
Interest and Costs - 2009 Tax Sale	\$ 1,477	
Transfers from Taxes Receivable	<u>28,463</u>	
		<u>29,940</u>
		273,575
Decreased by:		
Transfer to Foreclosed Tax Title Liens		<u>2,793</u>
Balance, December 31, 2009		<u>\$ 270,782</u>

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)**

Balance, December 31, 2008		\$ 4,349,894
Increased by:		
Transfer from Tax Title Liens	\$ 2,793	
Adjustment to Assessed Valuation	<u>27,707</u>	
		<u>30,500</u>
Balance, December 31, 2009		<u>\$ 4,380,394</u>

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2008</u>	Accrued <u>in 2009</u>	<u>Collected</u>	Balance, December 31, <u>2009</u>
Township Clerk				
Licenses				
Alcoholic Beverages		\$ 24,227	\$ 24,227	
Fees and Permits		3,302	3,302	
Board of Health				
Fees and Permits		101,374	101,374	
Registrar				
Fees and Permits		4,332	4,332	
SMA Clinic, Shots and Screening				
Fees and Permits		50,426	50,426	
Police Department				
Fees and Permits		11,306	11,306	
Tax Search Officer				
Fees and Permits		70	70	
Tax Assessor				
Fees and Permits		770	770	
Engineering				
Fees and Permits		2,469	2,469	
Planning Board				
Fees and Permits		24,430	24,430	
Zoning Board				
Fees and Permits		13,225	13,225	
Water Testing				
Fees and Permits		4,555	4,555	
Senior Activities				
Fees and Permits		890	890	
Board of Adjustment				
Fees and Permits		9,775	9,775	
Municipal Court				
Fines and Costs	\$ 34,427	428,165	432,438	\$ 30,154
Interest and Costs on Taxes		244,929	244,929	
Interest on Investments and Deposits		29,533	29,533	
Water Tower Rental - NYNEX		174,734	174,734	
Interest on Developers' Deposit Fees		12,500	12,500	
Life Hazard Use Fees		44,513	44,513	
Fire Prevention Inspection Fees		77,685	77,685	
Reserve for Garden State Trust Fund		109,212	109,212	
Consolidated Municipal Property Tax Relief		458,600	458,600	
Energy Receipts Taxes		1,922,224	1,922,224	
Supplemental Energy Receipts Taxes		90,868	90,868	
Watershed Moratorium Aid		9,165	9,165	
Highlands Reimbursement Aid		7,106	7,106	
Uniform Construction Code Fees	20,976	270,534	280,403	11,107
Interlocal Health Agreement		65,690	65,690	
Cable TV Franchise Fee		82,870	82,870	
Solid Waste Collection District Budget				
Surplus-Down Payment-Capital Ordinances		18,087	18,087	
Hotel Tax Revenues		177,258	177,258	
General Capital Fund Surplus		2,664	2,664	
Due from Open Space Trust Fund -				
Debt Service		586,851	586,851	
Due from Mt. Olive Child Care - Lease	-	77,175	77,175	-
	<u>\$ 55,403</u>	<u>\$ 5,141,514</u>	<u>\$ 5,155,656</u>	<u>\$ 41,261</u>
			4,456,929	
			109,212	
			2,664	
			586,851	
			<u>\$ 5,155,656</u>	

**TOWNSHIP OF MOUNT OLIVE**  
**STATEMENT OF DEFERRED CHARGES-SPECIAL EMERGENCY AUTHORIZATIONS**

	<u>Amount Authorized</u>	1/5 of <u>Amount Authorized</u>	Balance, December 31, <u>2008</u>	Raised in <u>2009</u>	Balance, December 31, <u>2009</u>
Revaluation of Real Property	\$ 604,000	\$ 120,800	<u>\$ 325,755</u>	<u>\$ 120,800</u>	<u>\$ 204,955</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF 2008 APPROPRIATION RESERVES**

	Balance, December 31, <u>2008</u>	Balance After <u>Modification</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
<b>SALARIES AND WAGES</b>				
General Government				
Financial Administration	\$ 98	\$ 98		\$ 98
Public Safety				
Police	5,465	1,965		1,965
Health and Human Services				
Board of Health	49	49		49
Code Enforcement - Inspection of Buildings	71	71		71
<b>OTHER EXPENSES</b>				
Mayor and Council	1,786	2,873	\$ 126	2,747
Township Clerk	6,001	6,272	209	6,063
Business Administration	630	3,933	3,302	631
Financial Administration	493	2,715	2,182	533
Annual Audit	115	1,227	1,112	115
Revenue Administration	255	633	323	310
Assessment of Taxes	5,736	14,216	8,430	5,786
Legal Services & Costs	1,150	50,587	36,867	13,720
Engineering Services and Costs	356	4,263	4,036	227
Pride Committee	80	769		769
Open Space Committee	230	230		230
Mt. Olive Historical Society	93	93		93
Information Technology Support	378	3,902	3,902	
Planning Board	4,665	11,328	3,461	7,867
Board of Adjustment	558	1,918	1,050	868
Public Safety				
Police	847	24,164	23,141	1,023
Emergency Management System	591	591		591
Fire				
Budd Lake Fire Company	795	795		795
Flanders Fire Company		5,189	5,189	
First Aid Organization				
Budd Lake Rescue Squad	526	526		526
Flanders Rescue Squad		6,221	5,960	261
Fire Prevention	1,497	2,212	715	1,497
Streets and Roads				
Road Repairs and Maintenance	1,520	58,653	35,690	22,963

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF 2008 APPROPRIATION RESERVES**

	Balance, December 31, <u>2008</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)				
Street Signs	\$ 1,877	\$ 6,244	\$ 1,434	\$ 4,810
Buildings and Grounds	9,734	54,382	38,772	15,610
Fleet Maintenance	5,438	78,654	61,697	16,957
Health and Human Services				
Board of Health	3,108	7,155	3,308	3,847
Environmental Committee	670	670		670
Division of Senior Social Services	427	1,045	326	719
Recreation and Education				
Recreation	3,265	5,722	1,824	3,898
Beach Front Maintenance	710	1,010	201	809
Code Enforcement - Inspection of Buildings	2,460	4,537	1,868	2,669
Mount Olive Library		12	8	4
Utilities				
Electricity	3,704	6,631	3,383	3,248
Street Lighting		8,227	8,083	144
Gas	3,261	44,762	28,428	16,334
Telecommunications	5,494	11,918	6,539	5,379
Vehicle Fuel	7,491	11,991	5,326	6,665
Municipal Court	1,043	3,312	1,834	1,478
Public Defender	1,300	1,300	400	900
Statutory Charges				
Social Security System	234	234		234
Deferred Contribution Retirement Program	254	254		254
Insurance				
Employee Group Health	7,177	13,124	5,925	7,199
Length of Service Award Program (LOSAP)	-	140,000	124,016	15,984
	<u>\$ 91,632</u>	<u>\$ 606,677</u>	<u>\$ 429,067</u>	<u>\$ 177,610</u>
Appropriation Reserves		\$ 91,632		
Encumbrances Payable		<u>515,045</u>		
		<u>\$ 606,677</u>		

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF ENCUMBRANCES PAYABLE  
CURRENT FUND**

Balance, December 31, 2008	\$	515,045
Increased by:		
Charges to 2009 Appropriations		<u>579,666</u>
		1,094,711
Decreased by:		
Transferred to Appropriation Reserves		<u>515,045</u>
Balance, December 31, 2009	\$	<u>579,666</u>

EXHIBIT A-14

**STATEMENT OF ENCUMBRANCES PAYABLE  
STATE AND FEDERAL GRANTS FUND**

Balance, December 31, 2008	\$	175,287
Increased by:		
Charges to Appropriated Grant Reserves		<u>23,114</u>
		198,401
Decreased by:		
Cancelled	\$	158,918
Cash Disbursements		<u>16,369</u>
		<u>175,287</u>
Balance, December 31, 2009	\$	<u>23,114</u>

EXHIBIT A-15

**STATEMENT OF FEES PAYABLE**

Balance, December 31, 2008	\$	475
Increased by:		
Cash Received		<u>3,025</u>
		3,500
Decreased by:		
Cash Disbursed		<u>2,750</u>
Balance, December 31, 2009	\$	<u>750</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2008	\$	295,508
Increased by:		
Collection of 2010 Taxes		<u>294,498</u>
		590,006
Decreased by:		
Application to 2009 Taxes Receivable		<u>295,508</u>
Balance, December 31, 2009	\$	<u><u>294,498</u></u>

**STATEMENT OF SPECIAL EMERGENCY NOTES PAYABLE**

Balance, December 31, 2008	\$	192,200
Increased By:		
Cash Receipts		<u>192,200</u>
		384,400
Decreased By:		
Cash Disbursements		<u>192,200</u>
Balance, December 31, 2009	\$	<u><u>192,200</u></u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Increased by:		
2009 Tax Levy	\$	7,498,413
2009 Open Space Preservation		1,254,826
2009 Added and Omitted Taxes (54:4-63.1 et seq.)		<u>14,665</u>
	\$	<u>8,767,904</u>
Decreased by:		
Cash Disbursed		<u>8,767,904</u>

**STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:		
Levy - Calendar Year 2009		<u>\$ 59,532,178</u>
Decreased by:		
Cash Disbursed		<u>\$ 59,532,178</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS**

	Balance, December 31, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2009</u>
Reserve for Tax Sale Premiums	\$ 259,800	\$ 238,000	\$ 343,400	\$ 154,400
Reserve for Garden State Trust Fund	<u>109,212</u>	<u>100,061</u>	<u>109,212</u>	<u>100,061</u>
	<u>\$ 369,012</u>	<u>\$ 338,061</u>	<u>\$ 452,612</u>	<u>\$ 254,461</u>
Cash Receipts		\$ 338,061		
Cash Disbursements			\$ 337,100	
Cancelled - Fund Balance			6,300	
Utilized as Budget Revenue		<u>-</u>	<u>109,212</u>	
		<u>\$ 338,061</u>	<u>\$ 452,612</u>	

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2008	\$ 397,805
Decreased by:	
Cash Disbursed	<u>50,442</u>
Balance, December 31, 2009	<u>\$ 347,363</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS AND DONATIONS  
FEDERAL AND STATE GRANT FUND**

	Balance, December 31, <u>2008</u>	<u>Increases</u>	Prior Year Encumbrances <u>Cancelled</u>	<u>Decreases</u>	Balance, December 31, <u>2009</u>
Clean Communities Program	\$ 15,317	\$ 44,244		\$ 43,438	\$ 16,123
COPS Universal Hiring Grant		25,000		25,000	-
Alcohol, Education, and Rehab		1,717			1,717
Recreation Trails Programs	2,300				2,300
Enhanced 911 Equipment Grant	548			446	102
Planning Assistance Grant	17,628			17,628	-
Holiday - Over the Limit Under Arrest		5,000		5,000	-
Public Health Priority Funding Grant		12,674		12,674	-
Over the Limit Under Arrest		6,000		6,000	-
Clean Energy Grant		14,297		14,297	-
Pandemic Flu Preparedness		2,500		2,500	-
State Health Services Grant		90,672		17,814	72,858
Drunk Driving Enforcement Fund	33,866	18,178		25,551	26,493
Tobacco Age of Sale Enforcement Grant	364	1,500		250	1,614
Body Armor Replacement Grant	6,810		\$ 1,880		8,690
Water Use and Conservation		5,000			5,000
Recycling Tonnage Grant	29,074	74,503		56,511	47,066
Highlands Council Grant		50,000		43,450	6,550
Obey the Signs or Pay the Fines		4,000		4,000	-
Bulletproof Vest		1,313	573		1,886
Budd Lake Watershed Restoration	55,573		156,465	212,038	-
Donations - BASF	500	500		1,000	-
Donations - Walmart		1,000			1,000
Donations - Lion's Club		2,453		1,119	1,334
Donations - Siemens - Equipment		5,000		3,579	1,421
Donations - Benjamin Moore	189	1,125	-	1,314	-
	<u>\$ 162,169</u>	<u>\$ 366,676</u>	<u>\$ 158,918</u>	<u>\$ 493,609</u>	<u>\$ 194,154</u>
Budget Appropriation: State & Federal Grants		<u>\$ 366,676</u>			
Cash Disbursements				\$ 255,928	
Cancelled				214,567	
Encumbrances Payable				<u>23,114</u>	
				<u>\$ 493,609</u>	

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF RESERVE FOR UNAPPROPRIATED GRANTS AND DONATIONS  
FEDERAL AND STATE GRANT FUND**

Balance, December 31, 2008	\$ 2,453
Decreased By:	
Revenue Realized	2,453
Balance, December 31, 2009	\$ -

EXHIBIT A-24

**STATEMENT OF GRANTS RECEIVABLE  
FEDERAL AND STATE GRANT FUND**

	Balance, December 31, 2008	Revenue Realized	Cash Received	Cancelled	Balance, December 31, 2009
COPS Universal Hiring Grant		\$ 25,000	\$ 25,000		
Highlands Council Grant		50,000	15,021		\$ 34,979
ANJEC Trail Plan	\$ 6,000				6,000
Obey the Signs or Pay the Fines		4,000	3,857	\$ 143	
Clean Communities Program		44,244	44,244		
Tobacco-Age-of-Sale Enforcement Program		1,500	1,500		
Public Health Priority Funding		12,674	12,674		
Drunk Driving Enforcement Fund		18,178	18,178		
NJDEP - Recreation Trails Program	2,300				2,300
Donations - BASF		500	500		
State Health Services Grant		90,672	34,680		55,992
Recycling Tonnage Grant		74,503	74,503		
Donation - Siemen's		5,000	5,000		
Donation - Walmart		1,000	1,000		
Donation - Benjamin Moore		1,125	1,125		
Planning Assistance Grant	17,628		15,718	1,910	
Holiday - Over the Limit Under Arrest		5,000	5,000		
Over the Limit Under Arrest		6,000	5,614	386	
Alcohol, Education and Rehab		1,717	1,717		
Clean Energy Audit		14,297			14,297
Pandemic Flu Preparedness		2,500		90	2,410
Budd Lake Watershed Rest.	236,590		24,552	212,038	
Water Conservation Grant		5,000			5,000
Bullet Proof Vest Partnership	5,447	1,313	3,263	-	3,497
	\$ 267,965	\$ 364,223	\$ 293,146	\$ 214,567	\$ 124,475
Original Budget	\$ 137,081				
Chapter 159	227,142				
		\$ 364,223			

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF OPEN SPACE PRESERVATION TAXES**

Increased by:			
2009 Tax Levy		\$ 586,851	
2009 Added Tax Levy		<u>975</u>	
			<u>\$ 587,826</u>
Decreased by:			
Cash Disbursed to Open Space Trust Fund			<u>\$ 587,826</u>

**STATEMENT OF SANITATION DISTRICT TAXES**

Increased by:			
2009 Tax Levy		\$ 1,329,926	
2009 Added Tax Levy		<u>2,721</u>	
			<u>\$ 1,332,647</u>
Decreased by:			
Cash Disbursed to Sanitation District Fund			<u>\$ 1,332,647</u>

**STATEMENT OF TAX OVERPAYMENTS**

Increased By:			
Overpayments Received			<u>\$ 151,270</u>
Decreased By:			
Cash Disbursements			<u>\$ 151,270</u>

**TRUST FUND**

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF TRUST CASH - TREASURER**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2008	\$ 29,309	\$ 6,983,420	\$ 500,662
<b>Increased by Receipts:</b>			
State of New Jersey Dog License Fees Collected	\$ 4,701		
Interest on Investments and Deposits			\$ 3,142
Municipal Open Space Tax Levy			587,826
Payroll and Payroll Deductions		\$ 19,788,203	
Developers Escrow Deposits		357,103	
Miscellaneous Reserves		413,835	
Animal Control Fees	61,175		
Current Fund Budget Appropriations	42,658	100,000	
Reimbursements	-	-	81,757
	108,534	20,659,141	672,725
	137,843	27,642,561	1,173,387
<b>Decreased by Disbursements:</b>			
Expenditures Under R.S. 4:19-15.11	120,053		
Due to State of New Jersey	4,625	18,700	
Open Space Expenditures			104,601
Payments to Current Fund			586,851
Payroll and Payroll Deductions		19,780,394	
Developers Escrow Deposits Refunded		774,344	
Miscellaneous Reserves	-	663,871	-
	124,678	21,237,309	691,452
Balance, December 31, 2009	\$ 13,165	\$ 6,405,252	\$ 481,935

**TOWNSHIP OF MOUNT OLIVE  
ANIMAL CONTROL FUND  
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance, December 31, 2008		\$	29,195
Increased by:			
Current Fund Budget Appropriation		\$	42,658
Animal Control Fees			
Dog License Fees	\$	34,494	
Cat License Fees		11,491	
Miscellaneous Receipts		10,488	
Impound/Kennel Fees	<u>4,702</u>		
		<u>61,175</u>	
			<u>103,833</u>
			133,028
Decreased by:			
Expenditures Under R.S. 4:19-15-11			<u>120,053</u>
Balance, December 31, 2009		\$	<u>12,975</u>

**TOWNSHIP OF MOUNT OLIVE  
ANIMAL CONTROL FUND  
STATEMENT OF DUE TO STATE OF NEW JERSEY - ANIMAL CONTROL FUND**

Balance, December 31, 2008	\$ 114
Increased by:	
Dog License Fees Collected	<u>4,701</u>
	4,815
Decreased by:	
Payments Made to State of New Jersey	<u>4,625</u>
Balance, December 31, 2009	<u>\$ 190</u>

**TOWNSHIP OF MOUNT OLIVE  
OTHER TRUST FUND  
STATEMENT OF DEVELOPERS ESCROW DEPOSITS**

Balance, December 31, 2008	\$	4,918,891
Increased by:		
Cash Receipts		357,103
		5,275,994
Decreased by:		
Cash Disbursements		774,344
Balance, December 31, 2009	\$	4,501,650

EXHIBIT B-7

**OTHER TRUST FUND  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2009</u>
Unemployment Compensation	\$ 72,852	\$ 17,916	\$ 26,897	\$ 63,871
Law Enforcement	28,125	4,927	7,333	25,719
Affordable Housing	1,531,977	100,917	226,052	1,406,842
DARE Program	637			637
Off-Duty Police Contributions	39,939	225,958	196,080	69,817
Accumulated Snow Removal	37,307	14,078	48,297	3,088
POAA	533	32	422	143
Pride Committee	580	325	258	647
Senior Citizens Trust		100		100
Dog Park Donations		500		500
Municipal Beach Donations		34,075	34,065	10
Detention Basin Contributions	40,249	249	272	40,226
Accumulated Absences	158,704	108,745	104,860	162,589
Connector Road - Donations	75,091	244	41,736	33,599
Tree Bank Fund	74,236	2,777	1,588	75,425
Electronic Fees	80	2,992	2,908	164
	<b>\$ 2,060,310</b>	<b>\$ 513,835</b>	<b>\$ 690,768</b>	<b>\$ 1,883,377</b>
Cash Receipts		\$ 413,835		
Current Fund Budget Appropriations				
Accumulated Absences Account		100,000		
		<b>\$ 513,835</b>		
Cash Disbursements			\$ 663,871	
Due to State of New Jersey			26,897	
			<b>\$ 690,768</b>	

**TOWNSHIP OF MOUNT OLIVE  
OTHER TRUST FUND  
STATEMENT OF DUE TO STATE OF NEW JERSEY - UNEMPLOYMENT COMPENSATION**

Balance, December 31, 2008	\$	-
Increased by:		
Unemployment Claims		<u>26,897</u>
		26,897
Decreased By:		
Cash Disbursements		<u>18,700</u>
Balance, December 31, 2009	\$	<u>8,197</u>

EXHIBIT B-9

**OTHER SPACE TRUST FUND  
STATEMENT OF RESERVE FOR OPEN SPACE**

Balance, December 31, 2008	\$	500,662
Increased by:		
Interest on Investments and Deposits	\$	3,142
Transferred from General Capital Fund - Reserve for Land Sale Proceeds		81,757
Municipal Open Space Tax Levy		<u>587,826</u>
		<u>672,725</u>
		1,173,387
Decreased by:		
Payments to Current Fund - Debt Service	586,851	
Miscellaneous Cash Disbursements		<u>104,601</u>
		<u>691,452</u>
Balance, December 31, 2009	\$	<u>481,935</u>

**TOWNSHIP OF MOUNT OLIVE  
OTHER TRUST FUND  
STATEMENT OF RESERVE FOR PAYROLL AND PAYROLL DEDUCTIONS**

Balance, December 31, 2008	\$ 4,219
Increased by:	
Cash Receipts	<u>19,788,203</u>
	19,792,422
Decreased by:	
Cash Disbursements	<u>19,780,394</u>
Balance, December 31, 2009	<u>\$ 12,028</u>

**GENERAL CAPITAL FUND**

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF GENERAL CAPITAL CASH**

Balance, December 31, 2008		\$ 651,107
Increased by Receipts:		
Interest on Investments and Deposits	\$ 1,293	
Refunds	1,093	
Department of Transportation Grant Proceeds	131,148	
Reserve for Cable Access Channel Improvements	7,000	
Due from Community Development Block Grant	55,267	
Bond Anticipation Notes	1,275,000	
Current Fund Budget Appropriations:		
Capital Improvement Fund	28,155	
Deferred Charges - Unfunded	18,746	
		<u>1,517,702</u>
		2,168,809
Decreased by Disbursements:		
Improvement Authorizations	450,774	
Reserve for Encumbrances	1,187,786	
Reserve for Land Proceeds	81,757	
Payments to Current Fund	3,957	
		<u>1,724,274</u>
Balance, December 31, 2009		<u>\$ 444,535</u>

**TOWNSHIP OF MOUNT OLIVE  
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**

		Balance, December 31, <u>2009</u>
Capital Improvement Fund		\$ 6,438
Encumbrances Payable		449,948
Reserve for Pocket Parks		15,000
Reserve for Recreation Improvements		37,500
Fund Balance		36,216
Department of Transportation Grant Receivable		(423,852)
Due from Community Development Block Grant		(133)
Due from County of Morris Historic Preservation Trust Fund		(160,000)
Ord.		
<u>No.</u>		
	<u>Improvement Authorizations</u>	
5-00	Impvt. of Township Property	3,133
27-00	Construction of New Connector Road	111,085
11-01/4-02	Various Capital Improvements	13,116
06-02/11-07	Library Construction	103,811
37-02	Various Improvements	(114,634)
48-02	BLFD Tank Removal	49,356
24-04	Various Capital Improvements	2,038
45-04	Baptist Church Improvements	81,598
27-05	Various Capital Improvements	3,748
33-06	Various Improvements	(224)
13-07	Road Resurfacing	962
46-08	Various Improvements	47,064
18-09	Various Improvements	192,365
		<hr/>
		\$ <u>454,535</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2008		\$ 31,411,968
Increased by:		
Refunding Bonds Issued		<u>4,105,000</u>
		35,516,968
Decreased by:		
2009 Budget Appropriation		
Payment of Bond Principal	\$ 3,160,000	
Bonds Refunded	4,200,000	
Payment of Loan Principal:		
Wastewater	\$ 245,745	
EDA	20,716	
Garden State Preservation Trust	23,649	
Morris County Improvement Authority	45,000	
Green Trust	<u>104,652</u>	
	<u>439,762</u>	
		<u>7,799,762</u>
Balance, December 31, 2009		<u>\$ 27,717,206</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF DEPARTMENT OF TRANSPORTATION GRANT RECEIVABLE**

Balance, December 31, 2008	\$	400,000
Increased by:		
Grant Awards		<u>155,000</u>
		555,000
Decreased by:		
Cash Receipts		<u>131,148</u>
 Balance, December 31, 2009	 \$	 <u>423,852</u>
<u>Analysis of Balance</u>		
Ordinance # 37-02	\$	200,000
Ordinance # 46-08		68,852
Ordinance # 18-09		<u>155,000</u>
	\$	<u>423,852</u>

**STATEMENT OF DUE FROM COUNTY OF MORRIS HISTORIC  
PRESERVATION TRUST FUND**

Balance, December 31, 2008	\$	<u>160,000</u>
 Balance, December 31, 2009	 \$	 <u>160,000</u>

**STATEMENT OF DUE TO CURRENT FUND**

Increased By:			
Interest on Investments	\$	1,293	
Utilized as Current Fund Revenue - Fund Balance		<u>2,664</u>	
	\$	<u>3,957</u>	
Decreased By:			
Cash Disbursements to Current Fund	\$	<u>3,957</u>	

**STATEMENT OF DUE FROM COMMUNITY DEVELOPMENT BLOCK GRANT**

Balance, December 31, 2008	\$	133,400
Decreased By:		
Cancelled Ordinance	\$	78,000
Receipts		<u>55,267</u>
		<u>133,267</u>
 Balance, December 31, 2009	 \$	 <u>133</u>



TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance, December 31, 2008		2009 Authorizations	Encumbrances Cancelled	Expended	Funded Authorizations Cancelled	Unfunded Authorizations Cancelled	Balance, December 31, 2009	
				Funded	Unfunded						Funded	Unfunded
5-00	Impvt. of Township Property	2/22/00	\$ 125,000	\$ 3,133					\$ 33,009		\$ 3,133	
24-00	Various Improvements	7/25/00	888,500	33,009							111,085	
27-00	Construction of New Connector Road	8/8/00	3,000,000	111,085							13,116	\$ 11,246
11-01/4-02	Various Capital Improvements	5/8/01	4,817,908	13,116	\$ 11,246						103,811	\$ 95,153
06-02/11-07	Library Construction	3/12/2002, 3/13/07	1,758,000	103,812	95,153						49,356	34,196
37-02	Various Improvements	9/24/02	1,602,070	163,195				128,999				
48-02	BLFD Tank Removal	12/10/02	93,432	49,356								
23-04	Various Capital Improvements	9/14/04	506,000									
24-04	Various Capital Improvements	9/14/04	1,321,580	4,710	10,463			2,672			2,038	10,463
45-04	Baptist Church Improvements	11/23/04	100,000	75,418							81,598	
27-05	Various Capital Improvements	8/9/2005	1,125,960		92,828							97,286
23-06	Various Improvements	7/25/2006	1,437,016	3,540	658			1,108	3,090			
13-07	Road Resurfacing	3/27/2007	146,179	2,347				1,385				962
32-07	Construction of a Dog Park	7/27/2007	35,000	1,215	262			1,098	117	\$ 262		
33-07	Acquisition of Various Equipment	7/27/2007	822,000									
46-08	Various Improvements	7/8/2008	1,363,145		577,544			416,594	78,000			82,950
13-09	Public Access Channel Improvements	7/7/2009	7,000		7,000			7,000				
18-09	Various Improvements	8/21/2009	717,743		717,743			340,772				376,971
				\$ 400,741	\$ 951,349	\$ 734,743	\$ 10,638	\$ 899,629	\$ 114,216	\$ 262	\$ 365,099	\$ 708,265

Capital Improvement Fund	\$ 28,137
Receipts - Reserve for Public Access Channel Improvements	7,000
DOT Grant Receivable	155,000
Deferred Charges Unfunded	534,606
	\$ 724,743
Encumbrances Payable	\$ 449,948
Cash Disbursements	450,774
Refunds	(1,093)
	\$ 899,629

Cancelled Receivables:

Due from Community Development Block Grant Fund Balance	78,000
	36,216
	\$ 114,216

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
			December 31, 2009 Date	Amount					
General Improvements	12/01/99	3,000,000			5.25 %	\$ 150,000		\$ 150,000	
General Improvements	05/15/02	7,665,000				4,800,000		4,800,000	
General Improvements	05/15/03	5,795,000	2/15/10-12 2/15/13-14 2/15/15-18 2/15/19	\$ 390,000 390,000 390,000 390,000	3.000 3.125 3.250 3.375	4,290,000	390,000	\$ 3,900,000	
General Improvements	05/15/04	2,958,000	2/15/2010-11 2/15/2012 2/15/13-15 2/15/2016	275,000 290,000 300,000 298,000	3.4-3.5 3.6 3.7-3.9 3.95	2,258,000	220,000	2,038,000	
General Improvements	04/01/05	1,430,000	4/1/10-15	160,000	3.375-3.750	1,100,000	140,000	960,000	
Tax Appeal Refunding	04/01/05	1,320,000	4/1/2010 4/1/2011	240,000 260,000	3.375 3.375	720,000	220,000	500,000	
Refunding Bonds	06/15/05	\$ 7,190,000	02/15/10 02/15/11 02/15/12 02/15/13 02/15/14 02/15/15 02/15/16 02/15/17 02/15/18 02/15/19	665,000 680,000 685,000 715,000 740,000 755,000 760,000 715,000 730,000 200,000	4.00 4.50 5.00 5.00 5.00 4.50 3.625 4.00 4.00 4.00	7,165,000	520,000	6,645,000	
General Improvements	05/15/06	3,279,000	5/15/10-12 5/15/13-20 5/15/2021	220,000 230,000 229,000	4.00 4.00-4.05 4.10	2,949,000	220,000	2,729,000	
General Improvement and Tax Appeal Refunding	03/15/07	3,405,000	3/15/2010 3/15/2011 3/15/2012 3/15/2013 3/15/2014 3/15/2015 3/15/2016 3/15/2017	540,000 560,000 225,000 225,000 225,000 230,000 230,000 230,000	3.625 3.75 3.75 3.75 3.75 3.75 3.75	2,975,000	510,000	2,465,000	
General Improvements	08/20/08	1,372,000	9/1/2010 9/1/2011 9/1/2012 9/1/2013	180,000 250,000 375,000 377,000	3.00 3.00 3.00 3.00	1,372,000	190,000	1,182,000	
Refunding Bonds	04/30/09	4,105,000	2/15/2010 2/15/2011-2012 2/15/2013-2016	555,000 595,000 590,000	4.00 4.00 4.00	-	\$ 4,105,000	-	4,105,000
						<u>\$ 27,779,000</u>	<u>\$ 4,105,000</u>	<u>\$ 7,360,000</u>	<u>\$ 24,524,000</u>
						Bonds Refunded		\$ 4,105,000	\$ 4,200,000
						Paid by Budget Appropriation		-	3,160,000
								<u>\$ 4,105,000</u>	<u>\$ 7,360,000</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2008		\$ 6,420
Increased by:		
2009 Budget Appropriations		<u>28,155</u>
		34,575
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>28,137</u>
Balance, December 31, 2009		<u>\$ 6,438</u>

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2008		\$ 1,198,424
Increased by:		
Charges to Improvement Authorizations		<u>449,948</u>
		1,648,372
Decreased by:		
Cancelled	\$ 10,638	
Cash Disbursements	<u>1,187,786</u>	
		<u>1,198,424</u>
Balance, December 31, 2009		<u>\$ 449,948</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF RESERVE FOR LAND PROCEEDS**

Balance, December 31, 2008	\$ 81,757
Decreased by:	
Disbursements - Transferred to Open Space Trust Fund	<u>81,757</u>
Balance, December 31, 2009	<u>\$ -</u>

**STATEMENT OF RESERVE FOR POCKET PARKS**

Balance, December 31, 2008	<u>\$ 15,000</u>
Balance, December 31, 2009	<u>\$ 15,000</u>

**STATEMENT OF RESERVE FOR RECREATION IMPROVEMENTS**

Balance, December 31, 2008	<u>\$ 37,500</u>
Balance, December 31, 2009	<u>\$ 37,500</u>

EXHIBIT C-17

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF WASTEWATER LOANS PAYABLE**

Balance, December 31, 2008	\$ 1,893,645
Decreased by:	
Paid by Budget Appropriation	<u>245,745</u>
Balance, December 31, 2009	<u>\$ 1,647,900</u>

EXHIBIT C-18

**STATEMENT OF EDA LOAN PAYABLE**

Balance, December 31, 2008	\$ 68,060
Decreased by:	
Paid by Budget Appropriation	<u>20,716</u>
Balance, December 31, 2009	<u>\$ 47,344</u>

EXHIBIT C-19

**STATEMENT OF GREEN TRUST LOAN PAYABLE**

Balance, December 31, 2008	\$ 778,244
Decreased by:	
Paid by Budget Appropriation	<u>104,652</u>
Balance, December 31, 2009	<u>\$ 673,592</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF GARDEN STATE PRESERVATION TRUST LOAN PAYABLE**

Balance, December 31, 2008	\$ 378,019
Decreased by:	
Paid by Budget Appropriation	<u>23,649</u>
Balance, December 31, 2009	<u>\$ 354,370</u>

**STATEMENT OF MORRIS COUNTY IMPROVEMENT AUTHORITY (MCIA)  
LOAN PAYABLE**

Balance, December 31, 2008	\$ 515,000
Decreased by:	
Paid by Budget Appropriation	<u>45,000</u>
Balance, December 31, 2009	<u>\$ 470,000</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance #</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Balance December 31, 2009</u>
37-02	Various Improvements	4/29/2009	4/29/2010	2.05%	\$ 30,829	\$ 30,829
24-03	Various Improvements	4/29/2009	4/29/2010	2.05%	7,656	7,656
27-05	Various Capital Improvements	4/29/2009	4/29/2010	2.05%	10,561	10,561
33-07	Acquisition of Various Equipment	4/29/2009	4/29/2010	2.05%	3,900	3,900
47-07	Acquisition of Various Vehicles	4/29/2009	4/29/2010	2.05%	1,822	1,822
46-08	Various Improvements	4/29/2009	4/29/2010	2.05%	445,232	445,232
46-08	Various Improvements	10/29/2009	4/29/2010	0.95%	425,000	425,000
18-09	Various Improvements	10/29/2009	4/29/2010	0.95%	350,000	350,000
					<u>\$ 1,275,000</u>	<u>\$ 1,275,000</u>

TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Increased by		Decreased by		Balance, December 31, 2009
		Balance, December 31, 2008	2009 Authorizations	Notes Issued	Cancelled	
	<u>General Improvements</u>					
11-01/4-02	Various Capital Improvements	\$ 11,246				\$ 11,246
06-02	Library Construction	95,153				95,153
37-02	Various Improvements	179,659	\$ 30,829			148,830
24-03	Various Improvements	7,656	7,656			-
24-04	Various Capital Improvements	10,463				10,463
27-05	Various Capital Improvements	104,099	10,561			93,538
23-06	Various Improvements	658			\$ 658	-
33-06	Various Improvements	224				224
32-07	Construction of a Dog Park	262			\$ 262	-
33-07	Acquisition of Various Equipment	3,900		3,900		-
47-07	Acquisition of Various Vehicles	1,822		1,822		-
46-08	Various Improvements	934,206	870,232			45,886
18-09	Various Improvements	-	350,000			184,606
		<u>\$ 1,349,348</u>	<u>\$ 534,606</u>	<u>\$ 1,275,000</u>	<u>\$ 262</u>	<u>\$ 589,946</u>
					<u>\$ 18,746</u>	<u>\$ 589,946</u>

**WATER UTILITY FUND**

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF WATER UTILITY CASH - TREASURER  
WATER UTILITY OPERATING FUND**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2008	\$ 755,145	\$ 722,090
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,314,343	
Interest on Investments	3,523	\$ 3,670
Miscellaneous Fees	85,271	
Appropriation Refunds	5,285	
Budget Appropriation - Capital Improvement Fund		11,250
Receipts from Water Utility Capital Fund	<u>18,670</u>	<u>-</u>
	<u>1,427,092</u>	<u>14,920</u>
	2,182,237	737,010
Decreased by Disbursements:		
2009 Budget Appropriations	1,601,734	
2007 Appropriation Reserves	63,165	
Accrued Interest on Bonds and Notes	16,654	
Improvement Authorizations		56,391
Encumbrances Payable		70,898
Payments made to Water Utility Operating Fund	<u>-</u>	<u>18,670</u>
	<u>1,681,553</u>	<u>145,959</u>
Balance, December 31, 2009	<u>\$ 500,684</u>	<u>\$ 591,051</u>

**TOWNSHIP OF MOUNT OLIVE  
ANALYSIS OF WATER CAPITAL CASH  
WATER UTILITY CAPITAL FUND**

	Balance, December 31, <u>2009</u>
Encumbrances Payable	\$ 174,476
Capital Improvement Fund	5,750
Fund Balance	5,782
Improvement Authorizations:	
12-06 Various Improvements	10,075
25-07 Various Improvements	554,045
26-08 Flanders Well #2	(114,638)
40-08 Various Improvements	(13,940)
17-09 Water System Interconn.	(1,282)
19-09 Various Improvements	<u>(29,217)</u>
	<u>\$ 591,051</u>

EXHIBIT D-7

**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE  
WATER UTILITY OPERATING FUND**

Balance, December 31, 2008	\$ 50,044
Increased by:	
Water Rents Levied	<u>1,303,357</u>
	1,353,401
Decreased by:	
Cash Receipts	<u>1,314,343</u>
Balance, December 31, 2009	<u>\$ 39,058</u>

EXHIBIT D-8

**STATEMENT OF FIXED CAPITAL  
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2008	\$ 5,023,104
Increased by:	
Transfers from Fixed Capital Authorized and Uncompleted	<u>119,015</u>
Balance, December 31, 2009	<u>\$ 5,142,119</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF ENCUMBRANCES PAYABLE  
WATER UTILITY OPERATING FUND**

Balance, December 31, 2008	\$	60,075
Increased by:		
Charges to 2009 Budget Appropriations		<u>58,326</u>
		118,401
Decreased by:		
Transfer to Appropriation Reserves		<u>60,075</u>
Balance, December 31, 2009	\$	<u>58,326</u>

**STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES  
WATER UTILITY OPERATING FUND**

Balance, December 31, 2008	\$	16,654
Increased by:		
Charged to 2009 Budget Appropriations		<u>13,334</u>
		29,988
Decreased by:		
Cash Disbursements		<u>16,654</u>
Balance, December 31, 2009	\$	<u>13,334</u>

**STATEMENT OF DUE FROM WATER UTILITY CAPITAL FUND  
WATER UTILITY OPERATING FUND**

Increased by:		
Interest Earned in Water Utility Capital Fund	\$	3,670
Water Capital Fund Balance Anticipated in the 2009 Water Operating Budget		<u>15,000</u>
		\$ 18,670
Decreased by:		
Receipts from Water Utility Capital Fund	\$	<u>18,670</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF RESERVE FOR AMORTIZATION  
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2008		\$ 3,914,394
Increased by:		
Serial Bonds Paid by Budget	\$ 380,000	
Transfer from Deferred Reserve for Amortization	<u>18,250</u>	
		<u>398,250</u>
		4,312,644
Decreased By:		
Cancellations		<u>5,783</u>
Balance, December 31, 2009		<u>\$ 4,306,861</u>

**STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION -  
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2008		\$ 17,650
Increased by:		
Fixed Capital Authorized	<u>11,250</u>	
		28,900
Decreased by:		
Transfer to Reserve for Amortization	<u>18,250</u>	
Balance, December 31, 2009		<u>\$ 10,650</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF 2008 APPROPRIATION RESERVES  
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2008</u>	Transfer From Encumbrances <u>Payable</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATING</b>					
Salaries and Wages	\$ 1,916		\$ 1,916		\$ 1,916
Other Expenses	18,256	\$ 60,075	78,331	\$ 63,165	15,166
<b>STATUTORY EXPENDITURES</b>					
Contribution to PERS	1		1		1
Social Security System	155	-	155	-	155
	<u>\$ 20,328</u>	<u>\$ 60,075</u>	<u>\$ 80,403</u>	<u>\$ 63,165</u>	<u>\$ 17,238</u>



**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
WATER UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2008</u>	2009 Authorizations	Transferred to <u>Fixed Capital</u>	<u>Cancelled</u>	Balance, December 31, <u>2009</u>
31-05	Various Improvements	\$ 5,783			\$ 5,783	
12-06	Various Improvements	4,548		\$ (5,877)		\$ 10,425
25-07	Various Improvements	674,647		48,763		625,884
26-08	Flanders Well #2	999,362		60,907		938,455
40-08	Various Improvements	365,000		13,940		351,060
17-09	Water System Interconn.		\$ 382,200	1,282		380,918
19-09	Various Improvements	-	225,000	-	-	225,000
		<u>\$ 2,049,340</u>	<u>\$ 607,200</u>	<u>\$ 119,015</u>	<u>\$ 5,783</u>	<u>\$ 2,531,742</u>

EXHIBIT D-17

**STATEMENT OF ENCUMBRANCES PAYABLE  
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2008	\$ 222,317
Increased By	
Charges to Improvement Authorizations	<u>39,867</u>
	262,184
Decreased by:	
Cancelled to Improvement Authorizations	\$ 16,811
Cash Disbursements	<u>70,898</u>
	<u>87,709</u>
Balance, December 31, 2009	<u>\$ 174,475</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance, December 31, 2008		2009 Authorizations	Prior Year Encumbrances Cancelled	Ordinance Cancelled	Expended	Balance, December 31, 2009	
				Funded	Unfunded					Funded	Unfunded
31-05	Various Improvements	8/23/05	\$ 666,000			\$ 5,783	\$ 5,783			\$ 10,075	\$ 350
12-06	Various Improvements	3/28/06	735,000			10,425					
25-07	Various Improvements	6/26/2007	774,000	\$ 607,951	\$ 300	603		\$ 54,509		554,045	300
26-08	Flanders Well #2	5/20/2008	1,000,000		885,362						885,362
40-08	Various Improvements	7/8/2008	365,000		332,810						332,810
17-09	Water System Interconn.	8/4/2009	382,200					1,282			380,918
19-09	Various Improvements	8/4/2009	225,000					40,467			184,533
				\$ 607,951	\$ 1,218,472	\$ 607,200	\$ 16,811	\$ 5,783	\$ 96,258	\$ 564,120	\$ 1,784,273

Capital Improvement Fund \$ 11,250  
 Bonds and Notes Authorized 595,950  
\$ 607,200

Fund Balance \$ 5,783

Cash Disbursements \$ 56,391  
 Encumbrances Payable 39,867  
\$ 96,258

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF CAPITAL IMPROVEMENT FUND  
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2008	\$ 5,750
Increased By:	
2009 Budget Appropriation	<u>11,250</u>
	17,000
Decreased By:	
Appropriated Finance Improvement Authorizations	<u>11,250</u>
Balance, December 31, 2009	<u>\$ 5,750</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
WATER UTILITY CAPITAL FUND**

Ord. <u>No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2008</u>	2009 <u>Authorizations</u>	Balance, December 31, <u>2009</u>
12-06	Various Improvements	\$ 350		\$ 350
25-07	Various Improvements	300		300
26-08	Flanders Well #2	1,000,000		1,000,000
40-08	Various Improvements	346,750		346,750
17-09	Water System Interconn.		\$ 382,200	382,200
19-09	Various Improvements	-	213,750	213,750
		<u>\$ 1,347,400</u>	<u>\$ 595,950</u>	<u>\$ 1,943,350</u>

**SEWER UTILITY FUND**

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF SEWER UTILITY CASH**

	<u>Operating</u>	<u>Capital</u>	<u>Assessment</u>
Balance, December 31, 2008	\$ 2,767,949	\$ 230	\$ 1,837,704
Increased by Receipts:			
Interest on Investments and Deposits	\$ 13,240	\$ 1	\$ 5,243
Receipts from Sewer Utility Capital Fund	231		
Receipts from Sewer Utility Assessment Trust Fund	5,243		
Consumer Rents Accounts Receivable (Net of Refunds)	3,754,513		
Assessments Receivable			966,797
Receipts from Sale of EDU's			39,421
Reimbursement from Mount Olive School District	82,495		
Miscellaneous Budget Revenues	47,925		
Interest on Assessments	138,430		
Budget Refunds	<u>2,920</u>	<u>-</u>	<u>-</u>
	<u>4,044,997</u>	<u>1</u>	<u>1,011,461</u>
	6,812,946	231	2,849,165
Decreased by Disbursements:			
2009 Budget Appropriations	3,811,318		1,547,022
2008 Appropriation Reserves	158,773		
Accrued Interest on Bond and Notes	165,348		
Due to Sewer Operating Fund	<u>-</u>	<u>231</u>	<u>5,243</u>
	<u>4,135,439</u>	<u>231</u>	<u>1,552,265</u>
Balance, December 31, 2009	<u>\$ 2,677,507</u>	<u>\$ -</u>	<u>\$ 1,296,900</u>

**TOWNSHIP OF MOUNT OLIVE  
ANALYSIS OF SEWER CAPITAL CASH  
SEWER CAPITAL FUND**

**NOT APPLICABLE**

**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2008		\$ 503,154
Increased by:		
Sewer Rents Levied		3,566,784
		4,069,938
Decreased by:		
Cash Collections (net of refunds)	\$ 3,754,513	
Transfer to Utility Liens	3,633	
Cancelled	77,303	
		3,835,449
Balance, December 31, 2009		\$ 234,489

**STATEMENT OF UTILITY LIENS RECEIVABLE  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2008		\$ 1,628
Increased by:		
Interest and Costs	\$ 177	
Transfers from Consumer Accounts Receivable	3,633	
		3,810
		5,438
Decreased by:		
Foreclosed in 2009		1,866
Balance, December 31, 2009		\$ 3,572

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF ASSESSMENTS RECEIVABLE  
SEWER UTILITY ASSESSMENT TRUST FUND**

Balance, December 31, 2008		\$ 4,475,795
Increased by:		
Sale of EDU's		<u>39,421</u>
		4,515,216
Decreased by:		
Cancelled	\$ 6,689	
Transfer to Liens Receivable	1,620	
Cash Received for Sale of EDU's	39,421	
Cash Receipts for Assessments Receivable (Net of Refunds)	<u>966,797</u>	
		<u>1,014,527</u>
Balance, December 31, 2009		<u>\$ 3,500,689</u>

**STATEMENT OF ASSESSMENT LIENS RECEIVABLE  
SEWER UTILITY ASSESSMENT TRUST FUND**

Balance, December 31, 2008		\$ 2,354
Increased by:		
Interest and Costs	\$ 186	
Transfers from Assessments Receivable	<u>1,620</u>	
		<u>1,806</u>
		4,160
Decreased by:		
Foreclosed in 2009		
Amount to be Raised by Taxes	2,005	
Reserve for Interest and Costs on Liens	<u>349</u>	
		<u>2,354</u>
Balance, December 31, 2009		<u>\$ 1,806</u>
Balance Pledged to:		
Assessment Debt	\$ 1,620	
Reserve for Interest and Costs on Liens	<u>186</u>	
		<u>\$ 1,806</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF PROSPECTIVE ASSESSMENTS FUNDED  
SEWER UTILITY ASSESSMENT TRUST**

Ord. No.	Improvement Description	Balance December 31, 2008	Increased by Assessments Cancelled and Adjustments	Decreased by	Balance December 31, 2009	Balance Pledged To Wastewater Loans	Reserve
3-92/21-92/ 7-93/16-93/ 10-95/20-95/ 11-97/17-98	Sewer Collection and Treatment System - Budd Lake	\$ 3,274,170	\$ 6,689	\$ 39,421	\$ 3,241,438	\$ 2,891,650	\$ 349,788

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF ENCUMBRANCES PAYABLE -  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2008	\$ 187,648
Increased by:	
Charges to 2009 Budget Appropriations	<u>227,345</u>
	414,993
Decreased by:	
Transfer to Appropriation Reserves	<u>187,648</u>
Balance, December 31, 2009	<u>\$ 227,345</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF WASTEWATER LOANS PAYABLE  
SEWER UTILITY FUND**

	Sewer Assessment <u>Trust Fund</u>	Sewer Capital Fund	<u>Total</u>
Balance, December 31, 2008	\$ 8,476,886	\$ 500,696	\$ 8,977,582
Decreased by:			
Repayment of Loans by Assessment Budget	1,452,022		1,452,022
Repayment of Loans by Operating Budget	<u>-</u>	<u>66,974</u>	<u>66,974</u>
	<u>1,452,022</u>	<u>66,974</u>	<u>1,518,996</u>
Balance, December 31, 2009	<u>\$ 7,024,864</u>	<u>\$ 433,722</u>	<u>\$ 7,458,586</u>

Analysis of Balance

1993 Loan	\$ 6,084,981
1995 Loan	939,883
1996 Loan	<u>433,722</u>
	<u>\$ 7,458,586</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF APPROPRIATION RESERVES  
SEWER UTILITY OPERATING FUND**

	Balance, December 31, <u>2008</u>	Transferred From Encumbrances <u>Payable</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATING</b>					
Salaries and Wages	\$ 1,027		\$ 1,027		\$ 1,027
Other Expenses	13,777	\$ 73,990	87,767	\$ 60,615	27,152
Capital Outlay	7,278	113,658	120,936	98,158	22,778
<b>STATUTORY EXPENDITURES</b>					
Social Security System	<u>115</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>115</u>
	<u>\$ 22,197</u>	<u>\$ 187,648</u>	<u>\$ 209,845</u>	<u>\$ 158,773</u>	<u>\$ 51,072</u>
		Cash Disbursements		<u>\$ 158,773</u>	

**STATEMENT OF AMOUNT TO BE RAISED BY TAXES  
SEWER UTILITY ASSESSMENT FUND**

Increased By:	
Foreclosed in 2009	<u>\$ 2,005</u>
Balance, December 31, 2009	<u>\$ 2,005</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF FIXED CAPITAL  
SEWER UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2008</u>	Capital Outlay <u>Expenditures</u>	Balance, December 31, <u>2009</u>
11-97	Purch. Of 2 Utility Trucks and Sewer Cleaner	\$ 258,149		\$ 258,149
3-92/21-92/11-97	Sewer Coll. And Treatment System	1,020,800		1,020,800
07-93	Sewer Coll. And Treatment System	325,500		325,500
16-93	Sewer Coll. And Treatment System	19,635,575		19,635,575
10-95/20-95	Sewer Coll. And Treatment System	3,494,415		3,494,415
16-96	Construction of Sewer Connection	1,508,302		1,508,302
10-97	Musoncetcong Sewer Auth. Capital Charges	675,018		675,018
12-97	Refunding Bond Ordinance	3,606,000		3,606,000
20-98	Refunding Bond Ordinance	1,524,142		1,524,142
21-01	Acquisition of Dump Truck	15,000		15,000
32-02	Various Improvements	34,111		34,111
N/A	Pump Station Improvements	266,060		266,060
N/A	Acquisition of Pick Up Truck	29,877		29,877
N/A	Various Improvements	120,650		120,650
N/A	Various Improvements - 2007	25,831		25,831
N/A	Various Improvements - 2008	131,064		131,064
N/A	Various Improvements - 2009	-	\$ 113,658	113,658
		<u>\$ 32,670,494</u>	<u>\$ 113,658</u>	<u>\$ 32,784,152</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF RESERVE FOR PROSPECTIVE ASSESSMENTS FUNDED  
SEWER UTILITY ASSESSMENT TRUST FUND**

Ord. No.	Improvement Description	Balance December 31, <u>2008</u>	Balance December 31, <u>2009</u>
3-92/21-92/7-93/16-93/ 10-95/20-95/11-97/17-98	Sewer Collection and Treatment System - Budd Lake	\$ 349,788	\$ 349,788

EXHIBIT E-20

**STATEMENT OF RESERVE FOR LIEN INTEREST AND COSTS  
SEWER UTILITY ASSESSMENT TRUST FUND**

Balance, December 31, 2008	\$ 349
Increased by:	
Interest and Costs - 2009 Sale	<u>186</u>
	535
Decreased by:	
Foreclosed in 2009	<u>349</u>
Balance, December 31, 2009	<u>\$ 186</u>

EXHIBIT E-21

**STATEMENT OF RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2008	\$ 29,237,798
Increased by:	
2009 Budget Appropriation	
Transfer from Capital Outlay	\$ 113,658
Bond Principal	335,000
Loan Principal	<u>66,974</u>
	<u>515,632</u>
Balance, December 31, 2009	<u>\$ 29,753,430</u>

EXHIBIT E-22

**STATEMENT OF CAPITAL IMPROVEMENT FUND  
SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2008	\$ 230
Decreased by:	
Anticipated as Revenue in Sewer Operating Fund	<u>\$ 230</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF ACCRUED INTEREST ON BONDS AND LOANS  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2008		\$ 165,348
Increased by:		
Charges to 2009 Budget Appropriations:		
Interest on Bonds and Notes		<u>142,387</u>
		307,735
Decreased by:		
Cash Disbursements		<u>165,348</u>
Balance, December 31, 2009		<u>\$ 142,387</u>
	Serial Bonds	\$ 54,835
	Wastewater Loans	<u>87,552</u>
		<u>\$ 142,387</u>

TOWNSHIP OF MOUNT OLIVE  
 STATEMENT OF SERIAL BONDS  
 SEWER UTILITY CAPITAL FUND

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, December 31, 2008	Decreased	Balance, December 31, 2009
			Date	Outstanding December 31, 2009 Amount				
Sewer Refunding Bonds	5/25/2005	2,957,000	8/15/10	\$ 330,000	3.25-5.00%	\$ 2,932,000	\$ 335,000	\$ 2,597,000
			8/15/11-15	335,000				
			8/15/16	322,000				
			8/15/17-18	135,000				
						<u>\$ 2,932,000</u>	<u>\$ 335,000</u>	<u>\$ 2,597,000</u>
							<u>\$ 335,000</u>	

Paid by Budget Appropriation



**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF DUE TO SEWER OPERATING FUND  
SEWER UTILITY ASSESSMENT TRUST FUND**

Increased by:		
Interest on Investments	\$	<u>5,243</u>
Decreased by:		
Cash Disbursements	\$	<u>5,243</u>

**STATEMENT OF DUE TO SEWER OPERATING FUND  
SEWER UTILITY CAPITAL FUND**

Increased by:		
Interest on Investments	\$	1
Capital Improvement Fund - Sewer Capital Fund		<u>230</u>
	\$	<u>231</u>
Decreased by:		
Cash Disbursements	\$	<u>231</u>

**SOLID WASTE COLLECTION DISTRICT FUND**

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF CASH  
SOLID WASTE COLLECTION DISTRICT FUND**

Balance, December 31, 2008		\$ 289,454
Increased by:		
Budget Revenue	\$ 1,496,311	
Non Budget Revenue	1,180	
Due from County of Morris	653,704	
Appropriation Refunds	<u>35,135</u>	
		<u>2,186,330</u>
		2,475,784
Decreased by Disbursements:		
2008 Appropriation Reserves	119,217	
2009 Appropriation Expenditures	2,231,586	
Refund of Prior Year Revenue	<u>10</u>	
		<u>2,350,813</u>
Balance, December 31, 2009		<u>\$ 124,971</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF DUE FROM COUNTY OF MORRIS  
SOLID WASTE COLLECTION DISTRICT FUND**

Balance, December 31, 2008	\$ 122,366
Increased by:	
Host Benefit Fees Realized as Revenue	645,213
	767,579
Decreased by:	
Cash Receipts	653,704
Balance, December 31, 2009	\$ 113,875

EXHIBIT F-6

**STATEMENT OF 2008 APPROPRIATION RESERVES  
SOLID WASTE COLLECTION DISTRICT FUND**

	Balance December 31, <u>2008</u>	Transfer From Encumbrances <u>Payable</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 3,316		\$ 3,316		\$ 3,316
Other Expenses	32,029	\$ 102,667	134,696	\$ 119,217	15,479
Statutory Expenditures:					
Social Security System	2,706	-	2,706	-	2,706
	<u>\$ 38,051</u>	<u>\$ 102,667</u>	<u>\$ 140,718</u>	<u>\$ 119,217</u>	<u>\$ 21,501</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF ENCUMBRANCES PAYABLE  
SOLID WASTE COLLECTION DISTRICT FUND**

Balance, December 31, 2008	\$ 102,667
Increased by:	
Charges to 2009 Budget	<u>137,094</u>
	239,761
Decreased by:	
Transfer to 2008 Appropriation Reserves	<u>102,667</u>
Balance, December 31, 2009	<u>\$ 137,094</u>

**RECREATION UTILITY FUND**

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF CASH  
RECREATION UTILITY FUND**

Balance, December 31, 2008		\$ 164,007
Increased by:		
Budget Revenue	\$ 349,964	
Non Budget Revenue	<u>1,129</u>	
		<u>351,093</u>
		515,100
Decreased by Disbursements:		
2008 Appropriation Reserves	5,623	
2009 Appropriation Expenditures	<u>355,026</u>	
		<u>360,649</u>
Balance, December 31, 2009		<u>\$ 154,451</u>

**STATEMENT OF ENCUMBRANCES PAYABLE  
RECREATION UTILITY FUND**

Balance, December 31, 2008		\$ 7,993
Increased by:		
Charges to 2009 Budget		<u>5,495</u>
		13,488
Decreased by:		
Transfer to Appropriation Reserves		<u>7,993</u>
Balance, December 31, 2009		<u>\$ 5,495</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF 2008 APPROPRIATION RESERVES  
RECREATION UTILITY FUND**

	Balance December 31, <u>2008</u>	Transfer From Encumbrances <u>Payable</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 282		\$ 282		\$ 282
Other Expenses	8,198	\$ 7,993	16,191	\$ 5,623	10,568
Statutory Expenditures:					
Social Security System	<u>4,841</u>	<u>-</u>	<u>4,841</u>	<u>-</u>	<u>4,841</u>
	<u>\$ 13,321</u>	<u>\$ 7,993</u>	<u>\$ 21,314</u>	<u>\$ 5,623</u>	<u>\$ 15,691</u>

**TOWNSHIP OF MOUNT OLIVE  
STATEMENT OF FIXED CAPITAL  
RECREATION UTILITY CAPITAL FUND**

Increased by:	
Capital Outlay Charged to 2009 Budget	\$ <u>2,595</u>
 Balance, December 31, 2009	 \$ <u>2,595</u>

**STATEMENT OF RESERVE FOR AMORTIZATION  
RECREATION UTILITY CAPITAL FUND**

Increased by:	
Capital Outlay Charged to 2009 Budget	\$ <u>2,595</u>
 Balance, December 31, 2009	 \$ <u>2,595</u>

**TOWNSHIP OF MOUNT OLIVE  
MORRIS COUNTY, NEW JERSEY**

**PART II**

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**GOVERNMENT AUDITING STANDARDS**

**AND**

**SINGLE AUDIT**

# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208  
FAIR LAWN, NJ 07410  
TELEPHONE (201) 791-7100  
FACSIMILE (201) 791-3035  
WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH KOZAK, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA

## 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

Honorable Mayor and Members  
of the Township Council  
Township of Mount Olive  
Mount Olive, New Jersey

We have audited the financial statements – regulatory basis of the Township of Mount Olive as of and for the year ended December 31, 2009, and have issued our report thereon dated June 22, 2010 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. 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 Township of Mount Olive'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 Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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

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

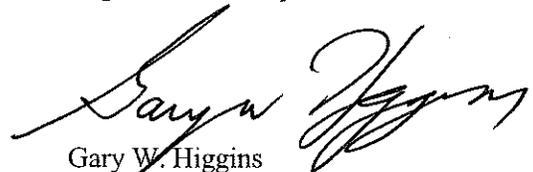
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Mount Olive's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the governing body, management and New Jersey Department of Community Affairs and is not intended to be and should not be used by anyone other than these specified parties.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants



Gary W. Higgins  
Registered Municipal Accountant  
RMA Number CR00405

Fair Lawn, New Jersey  
June 22, 2010

**TOWNSHIP OF MOUNT OLIVE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED DECEMBER 31, 2009**

Grant Year	Federal CFDA Number	Grant Award Received	Balance, December 31, 2008	Revenue Realized	Cancelled	Expenditures	Balance, December 31, 2009
U.S. Dept. of Justice							
2009	16.710	\$ 25,000	\$	\$ 25,000	\$	\$ 25,000	
COPS Universal Hiring Program							
U.S. Dept. of Health and Human Services							
2009	93.069	34,680		90,672		17,814	\$ 72,858
H1N1 Flu Preparedness							
U.S. Dept. of Transportation							
2009	20.600	3,857		4,000	143	3,857	
Obey the Signs or Pay the Fines							
2009	20.601	18,178		18,178			18,178
2008	20.601		\$ 15,606			7,291	8,315
2007	20.601		18,260			18,260	
2009	20.205		-	155,000	-	-	155,000
Highway Aid - Ord. 18-09							
			\$ -	\$ 292,850	\$ 143	\$ 72,222	\$ 254,351

Note - This schedule was not subject to an audit in accordance with OMB Circular A-133.

**TOWNSHIP OF MOUNT OLIVE  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

State Grant Program	Grant Number	Grant Year	Grant Amount Received	Balance, December 31, 2008	2009 Revenue	Cancelled	Expended	Balance, December 31, 2009	(Memo) Cumulative Expenditures
Clean Communities Program	4900-752-178810-60	2009 2008	\$ 44,244	\$ 15,317	\$ 44,244		\$ 28,121 15,317	\$ 16,123	\$ 28,121 34,859
Recycling Tonnage Grant	N/A	2009 2008 2007	74,503 20,724 8,350	20,724 8,350	74,503		27,437 20,724 8,350	47,066	27,437 20,724 9,317
Public Health Priority Funding	4220-150-021-030-60	2009	12,674		12,674		12,674		12,674
Body Armor Replacement Grant	N/A	2006	10,955	6,810		(1,880)		8,690	2,265
Bullet Proof Vest Partnership	N/A	2003 2003	1,313		1,313	(573)		1,313 573	13,406
Pandemic Flu Preparedness	N/A	2009	2,500		2,500	90	2,410		2,410
Clean Energy Grant	N/A	2009			14,297		14,297		14,297
Alcohol, Education and Rehab	N/A	2009	1,717		1,717			1,717	
NJDEP - Recreation Trails Grant	N/A	2007		2,300				2,300	
Highlands Council Grant	N/A	2009	15,021		50,000		43,450	6,550	43,450
Planning Assistance Grant	N/A	2008		17,628		1,910	15,718		15,718
Over the Limit Under Arrest	N/A	2009	5,614		6,000	386	5,614		5,614
Holiday - Over the Limit Under Arrest	N/A	2009	5,000		5,000		5,000		5,000
Water Use and Conservation	N/A	2009			5,000			5,000	
Tobacco Age of Sale Enforcement Grant	97-1679-ADA-00	2009 2008	1,500 900	364	1,500		250	1,500 114	786
Enhanced 911 Equipment Grant	N/A	2007		548			446	102	11,412
Department of Transportation Ordinance #46-08 Various Improvements Ordinance # 37-02 Turkey Brook Park Pedestrian & Bicycle Connections	N/A	2008 2002		200,000 200,000			131,148	68,852	131,148
				200,000				200,000	
			\$ 472,041		\$ 218,748	\$ 2,386	\$ 328,503	\$ 359,900	\$ 378,638

N/A - Not Available

Note - This schedule was not subject to an audit in accordance with NJ OMB Circular 04-04.

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

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2009**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Financial assistance revenues are reported in the Township's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 292,850	\$ 218,748	\$ 511,598
Total Financial Awards	<u>\$ 292,850</u>	<u>\$ 218,748</u>	<u>\$ 511,598</u>

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Township's fiscal year and grant program year.

**TOWNSHIP OF MOUNT OLIVE  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2009**

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The Township's federal and state loans outstanding at December 31, 2009, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>Federal CFDA Number/ State Account Number</u>	<u>State</u>
Garden State Preservation Trust Loan	1427-96-025	\$ 354,370
Green Trust Loan	V-226-6020	673,592
Wastewater Trust Loans	4860-510-702440-61	9,106,486
EDA Loan	004-L04229	<u>47,344</u>
		<u>\$ 10,181,792</u>

**TOWNSHIP OF MOUNT OLIVE  
MORRIS COUNTY, NEW JERSEY**

**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2009**

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -  
CURRENT FUND**

	<u>Year 2009</u>			<u>Year 2008</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
<b>REVENUE AND OTHER INCOME REALIZED</b>						
Fund Balance Utilized	\$ 2,991,310	3.08	%	\$ 3,000,000	3.19	%
Miscellaneous - From Other Than						
Local Property Tax Levies	5,778,204	5.95		6,655,784	7.08	
Collection of Delinquent Taxes and Tax Title Liens	1,023,953	1.06		820,449	0.87	
Collection of Current Tax Levy	87,094,618	89.72		83,350,242	88.59	
Other Credits to Income	183,910	0.19		254,893	0.27	
	<u>97,071,995</u>	<u>100.00</u>	%	<u>94,081,368</u>	<u>100.00</u>	%
<b>EXPENDITURES</b>						
<b>Budget Expenditures</b>						
Municipal Purposes	24,750,132	26.05	%	24,226,216	26.37	%
Local School Taxes	59,532,178	62.67		56,786,067	61.81	
County Taxes	8,767,904	9.23		8,905,753	9.69	
Sanitation District Taxes	1,332,647	1.40		1,352,080	1.47	
Municipal Open Space Preservation	587,826	0.62		588,776	0.64	
Other Expenditures	24,639	0.03		9,996	0.02	
	<u>94,995,326</u>	<u>100.00</u>	%	<u>91,868,888</u>	<u>100.00</u>	%
Excess in Revenue	2,076,669			2,212,480		
Fund Balance, January 1	<u>4,119,628</u>			<u>4,907,148</u>		
	6,196,297			7,119,628		
Decreased by:						
Utilized as Anticipated Revenue	<u>2,991,310</u>			<u>3,000,000</u>		
Fund Balance, December 31	<u>\$ 3,204,987</u>			<u>\$ 4,119,628</u>		

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -  
WATER UTILITY OPERATING FUND**

	<u>Year 2009</u>			<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>					
Fund Balance Utilized	\$ 357,079	19.88 %	\$	155,273	8.92 %
Collection of Water Rents	1,314,343	73.18		1,319,616	75.77
Miscellaneous - From Other Than Water Rents	107,464	5.98		253,733	14.57
Other Credits to Income	<u>17,238</u>	<u>0.96</u>		<u>13,077</u>	<u>0.74</u>
 Total Income	 <u>1,796,124</u>	 <u>100.00</u> %		 <u>1,741,699</u>	 <u>100.00</u> %
 <b>EXPENDITURES</b>					
<b>Budget Expenditures</b>					
Operating	1,223,104	71.21 %		1,128,515	75.27 %
Capital Improvements	11,250	0.66		18,250	1.22
Debt Service	432,931	25.20		299,740	20.00
Deferred Charges and Statutory Expenditures	50,326	2.93		43,908	2.93
Refund of Prior Year Revenue	<u>-</u>	<u>-</u>		<u>8,957</u>	<u>0.58</u>
 Total Expenditures	 <u>1,717,611</u>	 <u>100.00</u> %		 <u>1,499,370</u>	 <u>100.00</u> %
 Excess in Revenue	 78,513			 242,329	
 Fund Balance, January 1	 <u>658,088</u>			 <u>571,032</u>	
	736,601			813,361	
Decreased by:					
Utilized as Anticipated Revenue	<u>357,079</u>			<u>155,273</u>	
 Fund Balance, December 31	 <u>\$ 379,522</u>			 <u>\$ 658,088</u>	

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -  
SEWER UTILITY OPERATING FUND**

	<u>Year 2009</u>			<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>					
Fund Balance Utilized	\$ 893,968	17.93 %	\$	684,605	14.25 %
Sewer User Fees	3,754,513	75.28		3,581,040	74.55
Miscellaneous - From Other Than					
Sewer Service Charges	287,564	5.77		489,487	10.19
Prior Year Accounts Payable Cancelled	-	-		12,143	0.25
Unexpended Balance of Appropriation Reserves	<u>51,072</u>	<u>1.02</u>		<u>36,496</u>	<u>0.76</u>
Total Income	<u>4,987,117</u>	<u>100.00 %</u>		<u>4,803,771</u>	<u>100.00 %</u>
<b>EXPENDITURES</b>					
<b>Budget Expenditures</b>					
Operating	3,298,432	77.93 %		3,123,814	74.48 %
Deferred Charges and Statutory Expenditures	46,683	1.10		40,430	0.96
Debt Service	752,744	17.78		765,118	18.24
Capital Outlay	<u>135,000</u>	<u>3.19</u>		<u>265,000</u>	<u>6.32</u>
Total Expenditures	<u>4,232,859</u>	<u>100.00 %</u>		<u>4,194,362</u>	<u>100.00 %</u>
Excess in Revenue	754,258			609,409	
Fund Balance, January 1	<u>2,392,756</u>			<u>2,467,952</u>	
	3,147,014			3,077,361	
Decreased by:					
Utilized as Anticipated Revenue	<u>893,968</u>			<u>684,605</u>	
Fund Balance, December 31	<u>\$ 2,253,046</u>			<u>\$ 2,392,756</u>	

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -  
SOLID WASTE COLLECTION DISTRICT FUND**

	<u>Year 2009</u>			<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>					
Fund Balance Utilized	\$ 271,000	11.13 %	\$	381,122	13.96 %
Sanitation District Taxes	1,332,647	54.72		1,352,080	49.54
Host Benefit Fees - Transfer Station	707,039	29.03		811,891	29.46
Miscellaneous - Fees	103,018	4.23		99,858	3.66
Unexpended Balance of Appropriation Reserves	<u>21,501</u>	<u>0.88</u>		<u>92,282</u>	<u>3.38</u>
 Total Income	 <u>2,435,205</u>	 <u>100.00</u> %		 <u>2,737,233</u>	 <u>100.00</u> %
 <b>EXPENDITURES</b>					
Budget Expenditures					
Operating	2,259,590	93.94 %		2,356,587	91.57 %
Deferred Charges and Statutory Expenditures	127,595	5.30		116,912	4.54
Surplus (General Budget)	18,087	0.75		100,150	3.89
Refund of Prior Year Revenue	<u>10</u>	<u>0.01</u>		<u>-</u>	<u>-</u>
 Total Expenditures	 <u>2,405,282</u>	 <u>100.00</u> %		 <u>2,573,649</u>	 <u>100.00</u> %
 Excess in Revenue	 29,923			 163,584	
 Fund Balance, January 1	 <u>271,102</u>			 <u>488,640</u>	
	301,025			652,224	
Decreased by:					
Utilized as Anticipated Revenue	<u>271,000</u>			<u>381,122</u>	
 Fund Balance, December 31	 <u>\$ 30,025</u>			 <u>\$ 271,102</u>	

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE –  
RECREATION UTILITY FUND**

	<u>Year 2009</u>			<u>Year 2008</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
<b>REVENUE AND OTHER INCOME REALIZED</b>						
Fund Balance Utilized	\$ 100,000	21.42	%	\$ 65,071	14.90	%
Program Fees	349,964	74.98		335,565	76.83	
Other Credits to Income	<u>16,820</u>	<u>3.60</u>		<u>36,150</u>	<u>8.27</u>	
 Total Income	 <u>466,784</u>	 <u>100.00</u>	 %	 <u>436,786</u>	 <u>100.00</u>	 %
<b>EXPENDITURES</b>						
Budget Expenditures						
Operating	375,448	95.77	%	293,753	95.46	%
Capital Outlay	2,595	0.66				
Statutory Expenditures	<u>14,003</u>	<u>3.57</u>		<u>13,957</u>	<u>4.54</u>	
 Total Expenditures	 <u>392,046</u>	 <u>100.00</u>	 %	 <u>307,710</u>	 <u>100.00</u>	 %
 Excess in Revenue	 74,738			 129,076		
 Fund Balance, January 1	 <u>142,693</u>			 <u>78,688</u>		
Decreased by:						
Utilized as Anticipated Revenue	<u>100,000</u>			<u>65,071</u>		
 Fund Balance, December 31	 <u>\$ 117,431</u>			 <u>\$ 142,693</u>		

**TOWNSHIP OF MOUNT OLIVE  
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>
2009	\$ 88,388,382	\$ 87,094,618	98.53%
2008	84,710,223	83,350,242	98.39%
2007	81,844,643	80,524,530	98.38%

**Delinquent Taxes and Tax Title Liens**

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2009	\$ 270,782	\$ 1,134,854	\$ 1,405,636	1.590%
2008	243,635	1,089,273	1,332,908	1.573%
2007	404,314	866,019	1,270,333	1.552%

**Property Acquired by Tax Title Lien Liquidation**

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

<u>Year</u>	<u>Amount</u>
2009	\$4,380,394
2008	4,349,894
2007	4,111,494

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2009</u>	<u>2008 (A)</u>	<u>2007</u>
Tax Rate	<u>\$2.44</u>	<u>\$2.32</u>	<u>\$4.10</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.51	.48	.82
County	.24	.24	.44
Local School	1.63	1.55	2.74
Sanitation District	.06	.06	.10

(A) During 2007 the Township underwent a revaluation of real property which became effective in 2008.

Assessed Valuation

2009	<u>\$3,657,876,297</u>	
2008		<u>\$3,673,163,443</u>
2007		<u>\$1,978,562,802</u>

**Comparison of Water Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>
2009	\$1,303,357	\$1,314,343
2008	1,313,355	1,319,616
2007	1,166,729	1,156,948

**Comparison of Sewer Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>
2009	\$3,566,784	\$3,754,513
2008	3,626,288	3,581,040
2007	3,815,348	3,534,483

(1) Includes collection of prior year receivables.

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year (A)</u>
Current Fund	2009	\$ 3,204,987	\$ 2,350,000
	2008	4,119,628	2,991,310
	2007	4,907,148	3,000,000
	2006	4,066,577	2,826,000
	2005	3,256,162	2,338,500
Water Utility Operating Fund	2009	\$ 379,522	\$ 340,787
	2008	658,088	357,079
	2007	571,032	155,273
	2006	627,631	208,157
	2005	665,069	156,899
Sewer Utility Operating Fund	2009	\$ 2,253,046	\$ 970,279
	2008	2,392,756	893,968
	2007	2,467,952	684,605
	2006	2,162,843	512,273
	2005	1,943,250	957,238
Solid Waste Collection District Fund	2009	\$ 30,025	\$ 26,672
	2008	271,102	271,000
	2007	488,640	381,122
	2006	463,840	330,000
	2005	399,184	253,708
Recreation Utility Fund	2009	\$ 117,431	\$ 87,600
	2008	142,693	100,000
	2007	78,688	65,071
	2006	94,290	57,560
	2005	61,055	33,200

(A) The above 2009 fund balance amounts appropriated represent the surplus anticipated in the 2010 introduced municipal budget. The 2010 municipal budget has not been legally adopted as of the date of the audit.

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
David M. Scapicchio	Mayor		
Russ Tepper	Council President (through 7/7/09)		
Steve Rattner	Council President (after 7/7/09)		
Colleen Labow	Council Vice President		
Raymond T. Perkins	Councilman		
Phillip Tobey	Councilman		
Robert Greenbaum	Councilman		
Silvio Roman	Councilman		
John Mania	Councilman (From November 2009)		
Bill Sohl	Business Administrator		
Lisa Lashway	Clerk		
Sherry Maniscalco	Director of Finance, CFO and Treasurer	\$1,000,000	Fidelity and Deposit Co. Blanket Bond
Rose Barsanti	Tax/Utility Collector	1,000,000	Fidelity and Deposit Co. Blanket Bond
John Dorsey	Attorney		
Philip Maenza	Municipal Court Judge	1,000,000	Fidelity and Deposit Co. Blanket Bond
Jennifer Gentilucci	Court Administrator	1,000,000	Fidelity and Deposit Co. Blanket Bond
Gary Lindsey	Construction Code Official		
John Marchione	Tax Assessor		

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

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

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$21,000, except by contract or agreement."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year where question arises as to whether any contract agreement might result in violation of the statute; the Township Counsel's opinion should be sought before a commitment is made.

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

Water Testing Services	Cleaning Services
Truck Wash Water Recycling System	In-Car Computers for the Police Dept.
Budd Lake Herbicide Based Weed Control Program	Environment One Grinder Pump
Sewerage Sludge Pumping Service	Landscaping and Snow Plowing Services
Fleet Maintenance	DPW and Dispatch Uniforms
Improvements to Flanders-Bartley Road	Motor Coach Transportation
Electrician Services	Turkey Brook Park/Bike Pedestrian Path
Collision Repair Services	Project

Other purchases were made under provisions of contracts entered into with the State of New Jersey Division of Purchases and Property.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our audit of expenditures revealed no instances where expenditures were in excess of \$21,000 for which no public advertising for bids were sought. N.J.S.A. 40A:11-4 requires that any work, materials or supplies, acquired or furnished for a sum exceeding in the aggregate \$21,000 shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding thereof, except as is provided otherwise by law.

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.

**Collection of Interest on Delinquent Taxes and Assessments**

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

The Governing Body on January 6, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

**Collection of Interest on Delinquent Taxes and Assessments (Continued)**

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 non-payment 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% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Mount Olive, 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 becoming delinquent after due date and if delinquent is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of 6% shall be charged against the delinquency.

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

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on May 28, 2009.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Tax Title</u>	<u>Sewer Rent Liens</u>	<u>Sewer Assessment Liens</u>
2009	11	2	1
2008	6	1	1
2007	16	1	1

The audit of the tax title liens indicates certain liens are several years old. The Township is in the process of liquidating old outstanding liens.

**TOWNSHIP OF MOUNT OLIVE  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

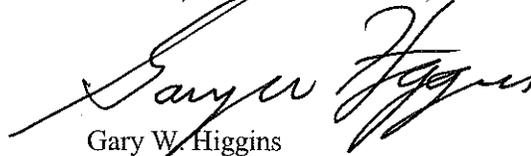
There are none.

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Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Gary W. Higgins  
Registered Municipal Accountant  
RMA Number CR00405