

TOWNSHIP OF MOUNT OLIVE
MORRIS COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2010

TOWNSHIP OF MOUNT OLIVE

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

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2010**

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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, 2010 and 2009 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2010. These financial statements are the responsibility of the 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.

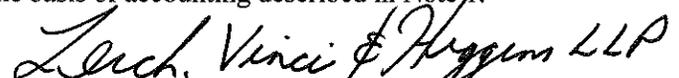
In addition, the financial statements of the Length of Service Awards Program (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Fund financial 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 18 percent and 14 percent of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2010 and 2009.

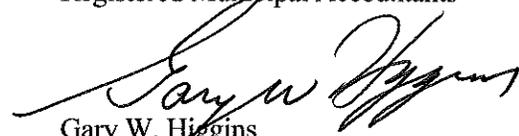
In our opinion, because of the effects of the Township preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Mount Olive as of December 31, 2010 and 2009, 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.

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, 2010 and 2009 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, 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 7, 2011 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 7, 2011

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Regular Fund			
Cash	A-4	\$ 4,444,365	\$ 4,853,742
Change Funds	A-5	1,450	1,450
Due from the State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	<u>31,157</u>	<u>32,047</u>
		<u>4,476,972</u>	<u>4,887,239</u>
Receivables and Other Assets with Full Reserves			
Delinquent Taxes Receivable	A-7	1,052,387	1,134,854
Tax Title Liens Receivable	A-8	346,530	270,782
Property Acquired for Taxes - Assessed Valuation	A-9	4,380,394	4,380,394
Revenue Accounts Receivable	A-10	<u>42,063</u>	<u>41,261</u>
		<u>5,821,374</u>	<u>5,827,291</u>
Deferred Charges			
Special Emergency Authorizations	A-11	<u>84,155</u>	<u>204,955</u>
Total Regular Fund		<u>10,382,501</u>	<u>10,919,485</u>
Federal and State Grant Fund			
Cash	A-4	54,732	92,793
Grants Receivable	A-24	<u>82,238</u>	<u>124,475</u>
Total Federal and State Grant Fund		<u>136,970</u>	<u>217,268</u>
Total Assets		<u>\$ 10,519,471</u>	<u>\$ 11,136,753</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund			
Appropriation Reserves	A-3,A-12	\$ 142,677	\$ 218,269
Encumbrances Payable	A-13	481,474	579,666
Special Emergency Notes Payable	A-17	-	192,200
Prepaid Taxes	A-16	476,251	294,498
Reserve for Tax Appeals	A-21	193,814	347,363
Fees Payable	A-15	600	750
Miscellaneous Reserves and Deposits	A-20	<u>285,272</u>	<u>254,461</u>
		1,580,088	1,887,207
Reserve for Receivables and Other Assets	A	5,821,374	5,827,291
Fund Balance	A-1	<u>2,981,039</u>	<u>3,204,987</u>
Total Regular Fund		<u>10,382,501</u>	<u>10,919,485</u>
Federal and State Grant Fund			
Encumbrances Payable	A-14	39,720	23,114
Reserve for Grants and Donations - Unappropriated	A-23	118	-
Reserve for Grants and Donations - Appropriated	A-22	<u>97,132</u>	<u>194,154</u>
Total Federal and State Grant Fund		<u>136,970</u>	<u>217,268</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,519,471</u>	<u>\$ 11,136,753</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Fund Balance Utilized	A-2	\$ 2,350,000	\$ 2,991,310
Miscellaneous Revenue Anticipated	A-2	5,122,192	5,523,779
Receipts from Delinquent Taxes	A-7	1,149,374	1,023,953
Receipts from Current Taxes	A-2	89,153,385	87,094,618
Non-Budget Revenue	A-2	254,578	254,425
Other Credits to Income			
Tax Sale Premium Escheated	A-20	100	6,300
Unexpended Balances of Appropriation Reserves	A-12	193,638	177,610
		<hr/>	<hr/>
Total Income		98,223,267	97,071,995
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	9,350,069	9,136,284
Other Expenses	A-3	7,892,302	8,709,493
Capital Improvements	A-3	-	28,155
Municipal Debt Service	A-3	4,744,790	4,581,435
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,338,496	2,294,765
County Taxes	A-18	7,737,801	7,498,413
County Taxes - Added Taxes	A-18	16,374	14,665
County Taxes - Open Space Preservation	A-18	850,063	1,254,826
Local District School Taxes	A-19	60,702,860	59,532,178
Sanitation District Taxes	A-26	1,872,867	1,329,926
Sanitation District Taxes - Added Taxes	A-26	2,335	2,721
Municipal - Open Space Preservation	A-25	588,008	587,826
Other Debits to Income			
Refund of Prior Year Revenue	A-1	-	22,889
Prior Year Senior Citizens Deduction Disallowed - Net	A-6	1,250	1,750
		<hr/>	<hr/>
Total Expenditures		96,097,215	94,995,326
Excess in Revenue		<hr/>	<hr/>
		2,126,052	2,076,669

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, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Excess in Revenue (Brought Forward)		\$ 2,126,052	\$ 2,076,669
FUND BALANCE, JANUARY 1	A	<u>3,204,987</u>	<u>4,119,628</u>
		5,331,039	6,196,297
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>2,350,000</u>	<u>2,991,310</u>
FUND BALANCE, DECEMBER 31,	A	<u>\$ 2,981,039</u>	<u>\$ 3,204,987</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Reference</u>	2010 Anticipated <u>Budget</u>	<u>Added</u> by NJS <u>40A:4-87</u>	Realized <u>in 2010</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	A-1	\$ 2,350,000	-	\$ 2,350,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-10	24,000		24,346	\$ 346
Fees and Permits					
Other	A-2	185,000		145,834	(39,166)
Fines and Costs - Municipal Court	A-10	400,000		426,979	26,979
Interest and Costs on Taxes	A-10	181,000		245,550	64,550
Interest on Investments and Deposits	A-2	20,000		49,670	29,670
Water Tower Rental - NYNEX	A-10	174,000		188,576	14,576
Interest on Developers' Deposit Fees	A-10	10,000		6,900	(3,100)
Life Hazard Use Fees	A-10	44,513		38,609	(5,904)
Fire Prevention Inspection Fees	A-10	73,000		75,705	2,705
Consolidated Municipal Property Tax Relief	A-10	217,350		216,405	(945)
Energy Receipts Tax	A-10	1,748,881		1,748,881	
Reserve for Garden State Trust Fund	A-10	100,061		100,061	
Uniform Construction Code Fees	A-10	265,000		404,949	139,949
State and Federal Revenues Offset					
With Appropriations					
Interlocal Health Agreement	A-10	115,186		116,186	1,000
Cops Universal Hiring Grant	A-24	12,337		12,337	
Body Armor Replacement	A-24	1,843	\$ 4,758	6,601	
Alcohol Traffic Safety and Drunk Driving	A-24		4,400	4,400	
Alcohol, Education and Rehabilitation	A-24		1,508	1,508	
Highlands Council Grant	A-24	50,000		50,000	
Acquisition of Police Radar Units	A-24		9,628	9,628	
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, 2010

	<u>Reference</u>	2010 <u>Anticipated</u> <u>Budget</u>	<u>Added</u> by NJS <u>40A:4-87</u>	<u>Realized</u> in 2010	<u>Excess or</u> <u>(Deficit)</u>
State and Federal Revenues Offset					
With Appropriations (Continued)					
Donation - Cablevision	A-24	\$ 2,000		\$ 2,000	
Donation - Flanders Park	A-24		\$ 145	145	
Donation - Benjamin Moore	A-24		1,125	1,125	
State Health Services Grant	A-24	24,732		24,732	
Drunk Driving Enforcement Fund	A-24		17,210	17,210	
Clean Communities Program	A-24	46,513		46,513	
Electronic Submission Pilot Program Grant	A-24	2,500		2,500	
Public Health Priority Funding	A-24	8,114		8,114	
Other Special Items:					
Cable TV Franchise Fees	A-10	84,957		84,957	
Hotel Tax Revenues	A-10	170,000		187,653	\$ 17,653
Due from Mt. Olive Child Care - Lease	A-10	81,034		81,034	
Insurance Recovery Settlement	A-10	180,057		165,017	(15,040)
General Capital Fund Surplus	A-10	36,216		36,216	
Due from Open Space Trust Fund - Debt Service	A-10	<u>586,851</u>	-	<u>586,851</u>	-
	A-1	<u>4,845,145</u>	<u>43,774</u>	<u>5,122,192</u>	<u>233,273</u>
Receipts from Delinquent Taxes	A-2	<u>1,025,000</u>	-	<u>1,149,374</u>	<u>124,374</u>
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	A-2	<u>18,374,729</u>	-	<u>19,583,978</u>	<u>1,209,249</u>
Budget Totals		<u>\$ 26,594,874</u>	<u>\$ 43,774</u>	28,205,544	<u>\$ 1,566,896</u>
Non-Budget Revenue	A-2, A-4			<u>254,578</u>	
				<u>\$ 28,460,122</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, 2010**

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 89,153,385
Allocated to School, County and Special District Taxes	A-18, A-19, A-25, A-26	<u>71,770,308</u>
		17,383,077
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,200,901</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 19,583,978</u>
Fees and Permits - Other		
Township Clerk	A-10	\$ 2,443
Board of Health	A-10	86,502
Registrar	A-10	4,231
SMA Clinic, Shots and Screenings	A-10	13,394
Police Department	A-10	4,525
Tax Search Officer	A-10	50
Tax Assessor	A-10	881
Engineering	A-10	2,335
Planning Board	A-10	14,053
Zoning Board	A-10	12,600
Water Testing	A-10	4,520
Senior Activities	A-10	<u>300</u>
	A-2	<u>\$ 145,834</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-10	\$ 48,990
Due from Federal and State Grant Fund	A-4	75
Due from General Capital Fund	C-7	<u>605</u>
	A-2	<u>\$ 49,670</u>
Analysis of Receipts from Delinquent Taxes		
Taxes Receivable	A-7	\$ 1,147,619
Tax Title Liens	A-8	<u>1,755</u>
	A-2	<u>\$ 1,149,374</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, 2010**

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
Miscellaneous Receipts		\$ 1,995
BAN Accrued Interest		4,930
CBS Outdoor Lease Agreement		5,056
Comcast Cable Franchise Fees		2,120
Verizon Franchise Fees		20,843
Coffee Machine/Vending Receipts		442
NSF Fees		340
Prior Year Refunds		25,928
Paragon In-Lieu Tax		101,764
Abiding Peace In-Lieu Tax		50,889
Hackettstown Medical Rental		8,400
Returns of LOSAP		9,758
Administrative Fee- Seniors and Veterans		2,720
Inspection Fines		4,603
Off Duty Administrative Fee		<u>14,790</u>
	A-2,A-4	<u>\$ 254,578</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, 2010**

	<u>2010 Appropriated</u>		<u>2010 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Mayor and Council					
Salaries & Wages	\$ 35,500	\$ 35,500	\$ 35,500		
Other Expenses	25,957	20,057	17,987	\$ 2,070	
Township Clerk					
Salaries & Wages	168,791	166,791	161,111	1,180	\$ 4,500
Other Expenses	20,362	22,362	22,129	233	
Business Administration					
Salaries & Wages	266,108	266,108	265,621	487	
Other Expenses	19,494	15,494	11,144	2,350	2,000
Financial Administration					
Salaries & Wages	186,517	186,517	186,517		
Other Expenses	11,970	11,970	11,970		
Annual Audit	33,709	33,709	33,709		
Revenue Administration (Tax Collection)					
Salaries & Wages	63,123	63,123	63,123		
Other Expenses	8,123	8,123	8,073	50	
Assessment of Taxes					
Salaries & Wages	159,368	160,468	160,449	19	
Other Expenses	39,105	59,105	56,587	518	2,000
Legal Services & Costs					
Other Expenses	223,716	218,716	214,902	3,814	
Engineering Services					
Salaries & Wages	50,082	50,082	49,470	612	
Other Expenses	16,929	16,929	14,964	1,965	
Industrial and Economic Development Committee					
Other Expenses	500	500			500
Pride Committee					
Other Expenses	2,853	2,853	1,821	1,032	
Open Space Committee					
Other Expenses	225	225	225		
Mount Olive Historical Society					
Other Expenses	1,000	1,000	1,000		
Ethics Board					
Other Expenses	500	500			500
Information Technology Support					
Other Expenses	48,808	48,808	48,774	34	
LAND USE ADMINISTRATION					
Municipal Land Use Law (NJS 40:55D-1)					
Planning Board					
Salaries & Wages	157,586	157,586	157,586		
Other Expenses	38,668	38,668	32,562	4,606	1,500
INSURANCE					
General Liability	253,534	253,534	253,534		
Workers Compensation	309,876	309,876	307,563		2,313
Employee Group Health	2,257,270	2,257,270	2,237,838	3,432	16,000
PUBLIC SAFETY					
Police					
Salaries & Wages	5,719,304	5,719,304	5,665,832	23,472	30,000
Other Expenses	186,092	186,092	182,635	3,457	
Emergency Management System					
Salaries & Wages	4,478	4,478	4,478		
Other Expenses	1,909	1,909	472	437	1,000
Fire					
Other Expenses					
Flanders Fire Company	69,203	69,203	69,203		
Budd Lake Fire Company	86,703	86,703	85,907	796	
Fire Hydrant Rental	14,546	14,916	14,916		

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>2010 Appropriated</u>		<u>2010 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	24,284	24,284	24,284		
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	55,000	55,000	54,909	\$ 91	
Flanders Rescue Squad	27,000	27,000	26,992	8	
Uniform Fire Safety Act (PL 1983, Ch. 183)					
Fire Prevention					
Salaries & Wages	121,212	121,412	121,363	49	
Other Expenses	4,492	4,492	2,913	1,579	
PUBLIC WORKS FUNCTIONS					
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	928,782	928,782	927,077	1,705	
Other Expenses	392,422	392,422	388,697	3,725	
Street Signs					
Other Expenses	45,882	45,882	40,544	1,338	\$ 4,000
Buildings and Grounds					
Salaries & Wages	368,723	370,523	370,513	10	
Other Expenses	290,471	284,471	247,632	26,839	10,000
Fleet Maintenance					
Other Expenses	602,483	602,483	602,482	1	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries & Wages	475,153	465,533	441,253	4,280	20,000
Other Expenses	3,663	3,663	2,214	1,449	
Environmental Committec (R.S. 40:56A-1 et seq)					
Other Expenses	1,500	1,500	1,500		
Animal Control					
Other Expenses	54,718	54,718	44,718		10,000
Division of Senior Social Services					
Salaries & Wages	116,585	120,335	119,907	428	
Other Expenses	12,146	12,146	9,088	558	2,500
Mount Olive Municipal Alliance Commission					
Other Expenses	7,500	7,500	7,500		

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010 Appropriated		2010 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	\$ 229,396	\$ 229,996	\$ 229,995	\$ 1	
Other Expenses	65,086	65,086	63,904	1,182	
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	210,000	210,000	206,824	3,176	
Street Lighting	170,000	170,000	164,026	5,974	
Gas (Natural or Propane)	60,000	60,000	42,430	17,570	
Telecommunications	85,000	89,500	89,473	27	
Vehicle Fuel	275,000	271,000	260,814	10,186	
Municipal Court					
Salaries and Wages	355,831	358,031	356,914	1,117	
Other Expenses	14,858	14,858	11,692	3,166	
Public Defender (P.L. 1977, C. 256)					
Other Expenses	9,377	9,377	9,277	100	-
Total Operations Within "CAPS"	<u>15,603,473</u>	<u>15,603,473</u>	<u>15,361,537</u>	<u>135,123</u>	<u>\$ 106,813</u>
Detail:					
Salaries & Wages	9,406,539	9,404,569	9,316,709	33,360	54,500
Other Expenses	6,196,934	6,198,904	6,044,828	101,763	52,313
Deferred Charges and Statutory Expenditures -					
Municipal Within "CAPS"					
Statutory Charges					
Public Employees Retirement System	383,627	383,627	383,627		
Social Security System (O.A.S.I.)	726,195	726,195	716,160	7,535	2,500
Police and Firemen's Retirement System of NJ	1,109,850	1,109,850	1,109,850		-
Deferred Contribution Retirement Program	1,100	1,100	281	19	800
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>2,220,772</u>	<u>2,220,772</u>	<u>2,209,918</u>	<u>7,554</u>	<u>3,300</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>17,824,245</u>	<u>17,824,245</u>	<u>17,571,455</u>	<u>142,677</u>	<u>110,113</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
INSURANCE (N.J.S.A. 40A:4-45.3(OO))					
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,250,378	1,250,378	1,250,378		
Length of Service Award Program (LOSAP)	130,000	130,000	130,000		
Public Employees Retirement System	51,174	51,174	51,174		
Police and Firemen's Retirement System of NJ	7,160	7,160	7,160	-	-
Total Other Operations Excluded from "CAPS"	<u>1,438,712</u>	<u>1,438,712</u>	<u>1,438,712</u>	<u>-</u>	<u>-</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010 Appropriated</u>		<u>2010 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Interlocal Municipal Service Agreements					
Health Services	\$ 115,186	\$ 115,186	\$ 115,186	-	-
Total Interlocal Municipal Service Agreements	<u>115,186</u>	<u>115,186</u>	<u>115,186</u>	<u>-</u>	<u>-</u>
Public and Private Programs Offset by Revenues					
Recycling Tonnage Grant					
Cops Universal Hiring Grant	12,337	12,337	12,337		
Body Armor Fund	1,843	6,601	6,601		
Electronic NJTR-1 Submission Pilot Program Grant	2,500	2,500	2,500		
Alcohol Traffic Safety and Drunk Driving		4,400	4,400		
Alcohol, Education and Rehabilitation		1,508	1,508		
Highlands Council Grant	50,000	50,000	50,000		
Donation - Flanders Park		145	145		
Holiday - Over the Limit Under Arrest		5,000	5,000		
Donation - Police Radar Units		9,628	9,628		
Donation - Cablevision	2,000	2,000	2,000		
Donation - Benjamin Moore		1,125	1,125		
State Health Services Grant	24,732	24,732	24,732		
Drunk Driving Enforcement Fund		17,210	17,210		
Clean Communities Program	46,513	46,513	46,513		
Public Health Priority Funding	8,114	8,114	8,114	-	-
Total Public and Private Programs Offset by Revenues	<u>148,039</u>	<u>191,813</u>	<u>191,813</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,701,937</u>	<u>1,745,711</u>	<u>1,745,711</u>	<u>-</u>	<u>-</u>
Detail:					
Other Expenses	<u>1,701,937</u>	<u>1,745,711</u>	<u>1,745,711</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	3,225,000	3,225,000	3,225,000		
Interest on Bonds	953,415	953,415	953,415		
Interest on Notes	16,143	16,143	16,143		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	150,788	150,788	150,788		
Wastewater Loan:					
Principal	256,894	256,894	256,894		
Interest	50,912	50,912	49,902		\$ 1,010
Morris County Improvement Program					
Lease Program					
Principal	50,000	50,000	50,000		
Interest	22,898	22,898	21,932		966
EDA Loan Payable	<u>20,716</u>	<u>20,716</u>	<u>20,716</u>	<u>-</u>	<u>-</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>4,746,766</u>	<u>4,746,766</u>	<u>4,744,790</u>	<u>-</u>	<u>1,976</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010 Appropriated</u>		<u>2010 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. 33-06	<u>225</u>	<u>225</u>	<u>224</u>	-	\$ 1
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>121,025</u>	<u>121,025</u>	<u>121,024</u>	-	<u>1</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>6,569,728</u>	<u>6,613,502</u>	<u>6,611,525</u>	-	<u>1,977</u>
Subtotal General Appropriations	24,393,973	24,437,747	24,182,980	\$ 142,677	112,090
Reserve for Uncollected Taxes	<u>2,200,901</u>	<u>2,200,901</u>	<u>2,200,901</u>	-	-
Total General Appropriations	<u>\$ 26,594,874</u>	<u>\$ 26,638,648</u>	<u>\$ 26,383,881</u>	<u>\$ 142,677</u>	<u>\$ 112,090</u>
<u>Reference</u>	A-2			A	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 26,594,874	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	<u>43,774</u>	
		<u>\$ 26,638,648</u>	
Cash Disbursed	A-4		\$ 24,531,306
Less Refunds	A-4		<u>1,142,413</u>
			23,388,893
Federal and State Grants Appropriated	A-22		191,813
Deferred Charges - Special Emergency	A-11		120,800
Encumbrances Payable	A-13		481,474
Reserve for Uncollected Taxes	A-2		<u>2,200,901</u>
			<u>\$ 26,383,881</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 9,388	\$ 13,165
OTHER TRUST FUND			
Cash	B-3	5,835,910	6,405,252
OPEN SPACE TRUST FUND			
Cash	B-3	406,304	481,935
LENGTH OF SERVICE AWARD PROGRAM (LOSAP) TRUST FUND (Unaudited)			
Investments	B	1,240,254	1,002,272
Contribution Receivable	B	130,000	121,132
		<u>1,370,254</u>	<u>1,123,404</u>
Total Assets		<u>\$ 7,621,856</u>	<u>\$ 8,023,756</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-5	\$ 30	\$ 190
Reserve for Animal Control Expenditures	B-4	<u>9,358</u>	<u>12,975</u>
		<u>9,388</u>	<u>13,165</u>
OTHER TRUST FUND			
Escrow Deposits	B-6	4,049,816	4,501,650
Due to the State of New Jersey	B-8	39,567	8,197
Reserve for Payroll and Payroll Deductions	B-10	4,134	12,028
Miscellaneous Reserves	B-7	<u>1,742,393</u>	<u>1,883,377</u>
		<u>5,835,910</u>	<u>6,405,252</u>
OPEN SPACE TRUST FUND			
Reserve for Open Space	B-9	<u>406,304</u>	<u>481,935</u>
LENGTH OF SERVICE AWARD PROGRAM (LOSAP) TRUST FUND (Unaudited)			
Reserve for Investments in Length of Service Award Program	B	<u>1,370,254</u>	<u>1,123,404</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,621,856</u>	<u>\$ 8,023,756</u>

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

	<u>Reference</u>	<u>2010 Anticipated</u>	<u>2010 Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	B-3	\$ 586,851	\$ 588,008	\$ 1,157
		<u>\$ 586,851</u>	<u>588,008</u>	<u>\$ 1,157</u>
Non-Budget Revenue	B-3		<u>717</u>	
			<u>\$ 588,725</u>	
Analysis of Non-Budget Revenue				
Interest on Investments and Deposits			<u>\$ 717</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		\$ 77,505	\$ (77,505)
Debt Service	B-3	\$ 586,851	<u>586,851</u>	<u>-</u>
		<u>\$ 586,851</u>	<u>\$ 664,356</u>	<u>\$ (77,505)</u>
	<u>Reference</u>		B-3	

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Cash	C-2,C-3	\$ 61,649	\$ 444,535
Deferred Charges to Future Taxation			
Funded	C-4	24,033,717	27,717,206
Unfunded	C-9	3,930,012	1,864,946
Department of Transportation Grant Receivable	C-5	47,850	423,852
Due from Green Acres Trust	C-14	32,800	
Due from Community Development Block Grant	C-8	-	133
Due from County of Morris Historic Preservation Trust Fund	C-6	<u>160,000</u>	<u>160,000</u>
 Total Assets		 <u>\$ 28,266,028</u>	 <u>\$ 30,610,672</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-11	\$ 21,299,000	\$ 24,524,000
Wastewater Loans Payable	C-17	1,391,006	1,647,900
EDA Loan Payable	C-18	26,628	47,344
Green Trust Loan Payable	C-19	566,837	673,592
Garden State Preservation Trust Loan Payable	C-20	330,246	354,370
MCIA Loan Payable	C-21	420,000	470,000
Bond Anticipation Notes	C-22	1,850,000	1,275,000
Improvement Authorizations			
Funded	C-10	340,499	365,099
Unfunded	C-10	1,778,705	708,265
Capital Improvement Fund	C-12	6,438	6,438
Encumbrances Payable	C-13	199,074	449,948
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>5,095</u>	<u>36,216</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 28,266,028</u>	 <u>\$ 30,610,672</u>

There were bonds and notes authorized but not issued on December 31, 2010 and 2009 of \$2,080,012 and \$589,946, 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, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Balance, January 1	C	\$ 36,216	\$ 2,664
Increased By:			
Cancellation of Funded Improvement Authorizations	C-10	<u>5,095</u>	<u>36,216</u>
		41,311	38,880
Decreased by:			
Utilized as Current Fund Revenue	C-7	<u>36,216</u>	<u>2,664</u>
Balance, December 31	C	<u>\$ 5,095</u>	<u>\$ 36,216</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 460,297	\$ 500,684
Receivables With Full Reserves Consumer Accounts Receivable	D-7	<u>53,780</u>	<u>39,058</u>
Total Operating Fund		<u>514,077</u>	<u>539,742</u>
CAPITAL FUND			
Cash	D-5,D-6	525,814	591,051
Fixed Capital Authorized and Uncompleted Fixed Capital	D-16 D-8	2,369,993 <u>5,190,925</u>	2,531,742 <u>5,142,119</u>
Total Capital Fund		<u>8,086,732</u>	<u>8,264,912</u>
Total Assets		<u>\$ 8,600,809</u>	<u>\$ 8,804,654</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
LIABILITIES, RESERVES AND FUND BALANCES			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-3,14	\$ 37,775	\$ 49,502
Encumbrances Payable	D-9	79,594	58,326
Accrued Interest on Bonds	D-10	<u>9,832</u>	<u>13,334</u>
		127,201	121,162
Reserve for Receivables	D	53,780	39,058
Fund Balance	D-1	<u>333,096</u>	<u>379,522</u>
Total Operating Fund		<u>514,077</u>	<u>539,742</u>
CAPITAL FUND			
Serial Bonds	D-15	1,003,000	1,413,000
Encumbrances Payable	D-17	140,192	174,475
Improvement Authorizations:			
Funded	D-18	559,120	564,120
Unfunded	D-18	1,651,159	1,784,273
Capital Improvement Fund	D-19	5,750	5,750
Deferred Reserve for Amortization	D-13		10,650
Reserve for Amortization	D-12	4,727,511	4,306,861
Fund Balance	D-4	<u>-</u>	<u>5,783</u>
Total Capital Fund		<u>8,086,732</u>	<u>8,264,912</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 8,600,809</u>	<u>\$ 8,804,654</u>

There were bonds and notes authorized but not issued at December 31, 2010 and 2009 of \$1,830,407 and \$1,943,350, 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, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-2	\$ 340,787	\$ 357,079
Rents	D-2	1,467,722	1,314,343
Other Budget Revenues	D-2	105,978	107,464
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	<u>50,941</u>	<u>17,238</u>
 Total Income		 <u>1,965,428</u>	 <u>1,796,124</u>
 EXPENDITURES			
Budget Appropriations			
Operating	D-3	1,173,313	1,223,104
Capital Improvements	D-3		11,250
Debt Service	D-3	449,111	432,931
Deferred Charges and Statutory Expenditures	D-3	<u>48,643</u>	<u>50,326</u>
 Total Expenditures		 <u>1,671,067</u>	 <u>1,717,611</u>
 Excess in Revenue		 294,361	 78,513
 FUND BALANCE, JANUARY 1,	D	 <u>379,522</u>	 <u>658,088</u>
		673,883	736,601
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>340,787</u>	<u>357,079</u>
 FUND BALANCE, DECEMBER 31,	D	 <u>\$ 333,096</u>	 <u>\$ 379,522</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Reference</u>	2010 <u>Anticipated</u>	2010 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	D-1	\$ 340,787	\$ 340,787	
Rents	D-1, D-7	1,284,000	1,467,722	\$ 183,722
Miscellaneous	D-1	90,000	100,195	10,195
Fund Balance - Capital Fund	D-4	<u>5,782</u>	<u>5,783</u>	<u>1</u>
		<u>\$ 1,720,569</u>	<u>\$ 1,914,487</u>	<u>\$ 193,918</u>
<u>Analysis of Miscellaneous Budget Revenue</u>	<u>Reference</u>	D-3		
Tower Rental Fees			\$ 87,592	
Pool Permits			2,640	
Interest on Delinquent Rents			5,399	
Miscellaneous			<u>2,316</u>	
	D-5		<u>97,947</u>	
Interest on Investments:				
Cash Receipts	D-5		1,010	
Due from Water Capital Fund	D-11		<u>1,238</u>	
			<u>2,248</u>	
Total Miscellaneous Revenue	D-1, D-2		<u>\$ 100,195</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010 Appropriated</u>		<u>2010 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 428,697	\$ 428,697	\$ 406,414	\$ 7,283	\$ 15,000
Other Expenses	789,616	789,616	729,723	29,893	30,000
DEBT SERVICE					
Payment of Bond Principal	410,000	410,000	410,000		
Interest on Bonds	42,613	42,613	39,111		3,502
STATUTORY EXPENDITURES					
Contribution to PERS	16,848	16,848	16,848		
Social Security System	32,795	32,795	31,196	599	1,000
	<u>\$ 1,720,569</u>	<u>\$ 1,720,569</u>	<u>\$ 1,633,292</u>	<u>\$ 37,775</u>	<u>\$ 49,502</u>
	<u>Reference</u>	D-2	D-2	D	
Cash Disbursed	D-5		\$ 1,528,186		
Less: Refunds	D-5		<u>13,599</u>		
			1,514,587		
Encumbrances Payable	D-9		79,594		
Accrued Interest on Bonds and Notes	D-10		<u>39,111</u>		
			<u>\$ 1,633,292</u>		

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Balance, January 1	D	\$ 5,783	\$ 15,000
Increased By:			
Cancellation of Improvement Authorizations	D-4	<u> -</u>	<u> 5,783</u>
		5,783	20,783
Decreased By:			
Transfer to Water Utility Operating Fund	D-11	<u> 5,783</u>	<u> 15,000</u>
Balance, December 31	D	<u> -</u>	<u> 5,783</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2010 AND 2009**

ASSETS	<u>Reference</u>	<u>2010</u>	<u>2009</u>
OPERATING FUND			
Cash	E-7	\$ 2,412,078	\$ 2,677,507
Receivables With Full Reserves			
Consumer Accounts Receivable	E-9	220,997	234,489
Utility Liens Receivable	E-10	<u>515</u>	<u>3,572</u>
		<u>221,512</u>	<u>238,061</u>
Total Operating Fund		<u>2,633,590</u>	<u>2,915,568</u>
ASSESSMENT TRUST FUND			
Cash	E-7	995,917	1,296,900
Assessments Receivable	E-11	2,553,653	3,500,689
Assessment Lien Receivable	E-12	1,522	1,806
Prospective Assessments Funded	E-13	3,194,846	3,241,438
Amount to be Raised by Taxes	E-17	<u>-</u>	<u>2,005</u>
Total Assessment Trust Fund		<u>6,745,938</u>	<u>8,042,838</u>
CAPITAL FUND			
Fixed Capital	E-18	<u>32,919,152</u>	<u>32,784,152</u>
Total Capital Fund		<u>32,919,152</u>	<u>32,784,152</u>
Total Assets		<u>\$ 42,298,680</u>	<u>\$ 43,742,558</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	E-4,E-16	\$ 140,031	\$ 54,729
Encumbrances Payable	E-14	61,967	227,345
Accrued Interest on Bonds and Notes	E-22	<u>117,376</u>	<u>142,387</u>
		319,374	424,461
Reserve for Receivables	E	221,512	238,061
Fund Balance	E-1	<u>2,092,704</u>	<u>2,253,046</u>
Total Operating Fund		<u>2,633,590</u>	<u>2,915,568</u>
ASSESSMENT TRUST FUND			
Serial Bonds	E-24	573,000	668,000
Wastewater Loans Payable	E-15	5,525,034	7,024,864
Reserve for Assessment Interest and Costs	E-20	186	186
Reserve for Prospective Assessments Funded	E-19	<u>647,718</u>	<u>349,788</u>
		<u>6,745,938</u>	<u>8,042,838</u>
CAPITAL FUND			
Serial Bonds	E-23	2,267,000	2,597,000
Wastewater Loans Payable	E-15	367,862	433,722
Reserve for Amortization	E-21	<u>30,284,290</u>	<u>29,753,430</u>
Total Capital Fund		<u>32,919,152</u>	<u>32,784,152</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 42,298,680</u>	<u>\$ 43,742,558</u>

There were no Bonds and Notes authorized but not issued on December 31, 2010 and 2009.

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, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-2	\$ 970,279	\$ 893,968
Sewer Rents and liens	E-2	3,772,020	3,754,513
Other Budget Revenues	E-2	254,341	287,564
Unexpended Balance of Appropriation Reserves	E-16	<u>46,940</u>	<u>51,072</u>
 Total Income		 <u>5,043,580</u>	 <u>4,987,117</u>
 EXPENDITURES			
Budget Appropriations			
Operating	E-4	3,192,866	3,298,432
Capital Outlay	E-4		135,000
Deferred Charges and Statutory Expenditures	E-4	344,798	46,683
Debt Service	E-4	<u>695,979</u>	<u>752,744</u>
 Total Expenditures		 <u>4,233,643</u>	 <u>4,232,859</u>
 Excess in Revenue		 809,937	 754,258
 FUND BALANCE, JANUARY 1	E	 <u>2,253,046</u>	 <u>2,392,756</u>
 Decreased by:		 3,062,983	 3,147,014
Utilized as Anticipated Revenue	E-1	<u>970,279</u>	<u>893,968</u>
 FUND BALANCE, DECEMBER 31	E	 <u>\$ 2,092,704</u>	 <u>\$ 2,253,046</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Reference</u>	2010 <u>Anticipated</u>	2010 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	E-1	\$ 970,279	\$ 970,279	
Sewer Rents and Liens	E-1,E-9,E-10	3,500,000	3,772,020	\$ 272,020
Miscellaneous	E-1	61,000	57,597	(3,403)
Reimbursement - Mt. Olive School District	E-1,E-7	70,000	80,405	10,405
Interest on Assessments	E-1,E-7	<u>101,250</u>	<u>116,339</u>	<u>15,089</u>
		<u>\$ 4,702,529</u>	<u>\$ 4,996,640</u>	<u>\$ 294,111</u>
	<u>Reference</u>	E-4		
Analysis of Miscellaneous Revenues				
Interest on Delinquent Rents			\$ 51,147	
Return Check Fees			100	
Miscellaneous Fees			<u>467</u>	
	E-7		51,714	
Interest on Investments and Deposits:				
Sewer Operating Fund	E-7	\$ 4,590		
Sewer Assessment Trust Fund	E-7	<u>1,293</u>		
			<u>5,883</u>	
Total Miscellaneous Revenues	E-2		<u>\$ 57,597</u>	

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

	<u>Reference</u>	2010 <u>Anticipated</u>	2010 <u>Realized</u>	Excess or <u>(Deficit)</u>
Assessment Cash	E-7	\$ 1,296,900	\$ 1,296,900	-
Deficit (Sewer Operating Budget)	E-7	<u>297,930</u>	<u>297,930</u>	-
		<u>\$ 1,594,830</u>	1,296,900	<u>\$ -</u>
	<u>Reference</u>	E-5		
Receipts from Sale of EDU's	E-7		<u>46,601</u>	
			<u>\$ 1,343,501</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<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>
OPERATING					
Salaries and Wages	\$ 384,668	\$ 384,668	\$ 368,344	\$ 6,324	\$ 10,000
Other Expenses	843,800	843,800	710,490	133,310	-
Musconetcong Sewerage Authority	2,395,621	2,395,621	1,974,398		421,223
DEBT SERVICE					
Payment of Bonds and Loans	395,860	395,860	395,860		
Interest on Bonds and Loans	337,032	337,032	300,119		36,913
DEFERRED CHARGES					
Anticipated Deficit - Sewer Assessment	297,930	297,930	297,930		
Amount to be Raised - Sewer Assessment	2,005	2,005	2,005		
STATUTORY EXPENDITURES					
Contribution to PERS	16,186	16,186	16,186		
Social Security System	29,427	29,427	28,280	397	750
	<u>\$ 4,702,529</u>	<u>\$ 4,702,529</u>	<u>\$ 4,093,612</u>	<u>\$ 140,031</u>	<u>\$ 468,886</u>

	<u>Reference</u>	E-2	E-2	E
Cash Disbursed	E-7		\$ 3,756,300	
Less: Refunds	E-7		<u>24,774</u>	
			3,731,526	
Accrued Interest on Bonds and Notes	E-22		300,119	
Encumbrances Payable	E-14		<u>61,967</u>	
			<u>\$ 4,093,612</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	\$ 1,499,830	\$ 1,499,830	
Payment of Bond Principal	E-24	<u>95,000</u>	<u>95,000</u>	<u>-</u>
		<u>\$ 1,594,830</u>	<u>\$ 1,594,830</u>	<u>\$ -</u>
	<u>Reference</u>	E-3		
	Cash Disbursed		<u>\$ 1,594,830</u>	

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SOLID WASTE COLLECTION DISTRICT FUND
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Cash	F-4	\$ 307,681	\$ 124,971
Due from County of Morris	F-5	<u>116,711</u>	<u>113,875</u>
Total Assets		<u>\$ 424,392</u>	<u>\$ 238,846</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	F-3, F-6	\$ 17,282	\$ 71,727
Encumbrance Payable	F-7	<u>179,595</u>	<u>137,094</u>
Fund Balance	F-1	<u>196,877</u> <u>227,515</u>	<u>208,821</u> <u>30,025</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 424,392</u>	<u>\$ 238,846</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, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	F-2	\$ 26,672	\$ 271,000
Sanitation District Taxes	F-2	1,875,202	1,332,647
Host Benefit Fees	F-2	666,468	707,039
Recycling Revenue	F-2	16,917	67,847
Bulk Item Pick-Up Fees	F-2	26,899	26,150
Yard Waste Fees	F-2	1,373	1,861
Dumpster Fees	F-2	11,180	5,980
Nonbudget Revenue	F-2	420	1,180
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	F-6	<u>63,211</u>	<u>21,501</u>
 Total Revenues		 <u>2,688,342</u>	 <u>2,435,205</u>
 EXPENDITURES			
Budget Appropriations:			
Operating	F-3	2,332,386	2,259,590
Statutory Expenditures	F-3	131,794	127,595
Surplus (General Budget)	F-1		18,087
Refund of Prior Year Revenue	F-1	<u>-</u>	<u>10</u>
 Total Expenditures		 <u>2,464,180</u>	 <u>2,405,282</u>
 Excess in Revenue		 224,162	 29,923
 FUND BALANCE, JANUARY 1	 F	 <u>30,025</u>	 <u>271,102</u>
		254,187	301,025
Decreased by:			
Utilized as Anticipated Revenue	F-1,F-2	<u>26,672</u>	<u>271,000</u>
 BALANCE, DECEMBER 31,	 F	 <u>\$ 227,515</u>	 <u>\$ 30,025</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - SOLID WASTE COLLECTION DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	F-1	\$ 26,672	\$ 26,672	-
Sanitation District Taxes	F-1	1,865,194	1,875,202	\$ 10,008
Host Benefit Fees -				
Transfer Station	F-1	548,789	602,980	54,191
County Reimbursement	F-1	61,825	63,488	1,663
Recycling Revenue	F-1	35,000	16,917	(18,083)
Bulk Item Pick-Up Fees	F-1	25,000	26,899	1,899
Dumpster Fees	F-1	5,900	11,180	5,280
Yard Waste Fees	F-1	1,800	1,373	(427)
		<u>678,314</u>	<u>722,837</u>	<u>44,523</u>
 Total		 <u>\$ 2,570,180</u>	 2,624,711	 <u>\$ 54,531</u>
 Nonbudget Revenue	 F-1, F-4		 <u>420</u>	
			 <u>\$ 2,625,131</u>	
 <u>Analysis of Revenues</u>				
Fund Balance Anticipated	F-1		\$ 26,672	
Cash Receipts	F-4		1,995,479	
Due from County of Morris	F-5		<u>602,980</u>	
	F-2		 <u>\$ 2,625,131</u>	
 <u>Analysis of Non Budget Revenue</u>				
Interest on Investments and Deposits			\$ 400	
NSF Fees			<u>20</u>	
	F-2, F-4		 <u>\$ 420</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, 2010**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries & Wages	\$ 1,100,346	\$ 1,100,346	\$ 985,878	\$ 14,468	\$ 100,000
Other Expenses	1,312,040	1,309,040	1,306,788	2,252	
Recycling Tax	20,000	23,000	23,000		
STATUTORY EXPENDITURES					
Contribution to Public Employees					
Retirement System	53,618	53,618	53,618		
Social Security System	<u>84,176</u>	<u>84,176</u>	<u>77,614</u>	<u>562</u>	<u>6,000</u>
 Total	 <u>\$ 2,570,180</u>	 <u>\$ 2,570,180</u>	 <u>\$ 2,446,898</u>	 <u>\$ 17,282</u>	 <u>\$ 106,000</u>
	<u>Reference</u>	F-2	F-2	F	
Cash Disbursed	F-4		\$ 2,295,983		
Less Refunds	F-4		<u>28,680</u>		
			2,267,303		
Encumbrances Payable	F-7		<u>179,595</u>		
			<u>\$ 2,446,898</u>		

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
RECREATION UTILITY FUND
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
OPERATING FUND			
Cash	G-4	\$ 131,258	\$ 154,451
Total Operating Fund		<u>131,258</u>	<u>154,451</u>
CAPITAL FUND			
Fixed Capital	G-7	<u>2,595</u>	<u>2,595</u>
Total Capital Fund		<u>2,595</u>	<u>2,595</u>
Total Assets		<u>\$ 133,853</u>	<u>\$ 157,046</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	G-3, G-6	\$ 28,386	\$ 31,525
Encumbrance Payable	G-5	<u>11,189</u>	<u>5,495</u>
		39,575	37,020
Fund Balance	G-2	<u>91,683</u>	<u>117,431</u>
Total Operating Fund		<u>131,258</u>	<u>154,451</u>
CAPITAL FUND			
Reserve for Amortization	G-8	<u>2,595</u>	<u>2,595</u>
Total Capital Fund		<u>2,595</u>	<u>2,595</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 133,853</u>	<u>\$ 157,046</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, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Anticipated	G-2	\$ 87,600	\$ 100,000
Program Fees	G-2	359,559	349,964
Non-Budget Revenue	G-2	454	1,129
Unexpended Balance of Appropriation Reserves	G-6	<u>31,793</u>	<u>15,691</u>
Total Revenues		<u>479,406</u>	<u>466,784</u>
EXPENDITURES			
Budget Appropriations:			
Operating	G-3	401,961	375,448
Capital	G-3		2,595
Statutory Expenditures	G-3	<u>15,593</u>	<u>14,003</u>
Total Expenditures		<u>417,554</u>	<u>392,046</u>
Excess in Revenue		61,852	74,738
FUND BALANCE, JANUARY 1	G	<u>117,431</u>	<u>142,693</u>
Decreased by:		179,283	217,431
Utilized as Anticipated Revenue	G-1,2	<u>87,600</u>	<u>100,000</u>
BALANCE, DECEMBER 31,	G	<u>\$ 91,683</u>	<u>\$ 117,431</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - RECREATION UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	G-1	\$ 87,600	\$ 87,600	
Program Fees	G-1	260,000	260,000	
New Programs	G-1	14,964	14,964	
Additional New Programs	G-1	75,000	75,000	
Additional New Programs	G-1	<u>55,490</u>	<u>9,595</u>	\$ (45,895)
Total		<u>\$ 493,054</u>	447,159	<u>\$ (45,895)</u>
Nonbudget Revenue	G-1,G-4		<u>454</u>	
			<u>\$ 447,613</u>	
<u>Analysis of Budget Revenues</u>				
Fund Balance Anticipated	G-2		\$ 87,600	
Cash Receipts	G-4		<u>359,559</u>	
			<u>\$ 447,159</u>	
<u>Analysis of Nonbudget Revenues</u>				
Interest on Investments and Deposits			\$ 414	
Returned Check Fee			<u>40</u>	
	G-1,G-2,G-4		<u>\$ 454</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
RECREATION UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries & Wages	\$ 233,697	\$ 233,697	\$ 193,090	\$ 10,607	\$ 30,000
Other Expenses	243,264	243,264	181,307	16,957	45,000
STATUTORY EXPENDITURES					
Social Security System	<u>16,093</u>	<u>16,093</u>	<u>14,771</u>	<u>822</u>	<u>500</u>
Total	<u>\$ 493,054</u>	<u>\$ 493,054</u>	<u>\$ 389,168</u>	<u>\$ 28,386</u>	<u>\$ 75,500</u>
	<u>Reference</u>	G-2	G-2	G	G
Cash Disbursed	G-4		\$ 377,979		
Encumbrances Payable	G-5		<u>11,189</u>		
			<u>\$ 389,168</u>		

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
Land	\$ 20,819,500	\$ 20,819,500
Buildings and Building Improvements	12,248,200	12,248,200
Machinery and Equipment	<u>15,888,827</u>	<u>15,911,842</u>
Total Assets	<u>\$ 48,956,527</u>	<u>\$ 48,979,542</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 48,956,527</u>	<u>\$ 48,979,542</u>
Total Reserves	<u>\$ 48,956,527</u>	<u>\$ 48,979,542</u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 - These 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 capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 operation of the Township's recreation and recreational facilities 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 section of the fund.

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 11th 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.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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).

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 2010 and 2009 the Township Council increased the original budget by \$43,774 and \$227,142. The increases were funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2010 and 2009.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; 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 NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Township of Mount Olive has developed a fixed assets accounting and reporting system.

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 General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 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.

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2009 balances to conform to the December 31, 2010 presentation.

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 Township 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 pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million 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. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2010 and 2009, the book value of the Township's deposits were \$15,646,843 and \$17,638,436 and bank and brokerage firm balances of the Township's deposits amounted to \$15,761,130 and \$17,789,098, 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>2010</u>	<u>2009</u>
Insured	\$ 6,809,709	\$ 8,663,664
Uninsured and Uncollateralized	<u>8,951,421</u>	<u>9,125,434</u>
	<u>\$ 15,761,130</u>	<u>\$ 17,789,098</u>

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

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, 2010 and 2009, the Township’s bank balances of \$8,951,421 and \$9,125,434 were exposed to custodial credit risk as follows:

	<u>2010</u>	<u>2009</u>
Uninsured and Uncollateralized		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ 8,951,421	\$ 9,125,434

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, 2010 and 2009, the Township had the following investments:

	<u>Fair Value</u>
<u>2010</u>	
Investment:	
Length of Service Award Program	\$ 1,240,254
	<u>Fair Value</u>
<u>2009</u>	
Investment:	
Length of Service Award Program	\$ 1,002,272

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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, 2010 and 2009, \$1,240,254 and \$1,002,272 of the Township’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>	
	<u>2010</u>	<u>2009</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ 1,240,254	\$ 1,002,272

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

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 investments were based on quoted market prices. (If not quoted market prices must disclose method/assumption used to estimate).

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 Fund are assigned to the Utility Operating Funds in accordance with the regulatory basis of accounting.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at December 31, 2010 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u>	<u>Sewer</u>	<u>Total</u>
<u>2010</u>					
Property Taxes	\$ 1,052,387				\$ 1,052,387
Tax Title Liens	346,530				346,530
Utility Rents		\$ 53,780	\$	220,997	274,777
Utility Liens	-	-		515	515
	<u>\$ 1,398,917</u>	<u>\$ 53,780</u>	<u>\$</u>	<u>221,512</u>	<u>\$ 1,674,209</u>

In 2010, the Township collected \$1,149,374 and \$276,604 from delinquent taxes and utility rents, which represented 82%, 100% and 100% of the adjusted delinquent tax, water and sewer charges receivable at December 31, 2009.

Receivables at December 31, 2009 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u>	<u>Sewer</u>	<u>Total</u>
<u>2009</u>					
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>\$</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, 2010 AND 2009**

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.

The Township's debt is summarized as follows:

	<u>2010</u>	<u>2009</u>
Issued		
General		
Bonds, Notes and Loans	\$ 25,883,717	\$ 28,992,206
Water Utility		
Bonds and Notes	1,003,000	1,413,000
Sewer Utility		
Bonds and Notes	2,634,862	3,030,722
Sewer Utility Assessment		
Bonds and Notes	<u>6,098,034</u>	<u>7,692,864</u>
	35,619,613	41,128,792
Less: Funds Temporarily Held to Pay Bonds and Notes	<u>995,917</u>	<u>1,296,900</u>
Net Debt Issued	<u>34,623,696</u>	<u>39,831,892</u>
Authorized But Not Issued		
General		
Bonds and Notes	2,080,012	589,946
Water Utility		
Bonds and Notes	<u>1,830,407</u>	<u>1,943,350</u>
	<u>3,910,419</u>	<u>2,533,296</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 38,534,115</u>	<u>\$ 42,365,188</u>

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of .74% and .76% at December 31, 2010 and 2009, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2010</u>			
General Debt	\$ 27,963,729	\$ 420,000	\$ 27,543,729
School Debt	57,187,861	57,187,861	
Utility Debt	<u>11,566,303</u>	<u>11,566,303</u>	<u>-</u>
Total	<u>\$ 96,717,893</u>	<u>\$ 69,174,164</u>	<u>\$ 27,543,729</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2009</u>			
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>

Statutory Borrowing Power

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

	<u>2010</u>	<u>2009</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 130,037,157	\$ 133,847,626
Net Debt	<u>27,543,729</u>	<u>29,112,151</u>
Remaining Borrowing Power	<u>\$ 102,493,428</u>	<u>\$ 104,735,475</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt

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>2010</u>	<u>2009</u>
\$5,795,000, 2003 Bonds, due in annual installments of \$390,000 through February 15, 2019, interest at 3.00% to 3.375%	\$ 3,510,000	\$ 3,900,000
\$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%	1,763,000	2,038,000
\$1,430,000, 2005 Bonds, due in annual installments of \$160,000 through April 1, 2015, interest at 3.375% to 3.75%	800,000	960,000
\$1,320,000, 2005 Tax Appeal Bonds, due in annual installments of \$260,000 through April 1, 2011, interest at 3.375%	260,000	500,000
\$7,190,000, 2005 Refunding Bonds, due in annual installments of \$200,000 to \$760,000 through February 15, 2019, interest at 3.625% to 5.00%	5,980,000	6,645,000
\$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%	2,509,000	2,729,000
\$3,405,000, 2007 Bonds, due in annual installments of \$225,000 to \$560,000 through March 15, 2017 at 3.75%	1,925,000	2,465,000

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

General Obligation Bonds (Continued)

	<u>2010</u>	<u>2009</u>
\$1,372,000, 2008 Bonds, due in annual installments of \$250,000 to \$377,000 through September 1, 2013 at 3.00%	\$ 1,002,000	\$ 1,182,000
\$4,105,000, 2009 Refunding Bonds, due in annual installments of \$590,000 to \$595,000 through February 15, 2016 at 4.00%	<u>3,550,000</u>	<u>4,105,000</u>
	<u>\$ 21,299,000</u>	<u>\$ 24,524,000</u>

Water Utility Bonds

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

\$465,000, 2005 Bonds due in annual installments of \$100,000 through April 1, 2010, interest at 3.375%		\$ 100,000
\$416,000, 2006 Bonds, due in annual installments of \$106,000 through May 15, 2011, interest at 4.00%	\$ 106,000	206,000
\$645,000, 2007 Bonds, due in annual installments of \$175,000 to \$180,000 through March 15, 2012, interest at 3.625% to 3.750%	355,000	455,000
\$757,000, 2008 Bonds, due in annual installments of \$125,000 to \$207,000 through September 1, 2013, interest at 3.00%	<u>542,000</u>	<u>652,000</u>
Total Water Utility Bonds	<u>\$ 1,003,000</u>	<u>\$ 1,413,000</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

Sewer Capital Fund	<u>2010</u>	<u>2009</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%	\$ <u>2,267,000</u>	\$ <u>2,597,000</u>
Total Sewer Capital Fund	<u>2,267,000</u>	<u>2,597,000</u>
 Sewer Assessment Trust Fund		
\$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>573,000</u>	<u>668,000</u>
Total Sewer Assessment Trust Fund	<u>573,000</u>	<u>668,000</u>
Total Sewer Utility Bonds	<u>\$ 2,840,000</u>	<u>\$ 3,265,000</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>2010</u>	<u>2009</u>
\$500,000, 2002 Loan due in semi-annual installments of \$12,002 to \$15,392 through July 2022, interest at 2.00%	\$ <u>330,246</u>	\$ <u>354,370</u>

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>2010</u>	<u>2009</u>
\$1,884,294, 1996 Loan due in semi-annual installments of \$53,112 to \$59,255 through December, 2015, interest at 2.00%	\$ <u>566,837</u>	\$ <u>673,592</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

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>2010</u>	<u>2009</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%	\$ 4,731,671	\$ 6,084,981
\$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%	2,184,369	2,587,783
\$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%	<u>367,862</u>	<u>433,722</u>
	<u>\$ 7,283,902</u>	<u>\$ 9,106,486</u>

	<u>2010</u>	<u>2009</u>
General Capital Fund	\$ 1,391,006	\$ 1,647,900
Sewer Utility Fund	<u>5,892,896</u>	<u>7,458,586</u>
	<u>\$ 7,283,902</u>	<u>\$ 9,106,486</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term 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>2010</u>	<u>2009</u>
\$118,400, 2001 Loan due in annual installments of \$11,840 through March 2010, interest at 0.00%		\$ 11,840
\$88,760, 2003 Loan due in annual installments of \$8,876 through June 2013, interest at 0.00%	\$ 26,628	35,504
	<u>\$ 26,628</u>	<u>\$ 47,344</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>2010</u>	<u>2009</u>
\$650,000 2003 Loan due in annual installments of \$50,000 to \$95,000 through February 2016, interest at 1.75% to 5.75%	\$ 420,000	\$ 470,000

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2010 is as follows:

Calendar Year	General		Water Utility		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$ 3,850,016	\$ 873,500	\$ 406,000	\$ 28,411	\$ 2,038,312	\$ 274,563	\$ 7,470,802
2012	3,418,196	743,019	390,000	15,885	2,079,425	207,252	6,853,777
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	84,903	4,368,349
2016	3,187,817	352,260	-	-	642,252	55,798	4,238,127
2016-2020	6,649,493	523,062	-	-	740,000	44,849	7,957,404
2021-2022	289,659	6,218	-	-	-	-	295,877
Total	<u>\$ 24,033,717</u>	<u>\$ 3,591,875</u>	<u>\$ 1,003,000</u>	<u>\$ 50,506</u>	<u>\$ 8,732,896</u>	<u>\$ 803,026</u>	<u>\$ 38,215,020</u>

Changes in Long-Term Municipal Debt

The Township's long-term capital debt activity for the years 2010 and 2009 were as follows:

	Balance, December 31, 2009	Additions	Reductions	Balance, December 31, 2010	Due Within One Year
2010					
General Capital Fund					
Bonds Payable	\$ 24,524,000	\$ -	\$ 3,225,000	\$ 21,299,000	\$ 3,390,000
Intergovernmental Loans Payable	3,193,206	-	458,489	2,734,717	460,016
General Capital Fund Long-Term Liabilities	<u>\$ 27,717,206</u>	<u>\$ -</u>	<u>\$ 3,683,489</u>	<u>\$ 24,033,717</u>	<u>\$ 3,850,016</u>
Water Utility Capital Fund					
Bonds Payable	\$ 1,413,000	\$ -	\$ 410,000	\$ 1,003,000	\$ 406,000
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 1,413,000</u>	<u>\$ -</u>	<u>\$ 410,000</u>	<u>\$ 1,003,000</u>	<u>\$ 406,000</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 2,597,000	-	\$ 330,000	\$ 2,267,000	\$ 335,000
Intergovernmental Loans	433,722	-	65,860	367,862	72,794
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 3,030,722</u>	<u>\$ -</u>	<u>\$ 395,860</u>	<u>\$ 2,634,862</u>	<u>\$ 407,794</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>	Due Within <u>One Year</u>
<u>2010 (Continued)</u>					
Sewer Utility Assessment Fund					
Bonds Payable	\$ 668,000		\$ 95,000	\$ 573,000	\$ 95,000
Intergovernmental Loans	<u>7,024,864</u>	<u>-</u>	<u>1,499,830</u>	<u>5,525,034</u>	<u>1,535,518</u>
Sewer Utility Assessment Fund Long-Term Liabilities	<u>\$ 7,692,864</u>	<u>\$ -</u>	<u>\$ 1,594,830</u>	<u>\$ 6,098,034</u>	<u>\$ 1,630,518</u>
	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<u>2009</u>					
General Capital Fund					
Bonds Payable	\$ 27,779,000	\$ 4,105,000	\$ 7,360,000	\$ 24,524,000	\$ 3,225,000
Intergovernmental Loans Payable	<u>3,632,968</u>	<u>-</u>	<u>439,762</u>	<u>3,193,206</u>	<u>458,489</u>
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>\$ 3,683,489</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	<u>500,696</u>	<u>-</u>	<u>66,974</u>	<u>433,722</u>	<u>65,860</u>
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 3,432,696</u>	<u>\$ -</u>	<u>\$ 401,974</u>	<u>\$ 3,030,722</u>	<u>\$ 395,860</u>

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

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>
<u>2009 (Continued)</u>					
Sewer Utility Assessment Fund					
Bonds Payable	\$ 763,000		\$ 95,000	\$ 668,000	\$ 95,000
Intergovernmental Loans	<u>8,476,886</u>	<u>-</u>	<u>1,452,022</u>	<u>7,024,864</u>	<u>1,499,830</u>
 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>\$ 1,594,830</u>

Short-Term Debt

The Township's short-term capital debt activity for the years 2010 and 2009 was as follows:

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ 1,275,000</u>	<u>\$ 1,850,000</u>	<u>\$ 1,275,000</u>	<u>\$ 1,850,000</u>
	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ -</u>	<u>\$ 1,275,000</u>	<u>\$ -</u>	<u>\$ 1,275,000</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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 special emergency appropriations. This debt which is not included in the Township's statutory debt limit calculation is reported in the Current Fund for the years 2010 and 2009 as follows:

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Special Emergency Notes	\$ 192,200	\$ -	\$ 192,200	\$ -
	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Special Emergency Notes	\$ 192,200	\$ 192,200	\$ 192,200	\$ 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 2010 and 2009.

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Land	\$ 20,819,500			\$ 20,819,500
Buildings and Building Improvements	12,248,200			12,248,200
Machinery and Equipment	15,911,842	\$ 287,187	\$ 310,202	15,888,827
	<u>\$ 48,979,542</u>	<u>\$ 287,187</u>	<u>\$ 310,202</u>	<u>\$ 48,956,527</u>
	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
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, 2010 AND 2009**

NOTE 5 FIXED ASSETS (Continued)

Water Utility Fund Fixed Assets

The following is a summary of changes in the utility fund(s) fixed assets for the years 2010 and 2009.

	Balance January 1, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Fixed Capital				
System and System Improvements	\$ 5,142,119	\$ 48,806	\$ -	\$ 5,190,925

	Balance January 1, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Fixed Capital				
System and System Improvements	\$ 5,023,104	\$ 119,015	\$ -	\$ 5,142,119

Sewer Utility Fund Fixed Assets

	Balance January 1, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</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	425,314	\$ 135,000		560,314
Vehicles and Equipment	303,026	-	-	303,026
	<u>\$ 32,784,152</u>	<u>\$ 135,000</u>	<u>\$ -</u>	<u>\$ 32,919,152</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 5 FIXED ASSETS (Continued)

Sewer Utility Fund Fixed Assets (Continued)

	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>

Recreation Utility Fund Fixed Assets

	Balance January 1, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Fixed Capital				
Various Equipment & Improvements	\$ 2,595	-	-	\$ 2,595
	<u>\$ 2,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,595</u>
	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>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 6 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Fund(s) 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>2010</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2009</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 2,865,727	\$ 2,272,108	\$ 3,160,185	\$ 2,350,000
Non-Cash Surplus	<u>115,312</u>	<u>-</u>	<u>44,802</u>	<u>-</u>
	<u>\$ 2,981,039</u>	<u>\$ 2,272,108</u>	<u>\$ 3,204,987</u>	<u>\$ 2,350,000</u>
Water Utility Operating Fund				
Cash Surplus	333,096	\$ 200,849	379,522	\$ 340,787
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 333,096</u>	<u>\$ 200,849</u>	<u>\$ 379,522</u>	<u>\$ 340,787</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 2,092,704	\$ 1,141,249	\$ 2,253,046	\$ 970,279
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,092,704</u>	<u>\$ 1,141,249</u>	<u>\$ 2,253,046</u>	<u>\$ 970,279</u>
Solid Waste Collection District				
Cash Surplus	\$ 110,804	\$ -	\$ 30,025	\$ 26,672
Non-Cash Surplus	<u>116,711</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 227,515</u>	<u>\$ -</u>	<u>\$ 30,025</u>	<u>\$ 26,672</u>
Recreation Utility Fund				
Cash Surplus	\$ 91,683	\$ 43,400	\$ 117,431	\$ 87,600
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 91,683</u>	<u>\$ 43,400</u>	<u>\$ 117,431</u>	<u>\$ 87,600</u>

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

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</u> <u>December 31,</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years</u>
<u>2010</u>			
Current Fund			
Special Emergency Authorizations	\$ 84,155	\$ 84,155	\$ -
	<u>Balance</u> <u>December 31,</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years</u>
<u>2009</u>			
Current Fund			
Special Emergency Authorizations	\$ 204,955	\$ 120,800	\$ 84,155

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 \$3,335,675 and \$3,139,455 at December 31, 2010 and 2009, 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 an 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, 2010 and 2009, the Township has reserved in the Other Trust Fund \$44,048 and \$162,589, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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, if applicable, 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.

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 New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pension.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

Significant Legislation

P.L. 2010, c.1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

This new legislation changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from this plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 72.1 percent and \$15.1 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.

Actuarial Methods and Assumptions

In the June 30, 2009 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 5.50% for PERS, 8.50% for PFRS and 5.50% for DCRP of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 for CPFPE, which is a cost sharing plan with special funding situations, 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% employer contribution.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC) (Continued)

During the years ended December 31, 2010, 2009 and 2008, the Township was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year:

<u>Year Ended December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2010	\$ 1,117,010	\$ 521,453	\$ 281
2009	1,072,319	450,165	227
2008	900,900	336,913	46

NOTE 10 POST-RETIREMENT MEDICAL BENEFITS

During 2010, the Township switched from a single-employer defined benefit healthcare plan to a cost sharing multiple-employer plan sponsored and administered by the State of New Jersey. For the year ended December 31, 2009, the Township reported an annual required contribution of \$4,662,100; net OPEB obligation of \$8,852,296; actuarial assets of \$-0- and an unfunded actuarial accrued liability of \$39,935,400. For the year ended December 31, 2009 and 2008, the Township contributed \$385,488 and \$272,900, respectively to the plan for current premiums.

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Township.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teachers Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State’s Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

The State of New Jersey sponsors and administers the following health benefit program covering substantially all local government employees from local participating employers.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 10 POST-RETIREMENT MEDICAL BENEFITS

Health Benefits Program Fund (HBPF) – Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

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 the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

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

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in 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 OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding 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, 2010 AND 2009**

NOTE 10 POST-RETIREMENT MEDICAL BENEFITS

Actuarial Methods and Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$97.6 million for 7,667 eligible retired members for Fiscal Year 2010.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$28.8 million in Fiscal Year 2010 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (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) of the plan over a period not to exceed thirty years. The Township's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the year ended December 31, 2010 were approximately \$192,372, which equaled the required contributions for each year.

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

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>
2010		\$ 147,750	\$ 196,305	\$ 15,316
2009		17,916	26,897	63,871
2008	\$ 50,000	14,483	406	72,852

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2010 and 2009. 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, 2010 and 2009, the Township reserved \$193,814 and \$347,363, 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.

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, 2010 and 2009, 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, 2010 and 2009, the Township has not estimated any potential arbitrage earnings due to the IRS.

NOTE 14 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

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 the 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.

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 14 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

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.

The Township of Mount Olive has contributed \$1,467 and \$1,442 for 2010 and 2009, respectively, for each eligible volunteer company and rescue squad members into the Plan.

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 Company 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>2010 Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
Construction of Library	\$ 101,248	2011

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 16 SUBSEQUENT EVENTS

Serial Bonds

On March 15, 2011 the Township adopted a resolution for the issuance of \$3,572,000 General Obligation Bonds consisting of \$1,537,000 General Improvement Bonds; \$575,000 Tax Appeal Refunding Bonds, Series A; and \$1,460,000 Tax Appeal Refunding Bonds, Series B. On April 6, 2011 the Township awarded the sale of said bonds to Morgan Keegan at an interest rate of 3.00% to 3.50%. These bonds dated April 27, 2011 will mature over 9 years with the first maturity due April 15, 2012.

Debt Authorized

Through April 26, 2011 the Township adopted General Bond Ordinance authorizing the issuance of \$479,000 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Township has not issued nor awarded the sale of said bonds or notes.

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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, 2009	\$ 4,853,742	\$ 92,793
Increased by Receipts:		
Taxes Receivable	\$ 89,870,126	
Tax Titke Liens Receivable	1,755	
Non-Budget Revenues	254,578	
State of NJ - Senior Citizens' and Vet. Deductions	136,020	
Revenue Accounts Receivable	4,206,571	
Fees Payable	3,178	
Prepaid Taxes	476,251	
Receipts from Open Space Trust Fund	586,851	
Receipts from General Capital Fund	36,821	
Receipts from State and Federal Grant Fund	75	
Budget Refunds	1,142,413	
Interest on Investments and Deposits		\$ 75
Grants Receivable		231,478
Unappropriated Grants		118
Tax Overpayments	391,764	
Miscellaneous Reserves and Deposits	229,622	-
	<u>97,336,025</u>	<u>231,671</u>
	102,189,767	324,464
Decreased by Disbursements:		
2010 Budget Appropriations	24,531,306	
2009 Appropriation Reserves	604,297	
Miscellaneous Reserves and Deposits	98,650	
Special Emergency Notes Payable	192,200	
Encumbrances Payable		-
Reserve for Grants Appropriated		246,543
Fees Payable	3,328	
County Taxes Payable	8,604,238	
Local District School Taxes Payable	60,702,860	
Sanitation District Taxes Payable	1,875,202	
Open Space Trust Taxes Payable	588,008	
Reserve for Tax Appeals	153,549	
Cash Disbursed to Current Fund		75
Tax Overpayments	391,764	-
	<u>97,745,402</u>	<u>246,618</u>
Balance, December 31, 2010	<u>\$ 4,444,365</u>	<u>\$ 77,846</u>

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

	Balance, December 31, <u>2009</u>	Balance, December 31, <u>2010</u>
Tax Collector	\$ 900	\$ 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	<u>50</u>	<u>50</u>
	<u>\$ 1,450</u>	<u>\$ 1,450</u>

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

Balance, December 31, 2009		\$ 32,047
Increased by:		
Veterans Deductions Per Tax Billings - 2010	\$ 110,750	
Senior Citizen Deductions Per Tax Billings - 2010	22,500	
Senior Citizen Deductions Allowed Per Tax Collector-2010	1,750	
Veterans Deductions Allowed Per Tax Collector - 2010	2,250	
Veterans Deductions Allowed Per Tax Collector - 2009	<u>250</u>	
		<u>137,500</u>
		169,547
Decreased by:		
Cash Received	136,020	
Senior Citizen Deductions Disallowed Per Tax Collector-2010	870	
Senior Citizen Deductions Disallowed Per Tax Collector-2009	<u>1,500</u>	
		<u>138,390</u>
Balance, December 31, 2010		<u>\$ 31,157</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF TAXES RECEIVABLE

Year	Balance, December 31, 2009	2010 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2010
2007	\$ 1,358							\$ 1,073
2008	56,503							2,939
2009	1,076,993	-	\$ 29,627	\$ 1,500	\$ 250	\$ 372	\$ 3,806	9,922
2010	1,134,854	-	29,627	1,500	250	372	3,806	13,934
		\$ 90,319,421		870	137,250	54,927	72,656	1,038,453
	\$ 1,134,854	\$ 90,319,421	\$ 29,627	\$ 2,370	\$ 137,500	\$ 55,299	\$ 76,462	\$ 1,052,387

Analysis of 2010 Property Tax Levy

Tax Yield								
General Purpose Tax				\$ 90,149,086				
Added Taxes				170,335				
					\$ 90,319,421			
Tax Levy								
County Taxes (Abstract)	\$ 7,737,801							
Due County for Added and Omitted Taxes	16,374							
County Open Space Preservation	850,063							
				\$ 8,604,238				
Local District School Tax (Abstract)				60,702,860				
Local Sanitation District	1,872,867							
Local Sanitation District - Added Taxes	2,335							
				1,875,202				
Local Open Space Levy	586,851							
Local Open Space Levy-Added Taxes	1,157							
				588,008				
Local Tax for Municipal Purposes	18,374,729							
Add Additional Tax Levied	174,384							
				18,549,113				
					\$ 90,319,421			

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

Balance, December 31, 2009		\$ 270,782
Increased by:		
Interest and Costs - 2010 Tax Sale	\$ 315	
Added Taxes	726	
Transfers from Taxes Receivable	<u>76,462</u>	
		<u>77,503</u>
		348,285
Decreased by:		
Collections		<u>1,755</u>
Balance, December 31, 2010		<u>\$ 346,530</u>

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

Balance, December 31, 2009		<u>\$ 4,380,394</u>
Balance, December 31, 2010		<u>\$ 4,380,394</u>

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

	Balance, December 31, <u>2009</u>	Accrued in <u>2010</u>	<u>Collected</u>	Balance, December 31, <u>2010</u>
Township Clerk				
Licenses				
Alcoholic Beverages		\$ 24,346	\$ 24,346	
Fees and Permits		2,443	2,443	
Board of Health				
Fees and Permits		86,502	86,502	
Registrar				
Fees and Permits		4,231	4,231	
SMA Clinic, Shots and Screening				
Fees and Permits		13,394	13,394	
Police Department				
Fees and Permits		4,525	4,525	
Tax Search Officer				
Fees and Permits		50	50	
Tax Assessor				
Fees and Permits		881	881	
Engineering				
Fees and Permits		2,335	2,335	
Planning Board				
Fees and Permits		14,053	14,053	
Zoning Board				
Fees and Permits		12,600	12,600	
Water Testing				
Fees and Permits		4,520	4,520	
Senior Activities				
Fees and Permits		300	300	
Municipal Court				
Fines and Costs	\$ 30,154	421,014	426,979	\$ 24,189
Interest and Costs on Taxes		245,550	245,550	
Interest on Investments and Deposits		48,990	48,990	
Water Tower Rental - NYNEX		188,576	188,576	
Interest on Developers' Deposit Fees		6,900	6,900	
Life Hazard Use Fees		38,609	38,609	
Fire Prevention Inspection Fees		75,705	75,705	
Reserve for Garden State Trust Fund		100,061	100,061	
Consolidated Municipal Property Tax Relief		216,405	216,405	
Energy Receipts Taxes		1,748,881	1,748,881	
Insurance Recovery Settlement		165,017	165,017	
Uniform Construction Code Fees	11,107	411,716	404,949	17,874
Interlocal Health Agreement		116,186	116,186	
Cable TV Franchise Fee		84,957	84,957	
Hotel Tax Revenues		187,653	187,653	
General Capital Fund Surplus		36,216	36,216	
Due from Open Space Trust Fund - Debt Service		586,851	586,851	
Due from Mt. Olive Child Care - Lease	-	81,034	81,034	-
	<u>\$ 41,261</u>	<u>\$ 4,930,501</u>	<u>\$ 4,929,699</u>	<u>\$ 42,063</u>
			4,206,571	
			100,061	
			36,216	
			<u>586,851</u>	
			<u>\$ 4,929,699</u>	

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

	<u>Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2009</u>	<u>Raised</u> <u>in 2010</u>	<u>Balance,</u> <u>December 31,</u> <u>2010</u>
Revaluation of Real Property	\$ 604,000	\$ 120,800	<u>\$ 204,955</u>	<u>\$ 120,800</u>	<u>\$ 84,155</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance, December 31, <u>2009</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
SALARIES AND WAGES				
General Government				
Mayor and Council	\$ 233	\$ 233		\$ 233
Township Clerk	8	8		8
Business Administration	1,549	1,549	\$ 687	862
Financial Administration	542	1,999	1,644	355
Revenue Administration	436	436		436
Assessment of Taxes	265	1,749	1,438	311
Engineering Services and Costs	1,677	1,677	738	939
Planning Board	1,268	2,268	2,223	45
Public Safety				
Police	21,548	21,548	8,026	13,522
Emergency Management System	2	2		2
Fire Prevention	108	108		108
Streets and Roads				
Road Repairs and Maintenance		16,000	15,504	496
Buildings and Grounds	296	6,001	5,407	594
Health and Human Services				
Board of Health	5,056	5,056	4,626	430
Division of Senior Social Services	2,269	2,269	1,465	804
Code Enforcement - Inspection of Buildings	7	2,007	1,890	117
Municipal Court	2,943	5,000	4,677	323
OTHER EXPENSES				
Mayor and Council	2,352	3,675	774	2,901
Township Clerk	473	655	182	473
Business Administration	2,963	1,036	563	473
Financial Administration	786	1,915	1,130	785
Annual Audit		3,097	902	2,195
Revenue Administration	40	40	39	1
Assessment of Taxes	284	102,379	101,430	949
Legal Services & Costs	13,016	20,910	14,563	6,347
Engineering Services and Costs	2,293	4,074	581	3,493
Industrial and Economic Development Committee	420	420		420
Pride Committee	191	2,741	1,300	1,441
Open Space Committee	12	12		12
Mt. Olive Historical Society	215	215		215
Ethics Board	148	148		148
Information Technology Support	248	2,572	2,296	276
Planning Board	6,605	9,823	4,264	5,559
Board of Adjustment	892	1,792	129	1,663
Public Safety				
Police	2,741	105,654	103,852	1,802
Emergency Management System	1,150	1,950	800	1,150
Fire				
Budd Lake Fire Company	796	796		796
First Aid Organization				
Budd Lake Rescue Squad	91	10,239	\$ 9,494	745
Flanders Rescue Squad	707	707		707
Fire Prevention	780	1,062	282	780
Fire Hydrant Rental		2,070	2,070	-
Streets and Roads				
Road Repairs and Maintenance	29,551	70,532	32,501	38,031

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance, December 31, <u>2009</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)				
Street Signs	\$ 1,295	\$ 1,408	\$ 44	\$ 1,364
Buildings and Grounds	20,783	55,658	34,210	21,448
Fleet Maintenance	8,080	51,070	50,849	221
Health and Human Services				
Board of Health	9,393	11,067	1,089	9,978
Environmental Committee	10	10		10
Division of Senior Social Services	202	259		259
Recreation and Education				
Recreation	126	220	94	126
Code Enforcement - Inspection of Buildings	910	29,313	28,859	454
Mount Olive Library		12	8	4
Utilities				
Electricity	200	4,297	3,115	1,182
Street Lighting	7,221	15,471	8,244	7,227
Gas	35,620	21,617	9,833	11,784
Telecommunications		7,221	6,785	436
Vehicle Fuel	15,804	28,501	9,274	19,227
Municipal Court	2,050	3,589	1,038	2,551
Public Defender	180	180		180
Statutory Charges				
Social Security System	4,264	4,264	4,142	122
Deferred Contribution Retirement Program	19	19		19
Insurance				
Employee Group Health	7,151	7,335	104	7,231
Length of Service Award Program (LOSAP)	-	140,000	121,132	18,868
	<u>\$ 218,269</u>	<u>\$ 797,935</u>	<u>\$ 604,297</u>	<u>\$ 193,638</u>
		\$ 218,269		
		<u>579,666</u>		
		<u>\$ 797,935</u>		

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

Balance, December 31, 2009	\$ 579,666
Increased by:	
Charges to 2010 Appropriations	481,474
	1,061,140
Decreased by:	
Transferred to Appropriation Reserves	579,666
Balance, December 31, 2010	\$ 481,474

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

Balance, December 31, 2009	\$ 23,114
Increased by:	
Charges to Appropriated Grant Reserves	39,720
	62,834
Decreased by:	
Cash Disbursements	23,114
Balance, December 31, 2010	\$ 39,720

STATEMENT OF FEES PAYABLE

Balance, December 31, 2009	\$ 750
Increased by:	
Cash Received	3,178
	3,928
Decreased by:	
Cash Disbursed	3,328
Balance, December 31, 2010	\$ 600

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

Balance, December 31, 2009	\$ 294,498
Increased by:	
Collection of 2011 Taxes	<u>476,251</u>
	770,749
Decreased by:	
Application to 2009 Taxes Receivable	<u>294,498</u>
Balance, December 31, 2010	<u>\$ 476,251</u>

EXHIBIT A-17

STATEMENT OF SPECIAL EMERGENCY NOTES PAYABLE

Balance, December 31, 2009	\$ 192,200
Decreased By:	
Cash Disbursements	<u>192,200</u>
Balance, December 31, 2010	<u>\$ -</u>

EXHIBIT A-18

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:		
2010 Tax Levy	\$	7,737,801
2010 Open Space Preservation		850,063
2010 Added and Omitted Taxes (54:4-63.1 et seq.)		<u>16,374</u>
	\$	<u>8,604,238</u>
Decreased by:		
Cash Disbursed	\$	<u>8,604,238</u>

EXHIBIT A-19

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:	
Levy - Calendar Year 2010	<u>\$ 60,702,860</u>
Decreased by:	
Cash Disbursed	<u>\$ 60,702,860</u>

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

	Balance, December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
Reserve for Tax Sale Premiums	\$ 154,400	\$ 153,750	\$ 98,750	\$ 209,400
Reserve for Watershed Moratorium		9,165		9,165
Reserve for Garden State Trust Fund	<u>100,061</u>	<u>66,707</u>	<u>100,061</u>	<u>66,707</u>
	<u>\$ 254,461</u>	<u>\$ 229,622</u>	<u>\$ 198,811</u>	<u>\$ 285,272</u>
Cash Receipts		\$ 229,622		
Cash Disbursements			\$ 98,650	
Cancelled - Fund Balance			100	
Utilized as Budget Revenue		<u>-</u>	<u>100,061</u>	
		<u>\$ 229,622</u>	<u>\$ 198,811</u>	

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2009	\$ 347,363
Decreased by:	
Cash Disbursed	<u>153,549</u>
Balance, December 31, 2010	<u>\$ 193,814</u>

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

	Balance, December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
Clean Communities Program	\$ 16,123	\$ 46,513	\$ 49,431	\$ 13,205
COPS Universal Hiring Grant	-	12,337	12,337	-
Alcohol, Education, and Rehab	1,717	1,508		3,225
Recreation Trails Programs	2,300		2,300	-
Enhanced 911 Equipment Grant	102		102	-
Holiday - Over the Limit Under Arrest	-	5,000	800	4,200
Public Health Priority Funding Grant	-	8,114	8,114	-
Donation - Flanders Park	-	145	145	-
Electronic Pilot Submission Grant	-	2,500	2,500	-
State Health Services Grant	72,858	24,732	83,512	14,078
Drunk Driving Enforcement Fund	26,493	17,210	35,190	8,513
Tobacco Age of Sale Enforcement Grant	1,614		1,614	-
Body Armor Replacement Grant	8,690	6,601	3,734	11,557
Water Use and Conservation	5,000		-	5,000
Recycling Tonnage Grant	47,066		47,066	-
Highlands Council Grant	6,550	50,000	19,196	37,354
Donation - Cablevision	-	2,000	2,000	-
Bulletproof Vest	1,886		1,886	-
Acquisition of Police Radar Units	-	9,628	9,628	-
Alcohol Traffic Safety and Drunk Driving	-	4,400	4,400	-
Donations - Walmart	1,000		1,000	-
Donations - Lion's Club	1,334		1,334	-
Donations - Siemens - Equipment	1,421		1,421	-
Donations - Benjamin Moore	-	1,125	1,125	-
	<u>\$ 194,154</u>	<u>\$ 191,813</u>	<u>\$ 288,835</u>	<u>\$ 97,132</u>
Budget Appropriation: State & Federal Grants		<u>\$ 191,813</u>		
Cash Disbursements			\$ 246,543	
Cancelled			2,572	
Encumbrances Payable			<u>39,720</u>	
			<u>\$ 288,835</u>	

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

Balance, December 31, 2009	\$	-
Increased By:		
Received in 2010 - Bulletproof Vest Grant		118
Balance, December 31, 2010	\$	118

EXHIBIT A-24

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

	Balance, December 31, <u>2009</u>	Revenue Realized	Cancelled	Balance, December 31, <u>2010</u>
COPS Universal Hiring Grant		\$ 12,337		
Highlands Council Grant	\$ 34,979	50,000		\$ 46,233
ANJEC Trail Plan	6,000			-
Clean Communities Program		46,513		-
Public Health Priority Funding		8,114		-
Drunk Driving Enforcement Fund		17,210		-
NJDEP - Recreation Trails Program	2,300			2,300
Electronic Pilot Submission Program		2,500	\$ 2,500	-
State Health Services Grant	55,992	24,732		14,077
Donation - Flanders Park		145		-
Donation - Cablevision		2,000		-
Body Armor Grant		6,601		-
Donation - Benjamin Moore		1,125		-
Holiday - Over the Limit Under Arrest		5,000		5,000
Alcohol Traffic Safety and Drunk Driving		4,400	72	-
Alcohol, Education and Rehab		1,508		-
Clean Energy Audit	14,297			-
Pandemic Flu Preparedness	2,410			-
Acquisition of Police Radar Units		9,628		9,628
Water Conservation Grant	5,000			5,000
Bullet Proof Vest Partnership	3,497	-	-	-
	<u>\$ 124,475</u>	<u>\$ 191,813</u>	<u>\$ 2,572</u>	<u>\$ 82,238</u>
Original Budget		\$ 148,039		
Chapter 159		43,774		
		<u>\$ 191,813</u>		

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

Increased by:			
2010 Tax Levy		\$ 586,851	
2010 Added Tax Levy		<u>1,157</u>	
			<u>\$ 588,008</u>
Decreased by:			
Cash Disbursed to Open Space Trust Fund			<u>\$ 588,008</u>

STATEMENT OF SANITATION DISTRICT TAXES

Increased by:			
2010 Tax Levy		\$ 1,872,867	
2010 Added Tax Levy		<u>2,335</u>	
			<u>\$ 1,875,202</u>
Decreased by:			
Cash Disbursed to Sanitation District Fund			<u>\$ 1,875,202</u>

STATEMENT OF TAX OVERPAYMENTS

Increased By:			
Overpayments Received			<u>\$ 391,764</u>
Decreased By:			
Cash Disbursements			<u>\$ 391,764</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, 2009	\$ 13,165	\$ 6,405,252	\$ 481,935
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 5,246		
Interest on Investments and Deposits			\$ 717
Municipal Open Space Tax Levy			588,008
Payroll and Payroll Deductions		\$ 22,710,250	
Developers Escrow Deposits		278,612	
Miscellaneous Reserves		5,144,992	
Animal Control Fees	72,357		
Current Fund Budget Appropriations	44,718	-	
Reimbursements	-	-	-
	<u>122,321</u>	<u>28,133,854</u>	<u>588,725</u>
	135,486	34,539,106	1,070,660
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	120,692		
Due to State of New Jersey	5,406	164,935	
Open Space Expenditures			77,505
Payments to Current Fund			586,851
Payroll and Payroll Deductions		22,718,144	
Developers Escrow Deposits Refunded		730,446	
Miscellaneous Reserves	-	5,089,671	-
	<u>126,098</u>	<u>28,703,196</u>	<u>664,356</u>
Balance, December 31, 2010	<u>\$ 9,388</u>	<u>\$ 5,835,910</u>	<u>\$ 406,304</u>

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

Balance, December 31, 2009		\$	12,975
Increased by:			
Current Fund Budget Appropriation		\$	44,718
Animal Control Fees			
Dog License Fees	\$	39,187	
Cat License Fees		14,927	
Miscellaneous Receipts		13,604	
Impound/Kennel Fees		<u>4,639</u>	
		<u>72,357</u>	
			<u>117,075</u>
			130,050
Decreased by:			
Expenditures Under R.S. 4:19-15-11			<u>120,692</u>
Balance, December 31, 2010		\$	<u>9,358</u>

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

Balance, December 31, 2009	\$	190
Increased by:		
Dog License Fees Collected		<u>5,246</u>
		5,436
Decreased by:		
Payments Made to State of New Jersey		<u>5,406</u>
Balance, December 31, 2010	<u>\$</u>	<u>30</u>

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

Balance, December 31, 2009	\$	4,501,650
Increased by:		
Cash Receipts		278,612
		4,780,262
Decreased by:		
Cash Disbursements		730,446
Balance, December 31, 2010	\$	4,049,816

**OTHER TRUST FUND
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
Unemployment Compensation	\$ 63,871	\$ 147,750	\$ 196,305	\$ 15,316
Law Enforcement	25,719	2,135	3,201	24,653
Affordable Housing	1,406,842	4,337,420	4,288,969	1,455,293
DARE Program	637			637
Off-Duty Police Contributions	69,817	120,214	146,616	43,415
Accumulated Snow Removal	3,088	18,005	3,087	18,006
POAA	143	74		217
Pride Committee	647	1		648
Senior Citizens Trust	100			100
Dog Park Donations	500	1,018	163	1,355
Municipal Beach Donations	10	34,015	33,999	26
Detention Basin Contributions	40,226	40,101	40,109	40,218
Accumulated Absences	162,589	255,264	373,805	44,048
Connector Road - Donations	33,599	33,074	50,692	15,981
Tree Bank Fund	75,425	145,171	145,181	75,415
Food Pantry		7,008	84	6,924
Electronic Fees	164	3,742	3,765	141
	<u>\$ 1,883,377</u>	<u>\$ 5,144,992</u>	<u>\$ 5,285,976</u>	<u>\$ 1,742,393</u>
Cash Receipts		<u>\$ 5,144,992</u>		
			Cash Disbursements	\$ 5,089,671
			Due to State of New Jersey	196,305
				<u>\$ 5,285,976</u>

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

Balance, December 31, 2009	\$	8,197
Increased by:		
Unemployment Claims		<u>196,305</u>
		204,502
Decreased By:		
Cash Disbursements		<u>164,935</u>
Balance, December 31, 2010	\$	<u>39,567</u>

EXHIBIT B-9

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

Balance, December 31, 2009	\$	481,935
Increased by:		
Interest on Investments and Deposits	\$	717
Municipal Open Space Tax Levy		<u>588,008</u>
		<u>588,725</u>
		1,070,660
Decreased by:		
Payments to Current Fund - Debt Service	586,851	
Miscellaneous Cash Disbursements		<u>77,505</u>
		<u>664,356</u>
Balance, December 31, 2010	\$	<u>406,304</u>

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

Balance, December 31, 2009	\$ 12,028
Increased by:	
Cash Receipts	<u>22,710,250</u>
	22,722,278
Decreased by:	
Cash Disbursements	<u>22,718,144</u>
Balance, December 31, 2010	<u>\$ 4,134</u>

GENERAL CAPITAL FUND

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

Balance, December 31, 2009		\$ 444,535
Increased by Receipts:		
Interest on Investments and Deposits	\$ 605	
Refunds	1,003	
Department of Transportation Grant Proceeds	333,380	
Green Acres Trust Proceeds	250,000	
Bond Anticipation Notes	1,850,000	
Current Fund Budget Appropriations:		
Deferred Charges - Unfunded	<u>224</u>	
		<u>2,435,212</u>
		2,879,747
Decreased by Disbursements:		
Improvement Authorizations	1,220,457	
Reserve for Encumbrances	285,820	
Bond Anticipation Notes	1,275,000	
Payments to Current Fund	<u>36,821</u>	
		<u>2,818,098</u>
Balance, December 31, 2010		<u>\$ 61,649</u>

TOWNSHIP OF MOUNT OLIVE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

		Balance, December 31, <u>2010</u>
Capital Improvement Fund		\$ 6,438
Encumbrances Payable		199,074
Reserve for Pocket Parks		15,000
Reserve for Recreation Improvements		37,500
Fund Balance		5,095
Department of Transportation Grant Receivable		(47,850)
Due from Green Acres Trust		(32,800)
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	(183,317)
48-02	BLFD Tank Removal	49,356
45-04	Baptist Church Improvements	59,998
27-05	Various Capital Improvements	3,709
18-09	Various Improvements	(25,797)
9-10/18-10	Resurfacing of Wolfe Road	(42,752)
19-10	Refunding Tax Appeals	25,034
27-10	ARD Tax Appeals	(78,184)
		\$ 61,649

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

Balance, December 31, 2009		\$ 27,717,206
Decreased by:		
2010 Budget Appropriation		
Payment of Bond Principal	\$ 3,225,000	
Payment of Loan Principal:		
Wastewater	\$ 256,894	
EDA	20,716	
Garden State Preservation Trust	24,124	
Morris County Improvement Authority	50,000	
Green Trust	<u>106,755</u>	
	<u>458,489</u>	
		<u>3,683,489</u>
Balance, December 31, 2010		<u>\$ 24,033,717</u>

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

Balance, December 31, 2009		\$ 423,852
Increased by:		
Grant Awards		<u>250,000</u>
		673,852
Decreased by:		
Cash Receipts	\$ 333,380	
Cancelled and Debt Authorized	88,137	
Cancelled	<u>204,485</u>	
		<u>626,002</u>
Balance, December 31, 2010		<u>\$ 47,850</u>
<u>Analysis of Balance</u>		
Ordinance # 9-10/#18-10		<u>\$ 47,850</u>

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

Balance, December 31, 2009	<u>\$ 160,000</u>
Balance, December 31, 2010	<u>\$ 160,000</u>

STATEMENT OF DUE TO CURRENT FUND

Increased By:		
Interest on Investments	\$ 605	
Utilized as Current Fund Revenue - Fund Balance	<u>36,216</u>	
		<u>\$ 36,821</u>
Decreased By:		
Cash Disbursements to Current Fund		<u>\$ 36,821</u>

STATEMENT OF DUE FROM COMMUNITY DEVELOPMENT BLOCK GRANT

Balance, December 31, 2009	\$ 133
Decreased By:	
Cancelled Ordinance	<u>133</u>
Balance, December 31, 2010	<u>\$ -</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance, December 31, 2009		2010 Authorizations	Encumbrances Cancelled	Expended	Funded Authorizations Cancelled		Balance, December 31, 2010	
				Funded	Unfunded				Funded	Unfunded	Funded	Unfunded
5-00	Impvt. of Township Property	2/22/00	\$ 125,000	\$ 3,133					\$ 3,133			
27-00	Construction of New Connector Road	8/8/03	3,000,000	111,085					111,085			
11-01/4-02	Various Capital Improvements	5/8/01	4,817,908	13,116	11,246				13,116		11,246	
06-02/11-07	Library Construction	3/12/2002, 3/13/07	1,758,000	103,811	95,153				103,811		95,153	
37-02	Various Improvements	9/24/02	1,602,070		34,196					\$ 44,250	9,400	
48-02	BLFD Tank Removal	12/10/02	93,432	49,356					49,356			
24-04	Various Capital Improvements	9/14/04	1,321,580	2,038					2,038			
45-04	Baptist Church Improvements	11/23/04	100,000	81,598	10,463				10,463			
27-05	Various Capital Improvements	8/9/2005	1,125,960		97,286							
13-07	Road Resurfacing	3/27/2007	146,179	962					962			97,247
46-08	Various Improvements	7/8/2008	1,363,145		82,950				37,064			
13-09	Public Access Channel Improvements	7/7/2009	7,000									
18-09	Various Improvements	8/21/2009	717,743		376,971				155,000			158,809
9-10/18-10	Resurfacing of Wolfe Road	6/29/2010	400,000			400,000		63,162				
13-10	Property Acquisition	5/19/2010	250,000			250,000		278,103				
19-10	Refunding Tax Appeals	7/13/2010	575,000			575,000		549,966				25,034
26-10	Acquisition of Property	11/9/2010	32,800			32,800		32,800				
27-10	ARD Tax Appeals	11/23/2010	1,460,000			1,460,000		78,184				1,381,816
				\$ 365,099	\$ 708,265	\$ 2,717,800	\$ 19,454	\$ 1,273,854	\$ 209,713	\$ 207,847	\$ 340,499	\$ 1,778,705

DOT Grant Receivable \$ 250,000
 Due from Green Acres Trust 282,800
 Deferred Charges Unfunded 2,185,000
\$ 2,717,800

Encumbrances Payable \$ 54,400
 Cash Disbursements 1,220,457
 Refunds (1,003)
\$ 1,273,854

Cancelled Receivables:
 Due from Community Development Block Grant 133
 DOT Grant Receivable 204,485
 Fund Balance 5,095
\$ 209,713

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Balance, December 31, 2009	Increased	Decreased	Balance, December 31, 2010
			Outstanding		Interest Rate				
			Date	Amount					
General Improvements	05/15/03	\$ 5,795,000	2/15/11-12	\$ 390,000	3.000	\$ 3,900,000	\$ 390,000	\$ 3,510,000	
			2/15/13-14	390,000	3.125				
			2/15/15-18	390,000	3.250				
			2/15/19	390,000	3.375				
General Improvements	05/15/04	2,958,000	2/15/2011	275,000	3.4-3.5	2,038,000	275,000	1,763,000	
			2/15/2012	290,000	3.6				
			2/15/13-15	300,000	3.7-3.9				
			2/15/2016	298,000	3.95				
General Improvements	04/01/05	1,430,000	4/1/11-15	160,000	3.375-3.750	960,000	160,000	800,000	
Tax Appeal Refunding	04/01/05	1,320,000	4/1/2011	260,000	3.375	500,000	240,000	260,000	
Refunding Bonds	06/15/05	7,190,000	02/15/11	680,000	4.50	6,645,000	665,000	5,980,000	
			02/15/12	685,000	5.00				
			02/15/13	715,000	5.00				
			02/15/14	740,000	5.00				
			02/15/15	755,000	4.50				
			02/15/16	760,000	3.625				
			02/15/17	715,000	4.00				
			02/15/18	730,000	4.00				
			02/15/19	200,000	4.00				
General Improvements	05/15/06	3,279,000	5/15/11-12	220,000	4.00	2,729,000	220,000	2,509,000	
			5/15/13-20	230,000	4.00-4.05				
			5/15/2021	229,000	4.10				
General Improvement and Tax Appeal Refunding	03/15/07	3,405,000	3/15/2011	560,000	3.75	2,465,000	540,000	1,925,000	
			3/15/2012	225,000	3.75				
			3/15/2013	225,000	3.75				
			3/15/2014	225,000	3.75				
			3/15/2015	230,000	3.75				
			3/15/2016	230,000	3.75				
			3/15/2017	230,000	3.75				
General Improvements	08/20/08	1,372,000	9/1/2011	250,000	3.00	1,182,000	180,000	1,002,000	
			9/1/2012	375,000	3.00				
			9/1/2013	377,000	3.00				
Refunding Bonds	04/30/09	4,105,000	2/15/2011-2012	595,000	4.00	4,105,000	555,000	3,550,000	
			2/15/2013-2016	590,000	4.00				
						<u>\$ 24,524,000</u>	<u>\$ -</u>	<u>\$ 3,225,000</u>	<u>\$ 21,299,000</u>
Paid by Budget Appropriation								<u>\$ 3,225,000</u>	

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

Balance, December 31, 2009	\$ <u>6,438</u>
Balance, December 31, 2010	\$ <u>6,438</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2009		\$ 449,948
Increased by:		
Charges to Improvement Authorizations		<u>54,400</u>
		504,348
Decreased by:		
Cancelled	\$ 19,454	
Cash Disbursements	<u>285,820</u>	
		<u>305,274</u>
Balance, December 31, 2010		\$ <u>199,074</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF DUE FROM GREEN ACRES TRUST**

Increased by:	
Awarded in 2010	\$ 282,800
Decreased by:	
Received in 2010	<u>250,000</u>
Balance, December 31, 2010	<u>\$ 32,800</u>

STATEMENT OF RESERVE FOR POCKET PARKS

Balance, December 31, 2009	<u>\$ 15,000</u>
Balance, December 31, 2010	<u>\$ 15,000</u>

STATEMENT OF RESERVE FOR RECREATION IMPROVEMENTS

Balance, December 31, 2009	<u>\$ 37,500</u>
Balance, December 31, 2010	<u>\$ 37,500</u>

EXHIBIT C-17

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

Balance, December 31, 2009	\$ 1,647,900
Decreased by:	
Paid by Budget Appropriation	<u>256,894</u>
Balance, December 31, 2010	<u>\$ 1,391,006</u>

EXHIBIT C-18

STATEMENT OF EDA LOAN PAYABLE

Balance, December 31, 2009	\$ 47,344
Decreased by:	
Paid by Budget Appropriation	<u>20,716</u>
Balance, December 31, 2010	<u>\$ 26,628</u>

EXHIBIT C-19

STATEMENT OF GREEN TRUST LOAN PAYABLE

Balance, December 31, 2009	\$ 673,592
Decreased by:	
Paid by Budget Appropriation	<u>106,755</u>
Balance, December 31, 2010	<u>\$ 566,837</u>

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

Balance, December 31, 2009	\$ 354,370
Decreased by:	
Paid by Budget Appropriation	<u>24,124</u>
Balance, December 31, 2010	<u>\$ 330,246</u>

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

Balance, December 31, 2009	\$ 470,000
Decreased by:	
Paid by Budget Appropriation	<u>50,000</u>
Balance, December 31, 2010	<u>\$ 420,000</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>Balance December 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
37-02	Various Improvements	4/29/2009 4/29/2010	4/29/2010 4/28/2011	2.05% 1.50%	\$ 30,829	\$ 30,829	\$ 30,829	\$ 30,829
24-03	Various Improvements	4/29/2009 4/29/2010	4/29/2010 4/28/2011	2.05% 1.50%	7,656	7,656	7,656	7,656
27-05	Various Capital Improvements	4/29/2009 4/29/2010	4/29/2010 4/28/2011	2.05% 1.50%	10,561	10,561	10,561	10,561
33-07	Acquisition of Various Equipment	4/29/2009 4/29/2010	4/29/2010 4/28/2011	2.05% 1.50%	3,900	3,900	3,900	3,900
47-07	Acquisition of Various Vehicles	4/29/2009 4/29/2010	4/29/2010 4/28/2011	2.05% 1.50%	1,822	1,822	1,822	1,822
46-08	Various Improvements	4/29/2009 4/29/2010	4/29/2010 4/28/2011	2.05% 1.50%	445,232	445,232	445,232	445,232
46-08	Various Improvements	10/29/2009 4/29/2010	4/29/2010 4/28/2011	0.95% 1.50%	425,000	425,000	425,000	425,000
18-09	Various Improvements	10/29/2009 4/29/2010	4/29/2010 4/28/2011	0.95% 1.50%	350,000	350,000	350,000	350,000
19-10	Refunding Tax Appeals	8/17/2010	4/28/2011	2.06%	-	575,000	-	575,000
					<u>\$ 1,275,000</u>	<u>\$ 1,850,000</u>	<u>\$ 1,275,000</u>	<u>\$ 1,850,000</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, 2010
		Balance, December 31, 2009	2010 Authorizations	Notes Issued	Cancelled Appropriation	
	<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	148,830	\$ 88,137	\$ 44,250		192,717
24-04	Various Capital Improvements	10,463		10,463		-
27-05	Various Capital Improvements	93,538				93,538
33-06	Various Improvements	224			\$ 224	-
46-08	Various Improvements	45,886		45,886		-
18-09	Various Improvements	184,606				184,606
9-10/18-10	Resurfacing of Wolfe Road		150,000	107,248		42,752
19-10	Refunding Tax Appeals		575,000			
27-10	ARD Tax Appeals		1,460,000			
		<u>\$ 589,946</u>	<u>\$ 2,273,137</u>	<u>\$ 207,847</u>	<u>\$ 224</u>	<u>\$ 2,080,012</u>

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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, 2009	\$ 500,684	\$ 591,051
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,467,722	
Interest on Investments	1,010	\$ 1,238
Miscellaneous Fees	97,947	
Appropriation Refunds	13,599	
Budget Appropriation - Capital Improvement Fund		
Receipts from Water Utility Capital Fund	<u>7,021</u>	<u>-</u>
	<u>1,587,299</u>	<u>1,238</u>
	2,087,983	592,289
Decreased by Disbursements:		
2010 Budget Appropriations	1,528,186	
2009 Appropriation Reserves	56,887	
Accrued Interest on Bonds and Notes	42,613	
Improvement Authorizations		12,671
Encumbrances Payable		-
Payments made to Water Utility Operating Fund	<u>-</u>	<u>7,021</u>
	<u>1,627,686</u>	<u>19,692</u>
Balance, December 31, 2010	<u>\$ 460,297</u>	<u>\$ 572,597</u>

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

	Balance, December 31, <u>2010</u>
Encumbrances Payable	\$ 140,192
Capital Improvement Fund	5,750
Improvement Authorizations:	
12-06 Various Improvements	10,075
25-07 Various Improvements	549,045
26-08 Flanders Well #2	(121,390)
40-08 Various Improvements	(13,940)
17-09 Water System Interconn.	(14,701)
19-09 Various Improvements	<u>(29,217)</u>
	 <u>\$ 525,814</u>

EXHIBIT D-7

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

Balance, December 31, 2009	\$ 39,058
Increased by:	
Water Rents Levied	<u>1,482,444</u>
	1,521,502
Decreased by:	
Cash Receipts	<u>1,467,722</u>
Balance, December 31, 2010	<u>\$ 53,780</u>

EXHIBIT D-8

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

Balance, December 31, 2009	\$ 5,142,119
Increased by:	
Transfers from Fixed Capital Authorized and Uncompleted	<u>48,806</u>
Balance, December 31, 2010	<u>\$ 5,190,925</u>

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

Balance, December 31, 2009	\$	58,326
Increased by:		
Charges to 2010 Budget Appropriations		<u>79,594</u>
		137,920
Decreased by:		
Transfer to Appropriation Reserves		<u>58,326</u>
Balance, December 31, 2010	\$	<u>79,594</u>

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

Balance, December 31, 2009	\$	13,334
Increased by:		
Charged to 2010 Budget Appropriations		<u>39,111</u>
		52,445
Decreased by:		
Cash Disbursements		<u>42,613</u>
Balance, December 31, 2010	\$	<u>9,832</u>

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

Increased by:		
Interest Earned in Water Utility Capital Fund	\$	1,238
Water Capital Fund Balance Anticipated in the 2010 Water Operating Budget		<u>5,783</u>
		\$ 7,021
Decreased by:		
Receipts from Water Utility Capital Fund	\$	<u>7,021</u>

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

Balance, December 31, 2009		\$ 4,306,861
Increased by:		
Serial Bonds Paid by Budget	\$ 410,000	
Transfer from Deferred Reserve for Amortization	<u>10,650</u>	
		<u>420,650</u>
Balance, December 31, 2010		<u>\$ 4,727,511</u>

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

Balance, December 31, 2009		\$ 10,650
Decreased by:		
Transfer to Reserve for Amortization		<u>10,650</u>
Balance, December 31, 2010		<u>\$ -</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2009 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2009</u>	Transfer From Encumbrances <u>Payable</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 26,541		\$ 26,541	\$ 6,377	\$ 20,164
Other Expenses	20,777	\$ 58,326	79,103	50,022	29,081
STATUTORY EXPENDITURES					
Social Security System	<u>2,184</u>	<u>-</u>	<u>2,184</u>	<u>488</u>	<u>1,696</u>
	<u>\$ 49,502</u>	<u>\$ 58,326</u>	<u>\$ 107,828</u>	<u>\$ 56,887</u>	<u>\$ 50,941</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF GENERAL SERIAL BONDS
WATER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds		<u>Interest Rate</u>	<u>Balance, December 31, 2009</u>	<u>Balance, December 31, 2010</u>
			<u>Date</u>	<u>Outstanding December 31, 2010 Amount</u>			
General Improvements	4/1/2005	\$ 465,000				\$ 100,000	\$ 100,000
Water Improvements	5/15/2006	416,000	5/15/2011	\$ 106,000	4.00%	206,000	\$ 106,000
Water Improvements	3/15/07	645,000	3/15/2011	175,000	3.750%	455,000	100,000
			3/15/2012	180,000	3.750%		355,000
Water Improvements	8/20/2008	757,000	9/1/2011	125,000	3.000%	652,000	542,000
			9/1/2012	210,000	3.000%		
			9/1/2013	207,000	3.000%		
						-	-
						\$ 1,413,000	\$ 1,003,000
						Budget Appropriation	\$ 410,000

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2009</u>	Transferred to <u>Fixed Capital</u>	<u>Cancelled</u>	Balance, December 31, <u>2010</u>
12-06	Various Improvements	\$ 10,425			\$ 10,425
25-07	Various Improvements	625,884	\$ 5,755		620,129
26-08	Flanders Well #2	938,455	7,915		930,540
40-08	Various Improvements	351,060		\$ 47,810	303,250
17-09	Water System Interconn.	380,918	5,919		374,999
19-09	Various Improvements	225,000	29,217	65,133	130,650
		<u>\$ 2,531,742</u>	<u>\$ 48,806</u>	<u>\$ 112,943</u>	<u>\$ 2,369,993</u>

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

Balance, December 31, 2009	\$ 174,475
Increased By	
Charges to Improvement Authorizations	<u>12,500</u>
	186,975
Decreased by:	
Cash Disbursements	<u>46,783</u>
Balance, December 31, 2010	<u>\$ 140,192</u>

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

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2009		Ordinance Cancelled	Expended	Balance, December 31, 2010	
				Funded	Unfunded			Funded	Unfunded
12-06	Various Improvements	3/28/06	735,000	\$ 10,075	\$ 350		\$ 5,000	\$ 10,075	\$ 350
25-07	Various Improvements	6/26/2007	774,000	554,045	300		6,752	549,045	300
26-08	Flanders Well #2	5/20/2008	1,000,000		885,362				878,610
40-08	Various Improvements	7/8/2008	365,000		332,810	\$ 47,810			285,000
17-09	Water System Interconn.	8/4/2009	382,200		380,918		13,419		367,499
19-09	Various Improvements	8/4/2009	225,000	-	184,533	65,133	-	-	119,400
				\$ 564,120	\$ 1,784,273	\$ 112,943	\$ 25,171	\$ 559,120	\$ 1,651,159

Bonds Authorized but Not Issued \$ 112,943

Cash Disbursements \$ 12,671
Encumbrances Payable 12,500

\$ 25,171

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

Balance, December 31, 2009 \$ 5,750

Balance, December 31, 2010 \$ 5,750

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2009</u>	<u>Cancelled</u>	Balance, December 31, <u>2010</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	\$ 47,810	298,940
17-09	Water System Interconn.	382,200		382,200
19-09	Various Improvements	<u>213,750</u>	<u>65,133</u>	<u>148,617</u>
		<u>\$ 1,943,350</u>	<u>\$ 112,943</u>	<u>\$ 1,830,407</u>

SEWER UTILITY FUND

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

	<u>Operating</u>	<u>Assessment</u>
Balance, December 31, 2009	\$ 2,677,507	\$ 1,296,900
Increased by Receipts:		
Interest on Investments and Deposits	\$ 4,590	\$ 1,293
Receipts from Sewer Utility Operating Fund		299,935
Receipts from Sewer Utility Assessment Trust Fund	1,293	
Consumer Rents Accounts Receivable (Net of Refunds)	3,768,207	
Sewer Liens Receivable	3,813	
Assessments Receivable		947,027
Assessments Liens Receivable		284
Receipts from Sale of EDU's		46,601
Reimbursement from Mount Olive School District	80,405	
Miscellaneous Budget Revenues	51,714	
Interest on Assessments	116,339	
Budget Refunds	<u>24,774</u>	<u>-</u>
	<u>4,051,135</u>	<u>1,295,140</u>
	6,728,642	2,592,040
Decreased by Disbursements:		
2010 Budget Appropriations	3,756,300	1,594,830
2009 Appropriation Reserves	235,134	
Accrued Interest on Bond and Notes	325,130	
Due to Sewer Operating Fund	<u>-</u>	<u>1,293</u>
	<u>4,316,564</u>	<u>1,596,123</u>
Balance, December 31, 2010	<u>\$ 2,412,078</u>	<u>\$ 995,917</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, 2009		\$ 234,489
Increased by:		
Sewer Rents Levied		<u>3,755,476</u>
		3,989,965
Decreased by:		
Cash Collections (net of refunds)	\$ 3,768,207	
Transfer to Utility Liens	756	
Cancelled	<u>5</u>	
		<u>3,768,968</u>
Balance, December 31, 2010		<u>\$ 220,997</u>

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

Balance, December 31, 2009		\$ 3,572
Increased by:		
Transfers from Consumer Accounts Receivable		<u>756</u>
		4,328
Decreased by:		
Cash Collections in 2010		<u>3,813</u>
Balance, December 31, 2010		<u>\$ 515</u>

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

Balance, December 31, 2009		\$ 3,500,689
Increased by:		
Sale of EDU's		<u>46,601</u>
		3,547,290
Decreased by:		
Cancelled	\$ 9	
Cash Received for Sale of EDU's	46,601	
Cash Receipts for Assessments Receivable (Net of Refunds)	<u>947,027</u>	
		<u>993,637</u>
Balance, December 31, 2010		<u>\$ 2,553,653</u>

EXHIBIT E-12

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

Balance, December 31, 2009		\$ 1,806
Decreased by:		
Cash Receipts for Assessment Liens Receivable		<u>284</u>
Balance, December 31, 2010		<u>\$ 1,522</u>
Balance Pledged to:		
Assessment Debt	\$ 1,336	
Reserve for Interest and Costs on Liens	<u>186</u>	
		<u>\$ 1,522</u>

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

Ord. No.	Improvement Description	Balance December 31, 2009	Increased by Assessments Cancelled and Adjustments	Decreased by	Balance December 31, 2010	Wastewater Loans	Balance Pledged To Reserve
3-92/21-92/ 7-93/16-93/ 10-95/20-95/ 11-97/17-98	Sewer Collection and Treatment System - Budd Lake	\$ 3,241,438	\$ 9	\$ 46,601	\$ 3,194,846	\$ 2,547,128	\$ 647,718

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

Balance, December 31, 2009	\$ 227,345
Increased by:	
Charges to 2010 Budget Appropriations	<u>61,967</u>
	289,312
Decreased by:	
Transfer to Appropriation Reserves	<u>227,345</u>
Balance, December 31, 2010	<u>\$ 61,967</u>

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

	Sewer Assessment Trust Fund	Sewer Capital Fund	Total
Balance, December 31, 2009	\$ 7,024,864	\$ 433,722	\$ 7,458,586
Decreased by:			
Repayment of Loans by Assessment Budget	1,499,830		1,499,830
Repayment of Loans by Operating Budget	-	65,860	65,860
	<u>1,499,830</u>	<u>65,860</u>	<u>1,565,690</u>
Balance, December 31, 2010	<u>\$ 5,525,034</u>	<u>\$ 367,862</u>	<u>\$ 5,892,896</u>

Analysis of Balance

1993 Loan	\$ 4,731,671
1995 Loan	793,363
1996 Loan	<u>367,862</u>
	<u>\$ 5,892,896</u>

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

	Balance, December 31, <u>2009</u>	Transferred From Encumbrances <u>Payable</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 23,882		\$ 23,882	\$ 6,033	\$ 17,849
Other Expenses	28,756	\$ 92,345	121,101	93,639	27,462
Capital Outlay		135,000	135,000	135,000	
STATUTORY EXPENDITURES					
Social Security System	<u>2,091</u>	<u>-</u>	<u>2,091</u>	<u>462</u>	<u>1,629</u>
	<u>\$ 54,729</u>	<u>\$ 227,345</u>	<u>\$ 282,074</u>	<u>\$ 235,134</u>	<u>\$ 46,940</u>
		Cash Disbursements		<u>\$ 235,134</u>	

EXHIBIT E-17

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

Balance, December 31, 2009	\$ 2,005
Decreased By:	
Raised in 2010 Sewer Operating Budget	<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>2009</u>	Capital Outlay <u>Expenditures</u>	Balance, December 31, <u>2010</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
N/A	Various Improvements - 2009	-	\$ 135,000	135,000
		<u>\$ 32,784,152</u>	<u>\$ 135,000</u>	<u>\$ 32,919,152</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>2009</u>	Raised in Operating <u>Budget</u>	Balance December 31, <u>2010</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	\$ 297,930	\$ 647,718

EXHIBIT E-20

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

Balance, December 31, 2009	\$ 186
Balance, December 31, 2010	\$ 186

EXHIBIT E-21

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

Balance, December 31, 2009	\$ 29,753,430
Increased by:	
2010 Budget Appropriation	
Transfer from Capital Outlay	\$ 135,000
Bond Principal	330,000
Loan Principal	<u>65,860</u>
	<u>530,860</u>
Balance, December 31, 2010	\$ 30,284,290

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

Balance, December 31, 2009	\$ 142,387
Increased by:	
Charges to 2010 Budget Appropriations:	
Interest on Bonds and Notes	<u>300,119</u>
	442,506
Decreased by:	
Cash Disbursements	<u>325,130</u>
Balance, December 31, 2010	<u>\$ 117,376</u>
	Serial Bonds \$ 48,460
	Wastewater Loans <u>68,916</u>
	<u>\$ 117,376</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF SERIAL BONDS
SEWER UTILITY ASSESSMENT TRUST FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	Maturities of Bonds		<u>Interest Rate</u>	<u>Balance, December 31, 2009</u>	<u>Decreased</u>	<u>Balance, December 31, 2010</u>
				<u>Outstanding December 31, 2010</u>	<u>Amount</u>				
Sewer Refunding Bonds	5/25/2005	\$ 668,000	8/15/11-15	\$ 95,000	98,000	3.25-5.00%	\$ 668,000	\$ 95,000	\$ 573,000
			8/15/16			3.25-5.00%	\$ 668,000	\$ 95,000	\$ 573,000
							\$ 668,000	\$ 95,000	\$ 573,000
							Paid by Budget Appropriation		\$ 95,000

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

Increased by:	
Interest on Investments	<u>\$ 1,293</u>
Decreased by:	
Cash Disbursements	<u>\$ 1,293</u>

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SOLID WASTE COLLECTION DISTRICT FUND

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

Balance, December 31, 2009		\$ 124,971
Increased by:		
Budget Revenue	\$ 1,995,059	
Non Budget Revenue	420	
Due from County of Morris	600,144	
Appropriation Refunds	<u>28,680</u>	
		<u>2,624,303</u>
		2,749,274
Decreased by Disbursements:		
2009 Appropriation Reserves	145,610	
2010 Appropriation Expenditures	<u>2,295,983</u>	
		<u>2,441,593</u>
Balance, December 31, 2010		<u>\$ 307,681</u>

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

Balance, December 31, 2009	\$ 113,875
Increased by:	
Host Benefit Fees Realized as Revenue	602,980
	716,855
Decreased by:	
Cash Receipts	600,144
Balance, December 31, 2010	\$ 116,711

**STATEMENT OF 2009 APPROPRIATION RESERVES
SOLID WASTE COLLECTION DISTRICT FUND**

	Balance December 31, <u>2009</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	\$ 59,073		\$ 59,073	\$ 15,242	\$ 43,831
Other Expenses	4,563	\$ 133,784	138,347	125,935	12,412
Recycling Tax	1,153	3,310	4,463	3,267	1,196
Statutory Expenditures:					
Social Security System	6,938	-	6,938	1,166	5,772
	\$ 71,727	\$ 137,094	\$ 208,821	\$ 145,610	\$ 63,211

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

Balance, December 31, 2009	\$ 137,094
Increased by:	
Charges to 2010 Budget	<u>179,595</u>
	316,689
Decreased by:	
Transfer to 2009 Appropriation Reserves	<u>137,094</u>
Balance, December 31, 2010	<u>\$ 179,595</u>

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RECREATION UTILITY FUND

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

Balance, December 31, 2009		\$ 154,451
Increased by:		
Budget Revenue	\$ 359,559	
Non Budget Revenue	<u>454</u>	
		<u>360,013</u>
		514,464
Decreased by Disbursements:		
2009 Appropriation Reserves	5,227	
2010 Appropriation Expenditures	<u>377,979</u>	
		<u>383,206</u>
Balance, December 31, 2010		<u>\$ 131,258</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
RECREATION UTILITY FUND**

Balance, December 31, 2009		\$ 5,495
Increased by:		
Charges to 2010 Budget		<u>11,189</u>
		16,684
Decreased by:		
Transfer to Appropriation Reserves		<u>5,495</u>
Balance, December 31, 2010		<u>\$ 11,189</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2009 APPROPRIATION RESERVES
RECREATION UTILITY FUND**

	Balance December 31, <u>2009</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	\$ 4,424		\$ 4,424	\$ 637	\$ 3,787
Other Expenses	26,762	\$ 5,495	32,257	4,541	27,716
Statutory Expenditures:					
Social Security System	<u>339</u>	<u>-</u>	<u>339</u>	<u>49</u>	<u>290</u>
	<u>\$ 31,525</u>	<u>\$ 5,495</u>	<u>\$ 37,020</u>	<u>\$ 5,227</u>	<u>\$ 31,793</u>

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

Balance, December 31, 2009	<u>\$ 2,595</u>
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Balance, December 31, 2010	<u>\$ 2,595</u>
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**STATEMENT OF RESERVE FOR AMORTIZATION
RECREATION UTILITY CAPITAL FUND**

Balance, December 31, 2009	<u>\$ 2,595</u>
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Balance, December 31, 2010	<u>\$ 2,595</u>
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**TOWNSHIP OF MOUNT OLIVE
MORRIS COUNTY, NEW JERSEY**

PART II

GOVERNMENT AUDITING STANDARDS

AND

SINGLE AUDIT

LERCH, VINCI & HIGGINS, LLP

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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, 2010, and have issued our report thereon dated June 7, 2011 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. In addition, our report on the financial statements – regulatory basis was qualified because of the presentation of the unaudited LOSAP Trust Fund. Except as discussed in the preceding sentence, 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.

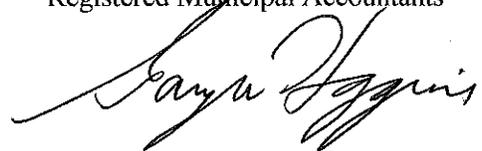
Compliance and Other Matters

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 7, 2011

**TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2010**

Grant Year	Federal CFDA Number	Grant Award Received	Balance, December 31, 2009	Revenue Realized	Cancelled	Expenditures	Balance, December 31, 2010
U.S. Dept. of Justice							
2009	16.710	\$ 12,337	\$	12,337	\$	12,337	
COPS Universal Hiring Program							
U.S. Dept. of Health and Human Services							
2010	93.069			24,732		10,654	\$ 14,078
2009	93.069		\$ 72,858			72,858	
U.S. Dept. of Transportation							
2010	20.601	17,210		17,210		8,697	8,513
2009	20.601		18,178			18,178	
2008	20.601		8,315			8,315	
2009	20.205		155,000		\$ 155,000		
2010	20.205	202,150	-	250,000	14,650	187,500	47,850
			<u>\$ 254,351</u>	<u>\$ 304,279</u>	<u>\$ 169,650</u>	<u>\$ 318,539</u>	<u>\$ 70,441</u>

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, 2010**

State Grant Program	Grant Number	Grant Year	Grant Amount Received	Balance, December 31, 2009	2010 Revenue	Cancelled	Expended	Balance, December 31, 2010	(Memo) Cumulative Expenditures
Clean Communities Program	4900-752-178810-60	2010 2009	\$ 46,513	\$ 16,123	\$ 46,513	\$	\$ 33,308 16,123	\$ 13,205	\$ 33,308 44,244
Recycling Tonnage Grant	N/A	2009		47,066			47,066		74,503
Public Health Priority Funding	4220-150-021-030-60	2010	8,114		8,114		8,114		8,114
Body Armor Replacement Grant	N/A	2010 2006	6,601	8,690	6,601		3,734	2,867 8,690	3,734 2,265
Bullet Proof Vest Partnership	N/A	2003 2003		1,313 573			1,313 573		1,313 13,979
Alcohol Traffic Safety and Drunk Driving	N/A	2010	4,400		4,400		4,400		4,400
Clean Energy Grant	N/A	2009							
Alcohol, Education and Rehab	N/A	2010 2009	1,508	1,717	1,508			1,508 1,717	
NJDEP - Recreation Trails Grant	N/A	2007		2,300			2,300		2,300
Highlands Council Grant	N/A	2010 2009	38,746	6,550	50,000		12,646 6,550	37,354	12,646 50,000
Holiday - Over the Limit Under Arrest	N/A	2010	5,000		5,000		800	4,200	800
Water Use and Conservation	N/A	2009		5,000				5,000	
Tobacco Age of Sale Enforcement Grant	97-1679-ADA-00	2009 2008		1,500 114			1,500 114		1,500 900
Enhanced 911 Equipment Grant	N/A	2007		102			102		11,514
Department of Transportation Ordinance #46-08									
Various Improvements Ordinance # 37-02		2008		68,852	\$ 34,017	\$	34,835		165,983
Turkey Brook Park Pedestrian & Bicycle Connections	N/A	2002		200,000		88,137	111,863		111,863
N/A - Not Available			\$ 359,900	\$ 122,136	\$ 122,154	\$ 285,341	\$ 74,541	\$	\$ 543,366

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

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2010**

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 awards and state financial assistance.

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	\$ 54,279	\$ 122,136	\$ 176,415
General Capital	<u>250,000</u>	<u>-</u>	<u>250,000</u>
 Total Financial Awards	 <u>\$ 304,279</u>	 <u>\$ 122,136</u>	 <u>\$ 426,415</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, 2010**

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Township's federal and state loans outstanding at December 31, 2010, 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	\$ 330,246
Green Trust Loan	V-226-6020	566,837
Wastewater Trust Loans	4860-510-702440-61	7,283,902
EDA Loan	004-L04229	<u>26,628</u>
		<u>\$ 8,207,613</u>

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>			<u>Year 2009</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 2,350,000	2.39	%	\$ 2,991,310	3.08	%
Miscellaneous - From Other Than						
Local Property Tax Levies	5,376,770	5.47		5,778,204	5.95	
Collection of Delinquent Taxes and Tax Title Liens	1,149,374	1.17		1,023,953	1.06	
Collection of Current Tax Levy	89,153,385	90.77		87,094,618	89.72	
Other Credits to Income	193,738	0.20		183,910	0.19	
	<u>98,223,267</u>	<u>100.00</u>	%	<u>97,071,995</u>	<u>100.00</u>	%
EXPENDITURES						
Budget Expenditures						
Municipal Purposes	24,325,657	25.31	%	24,750,132	26.05	%
Local School Taxes	60,702,860	63.17		59,532,178	62.67	
County Taxes	8,604,238	8.95		8,767,904	9.23	
Sanitation District Taxes	1,875,202	1.95		1,332,647	1.40	
Municipal Open Space Preservation	588,008	0.61		587,826	0.62	
Other Expenditures	1,250	0.00		24,639	0.03	
	<u>96,097,215</u>	<u>100.00</u>	%	<u>94,995,326</u>	<u>100.00</u>	%
Excess in Revenue	2,126,052			2,076,669		
Fund Balance, January 1	<u>3,204,987</u>			<u>4,119,628</u>		
	5,331,039			6,196,297		
Decreased by:						
Utilized as Anticipated Revenue	<u>2,350,000</u>			<u>2,991,310</u>		
Fund Balance, December 31	<u>\$ 2,981,039</u>			<u>\$ 3,204,987</u>		

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>			<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 340,787	17.34 %	\$	357,079	19.88 %
Collection of Water Rents	1,467,722	74.68		1,314,343	73.18
Miscellaneous - From Other Than Water Rents	105,978	5.39		107,464	5.98
Other Credits to Income	<u>50,941</u>	<u>2.59</u>		<u>17,238</u>	<u>0.96</u>
 Total Income	 <u>1,965,428</u>	 <u>100.00</u> %	 	 <u>1,796,124</u>	 <u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Operating	1,173,313	70.21 %		1,223,104	71.21 %
Capital Improvements	-	-		11,250	0.66
Debt Service	449,111	26.88		432,931	25.20
Deferred Charges and Statutory Expenditures	<u>48,643</u>	<u>2.91</u>		<u>50,326</u>	<u>2.93</u>
 Total Expenditures	 <u>1,671,067</u>	 <u>100.00</u> %	 	 <u>1,717,611</u>	 <u>100.00</u> %
 Excess in Revenue	 294,361			 78,513	
 Fund Balance, January 1	 <u>379,522</u>			 <u>658,088</u>	
Decreased by:					
Utilized as Anticipated Revenue	<u>340,787</u>			<u>357,079</u>	
 Fund Balance, December 31	 <u>\$ 333,096</u>			 <u>\$ 379,522</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>			<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 970,279	19.24 %	\$	893,968	17.93 %
Sewer User Fees	3,772,020	74.79		3,754,513	75.28
Miscellaneous - From Other Than					
Sewer Service Charges	254,341	5.04		287,564	5.77
Unexpended Balance of Appropriation Reserves	<u>46,940</u>	<u>0.93</u>		<u>51,072</u>	<u>1.02</u>
 Total Income	 <u>5,043,580</u>	 <u>100.00</u> %		 <u>4,987,117</u>	 <u>100.00</u> %
 EXPENDITURES					
Budget Expenditures					
Operating	3,192,866	75.42 %		3,298,432	77.93 %
Deferred Charges and Statutory Expenditures	344,798	8.14		46,683	1.10
Debt Service	695,979	16.44		752,744	17.78
Capital Outlay	<u>-</u>	<u>-</u>		<u>135,000</u>	<u>3.19</u>
 Total Expenditures	 <u>4,233,643</u>	 <u>100.00</u> %		 <u>4,232,859</u>	 <u>100.00</u> %
 Excess in Revenue	 809,937			 754,258	
 Fund Balance, January 1	 <u>2,253,046</u>			 <u>2,392,756</u>	
Decreased by:					
Utilized as Anticipated Revenue	<u>970,279</u>			<u>893,968</u>	
 Fund Balance, December 31	 <u>\$ 2,092,704</u>			 <u>\$ 2,253,046</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>			<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 26,672	0.99 %	\$	271,000	11.13 %
Sanitation District Taxes	1,875,202	69.75		1,332,647	54.72
Host Benefit Fees - Transfer Station	666,468	24.79		707,039	29.03
Miscellaneous - Fees	56,789	2.11		103,018	4.23
Unexpended Balance of Appropriation Reserves	<u>63,211</u>	<u>2.35</u>		<u>21,501</u>	<u>0.88</u>
 Total Income	 <u>2,688,342</u>	 <u>100.00</u> %		 <u>2,435,205</u>	 <u>100.00</u> %
 EXPENDITURES					
Budget Expenditures					
Operating	2,332,386	94.65 %		2,259,590	93.94 %
Deferred Charges and Statutory Expenditures	131,794	5.35		127,595	5.30
Surplus (General Budget)	-	-		18,087	0.75
Refund of Prior Year Revenue	<u>-</u>	<u>-</u>		<u>10</u>	<u>0.01</u>
 Total Expenditures	 <u>2,464,180</u>	 <u>100.00</u> %		 <u>2,405,282</u>	 <u>100.00</u> %
 Excess in Revenue	 224,162			 29,923	
 Fund Balance, January 1	 <u>30,025</u>			 <u>271,102</u>	
	254,187			301,025	
Decreased by:					
Utilized as Anticipated Revenue	<u>26,672</u>			<u>271,000</u>	
 Fund Balance, December 31	 <u>\$ 227,515</u>			 <u>\$ 30,025</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>			<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 87,600	18.27 %	\$	100,000	21.42 %
Program Fees	359,559	75.00		349,964	74.98
Other Credits to Income	<u>32,247</u>	<u>6.73</u>		<u>16,820</u>	<u>3.60</u>
 Total Income	 <u>479,406</u>	 <u>100.00</u> %		 <u>466,784</u>	 <u>100.00</u> %
 EXPENDITURES					
Budget Expenditures					
Operating	401,961	96.27 %		375,448	95.77 %
Capital Outlay	-	-		2,595	0.66
Statutory Expenditures	<u>15,593</u>	<u>3.73</u>		<u>14,003</u>	<u>3.57</u>
 Total Expenditures	 <u>417,554</u>	 <u>100.00</u> %		 <u>392,046</u>	 <u>100.00</u> %
 Excess in Revenue	 61,852			 74,738	
 Fund Balance, January 1	 <u>117,431</u>			 <u>142,693</u>	
Decreased by:					
Utilized as Anticipated Revenue	<u>87,600</u>			<u>100,000</u>	
 Fund Balance, December 31	 <u>\$ 91,683</u>			 <u>\$ 117,431</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>
2010	\$ 90,319,421	\$ 89,153,385	98.70%
2009	88,388,382	87,094,618	98.53%
2008	84,710,223	83,350,242	98.39%

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>
2010	\$ 346,530	\$ 1,052,387	\$ 1,398,917	1.549%
2009	270,782	1,134,854	1,405,636	1.590%
2008	243,635	1,089,273	1,332,908	1.573%

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>
2010	\$4,380,394
2009	4,380,394
2008	4,349,894

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2010 (A)</u>	<u>2009</u>	<u>2008</u>
Tax Rate	<u>\$2.999</u>	<u>\$2.44</u>	<u>\$2.32</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.624	.51	.48
County	.283	.24	.24
Local School	1.997	1.63	1.55
Sanitation District	.095	.06	.06

Assessed Valuation

2010	<u>\$3,039,814,717</u>	
2009		<u>\$3,657,876,297</u>
2008		<u>\$3,673,163,443</u>

(A) – The Township underwent a reassessment of real property which became effective for the calendar year 2010.

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>	<u>Percentage of Collection</u>
2010	\$1,482,444	\$1,467,722	99.01%
2009	1,303,357	1,314,343	100.84%
2008	1,313,355	1,319,616	100.48%

Comparison of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>	<u>Percentage of Collection</u>
2010	\$3,755,476	\$3,772,020	100.44%
2009	3,566,784	3,754,513	105.26%
2008	3,626,288	3,581,040	98.75%

(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</u>
Current Fund	2010	\$ 2,981,039	\$ 2,272,108
	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
Water Utility Operating Fund	2010	\$ 333,096	\$ 200,849
	2009	379,522	340,787
	2008	658,088	357,079
	2007	571,032	155,273
	2006	627,631	208,157
Sewer Utility Operating Fund	2010	\$ 2,092,704	\$ 1,141,249
	2009	2,253,046	970,279
	2008	2,392,756	893,968
	2007	2,467,952	684,605
	2006	2,162,843	512,273
Solid Waste Collection District Fund	2010	\$ 227,515	\$ -
	2009	30,025	26,672
	2008	271,102	271,000
	2007	488,640	381,122
	2006	463,840	330,000
Recreation Utility Fund	2010	\$ 91,683	\$ 43,400
	2009	117,431	87,600
	2008	142,693	100,000
	2007	78,688	65,071
	2006	94,290	57,560

**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		
Phillip Tobey	Council President		
Robert Greenbaum	Council Vice President		
John Mania	Councilman		
Pat Walsh	Councilman		
Colleen Labow	Councilwoman		
Raymond T. Perkins	Councilman		
Silvio Roman	Councilman		
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		
Brian J. Levine	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 \$26,000, 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	Trailer Mounted Variable Message Board
Budd Lake Herbicide Based Weed Control Program	Environment One Grinder Pump
Tree Removal, Tree Trimming and Stump Grinding	Landscaping and Snow Plowing Services
Fleet Maintenance	DPW and Dispatch Uniforms
Improvements to Wolfe Road	Motor Coach Transportation

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 \$26,000 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 \$26,000 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 5, 2010 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 31st, 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 20, 2010.

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>
2010	13	1	1
2009	11	2	1
2008	6	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**

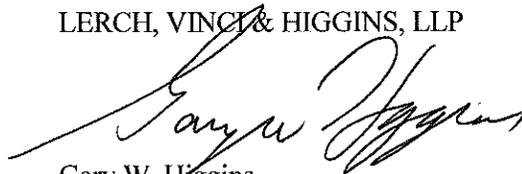
RECOMMENDATIONS

There are none.

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