

TOWNSHIP OF MOUNT OLIVE
MORRIS COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2008

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, 2008**

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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 - statutory basis of the various funds and account group of the Township of Mount Olive as of December 31, 2008 and 2007 and the related statements of operations and changes in fund balance - statutory basis for the years then ended and the related statement of revenues - statutory basis and statement of expenditures - statutory basis of the various funds for the year ended December 31, 2008. 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 following 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 statutory 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 statutory 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 Award Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP financial activities are included in the Township's Trust Fund, and represent 9.7 percent and 11.7 percent of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2008 and 2007.

INDEPENDENT AUDITORS' REPORT (Continued)

In our opinion, because of the effects of the Township preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Mount Olive as of December 31, 2008 and 2007, 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.

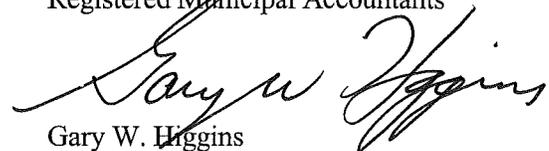
Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited, the financial statements - statutory basis referred to above present fairly, in all material respects, the financial position - statutory basis of the various funds and account group of the Township of Mount Olive as of December 31, 2008 and 2007 and the results of operations and changes in fund balance - statutory basis of such funds for the years then ended and the statement of revenues - statutory basis and the statement of expenditures - statutory basis of the various funds for the year ended December 31, 2008 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 25, 2009 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 read in conjunction with this report in considering 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, except for the effects of such adjustments, if any, as might have been necessary had the LOSAP Trust Fund financial statements been audited, 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 25, 2009

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Regular Fund			
Cash	A-4	\$ 5,622,954	\$ 7,015,934
Change Funds	A-5	850	850
Due from the State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	<u>31,746</u>	<u>30,277</u>
		<u>5,655,550</u>	<u>7,047,061</u>
Receivables and Other Assets with Full Reserves			
Delinquent Taxes Receivable	A-7	1,089,273	866,019
Tax Title Liens Receivable	A-8	243,635	404,314
Property Acquired for Taxes - Assessed Valuation	A-9	4,349,894	4,111,494
Revenue Accounts Receivable	A-10	<u>55,403</u>	<u>50,725</u>
		<u>5,738,205</u>	<u>5,432,552</u>
Deferred Charges			
Special Emergency Authorizations	A-11	<u>325,755</u>	<u>483,200</u>
Total Regular Fund		<u>11,719,510</u>	<u>12,962,813</u>
Federal and State Grant Fund			
Cash	A-4	71,944	42,510
Grants Receivable	A-24	<u>267,965</u>	<u>274,461</u>
Total Federal and State Grant Fund		<u>339,909</u>	<u>316,971</u>
Total Assets		<u>\$ 12,059,419</u>	<u>\$ 13,279,784</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund			
Appropriation Reserves	A-3,A-12	\$ 91,632	\$ 191,095
Encumbrances Payable	A-13	515,045	489,939
Special Emergency Notes Payable	A-17	192,200	313,000
Prepaid Taxes	A-16	295,508	392,074
Reserve for Tax Appeals	A-21	397,805	700,000
Fees Payable	A-15	475	875
Miscellaneous Reserves and Deposits	A-20	<u>369,012</u>	<u>536,130</u>
		1,861,677	2,623,113
Reserve for Receivables and Other Assets	A	5,738,205	5,432,552
Fund Balance	A-1	<u>4,119,628</u>	<u>4,907,148</u>
Total Regular Fund		<u>11,719,510</u>	<u>12,962,813</u>
Federal and State Grant Fund			
Encumbrances Payable	A-14	175,287	173,750
Reserve for Grants and Donations - Unappropriated	A-23	2,453	
Reserve for Grants and Donations - Appropriated	A-22	<u>162,169</u>	<u>143,221</u>
Total Federal and State Grant Fund		<u>339,909</u>	<u>316,971</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 12,059,419</u>	<u>\$ 13,279,784</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
STATUTORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Fund Balance Utilized	A-2	\$ 3,000,000	\$ 2,826,000
Miscellaneous Revenue Anticipated	A-2	6,343,045	6,387,934
Receipts from Delinquent Taxes	A-7	820,449	894,363
Receipts from Current Taxes	A-2	83,350,242	80,324,530
Non-Budget Revenue	A-2	312,739	332,386
Other Credits to Income			
Tax Sale Premium Escheated	A-20	500	
Unexpended Balances of Appropriation Reserves	A-12	254,393	403,234
		<hr/>	<hr/>
Total Income		94,081,368	91,168,447
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	9,096,912	8,828,720
Other Expenses	A-3	9,668,455	8,913,206
Capital Improvements	A-3	45,671	51,100
Municipal Debt Service	A-3	4,496,781	3,858,137
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	918,397	915,000
County Taxes	A-18	7,255,774	6,877,259
County Taxes - Added Taxes	A-18	17,277	155,499
County Taxes - Open Space Preservation	A-18	1,632,702	1,723,497
Local District School Taxes	A-19	56,786,067	54,301,960
Sanitation District Taxes	A-26	1,348,454	1,250,135
Sanitation District Taxes - Added Taxes	A-26	3,626	8,199
Municipal - Open Space Preservation	A-25	588,776	606,227
Other Debits to Income			
Refund of Prior Year Revenue	A-4	6,556	12,937
Prior Year Senior Citizens Deduction Disallowed - Net	A-6	3,440	-
		<hr/>	<hr/>
Total Expenditures		91,868,888	87,501,876
Excess in Revenue		<hr/>	<hr/>
		2,212,480	3,666,571

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
STATUTORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Excess in Revenue (Brought Forward)		\$ 2,212,480	\$ 3,666,571
FUND BALANCE, JANUARY 1	A	<u>4,907,148</u>	<u>4,066,577</u>
		7,119,628	7,733,148
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>3,000,000</u>	<u>2,826,000</u>
FUND BALANCE, DECEMBER 31,	A	<u>\$ 4,119,628</u>	<u>\$ 4,907,148</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Reference</u>	<u>2008 Anticipated Budget</u>	<u>Added by NJS 40A:4-87</u>	<u>Realized in 2008</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 3,000,000	-	\$ 3,000,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-10	19,000		20,515	\$ 1,515
Fees and Permits					
Other	A-2	210,000		209,387	(613)
Fines and Costs - Municipal Court	A-10	500,000		482,499	(17,501)
Interest and Costs on Taxes	A-10	140,000		201,617	61,617
Interest on Investments and Deposits	A-2	220,000		159,112	(60,888)
Water Tower Rental - NYNEX	A-10	170,000		186,503	16,503
Interest on Developers' Deposit Fees	A-10	38,000		34,786	(3,214)
Life Hazard Use Fees	A-10	42,399		32,267	(10,132)
Fire Prevention Inspection Fees	A-10	70,000		86,987	16,987
Highlands Reimbursement Aid	A-10	19,981		19,981	
Reserve for Highlands Reimbursement Aid	A-11	12,573		12,573	
Consolidated Municipal Property Tax Relief	A-10	628,581		628,581	
Energy Receipts Tax	A-10	1,815,620		1,815,620	
Supplemental Energy Receipts Tax	A-10	90,868		90,868	
Watershed Moratorium Aid	A-10	9,165		9,165	
Reserve for Garden State Trust Fund	A-10	137,821		137,821	
Uniform Construction Code Fees	A-10	245,000		389,123	144,123
State and Federal Revenues Offset					
With Appropriations					
Interlocal Health Agreement	A-10	63,469		63,469	
Recycling Tonnage Grant	A-24		\$ 20,724	20,724	
Cops Universal Hiring Grant	A-24	25,000		25,000	
Body Armor Replacement Grant	A-24	5,723	5,232	10,955	
Cops School Resource Officer Grant	A-24	83,333		83,333	
Pandemic Flu Preparedness	A-24	8,386		8,386	
Alcohol, Education and Rehabilitation	A-24	1,071		1,071	
ANJEC Trail Plan	A-24		6,000	6,000	
Planning Assistance Grant	A-24		17,628	17,628	
Click It or Ticket Grant	A-24	4,000		4,000	
Tobacco Age-of-Sale enforcement Program	A-24	900		900	
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 - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Reference</u>	2008 Anticipated <u>Budget</u>	<u>Added</u> by NJS 40A:4-87	Realized in 2008	Excess or (Deficit)
State and Federal Revenues Offset					
With Appropriations (Continued)					
Donation - Benjamin Moore	A-24		\$ 2,000	\$ 2,000	
Donation - BASF	A-24		500	500	
Drunk Driving Enforcement Fund	A-24		15,606	15,606	
Clean Communities Program	A-24	\$ 34,859		34,859	
Public Health Priority Funding	A-24	6,157	6,157	12,314	
Other Special Items:					
Cable TV Franchise Fees	A-10	84,308		84,308	
Solid Waste Collection District Budget					
Surplus-Down Payment-Capital Ordinances	A-10	100,150		100,150	
Hotel Tax Revenues	A-10	220,000		226,084	\$ 6,084
Due from Mt. Olive Child Care - Lease	A-10	73,500		73,500	
General Capital Fund Surplus	A-10	6,327		3,853	(2,474)
Due from Open Space Trust Fund - Debt Service	A-10	<u>1,026,000</u>	-	<u>1,026,000</u>	-
	A-1	<u>6,112,191</u>	<u>78,847</u>	<u>6,343,045</u>	<u>152,007</u>
Receipts from Delinquent Taxes	A-2	<u>810,000</u>	-	<u>820,449</u>	<u>10,449</u>
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes					
	A-2	<u>16,934,177</u>	-	<u>18,221,567</u>	<u>1,287,390</u>
Budget Totals		<u>\$ 26,856,368</u>	<u>\$ 78,847</u>	28,385,061	<u>\$ 1,449,846</u>
Non-Budget Revenue	A-2, A-4			<u>312,739</u>	
				<u>\$ 28,697,800</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 83,350,242
Allocated to School,County and Special District Taxes	A-18,A-19,A-25,A-26	<u>67,632,675</u>
		15,717,567
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,504,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 18,221,567</u>
Fees and Permits - Other		
Township Clerk	A-10	\$ 3,701
Board of Health	A-10	102,425
Registrar	A-10	4,310
SMA Clinic,Shots and Screenings	A-10	34,509
Police Department	A-10	6,861
Tax Search Officer	A-10	10
Tax Assessor	A-10	1,288
Engineering	A-10	1,432
Planning Board	A-10	30,651
Zoning Board	A-10	12,350
Water Testing	A-10	6,140
Senior Activities	A-10	1,610
Board of Adjustment	A-10	<u>4,100</u>
	A-2	<u>\$ 209,387</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-10	\$ 140,402
Due from Federal and State Grant Fund	A-4	846
Due from General Capital Fund	C-11	<u>17,864</u>
	A-2	<u>\$ 159,112</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
Miscellaneous Receipts		\$ 1,821
Donations		25
Forfeited Bail		746
CBS Outdoor Lease Agreement		3,000
Comcast Cable Franchise Fees		4,457
Coffee Machine Receipts		764
Joint Insurance Fund Dividend		43,639
NSF Fees		700
Duplicate Tax Bill Fees		5
Return of Funds from LOSAP		27,579
Prior Year Refunds		54,292
Paragon In-Lieu Tax		90,000
Abiding Peace In-Lieu Tax		43,542
Accrued Interest on Bond Sale		23,599
Administrative Fee- Seniors and Veterans		2,587
Inspection Fees		10,974
Off Duty Administrative Fee		<u>5,009</u>
	A-2,A-4	<u>\$ 312,739</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 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	30,293	22,073	18,286	\$ 1,786	\$ 2,001
Township Clerk					
Salaries & Wages	171,827	171,827	169,283		2,544
Other Expenses	23,317	31,537	25,536	6,001	
Business Administration					
Salaries & Wages	273,742	273,742	273,742		
Other Expenses	22,800	22,800	19,170	630	3,000
Financial Administration					
Salaries & Wages	181,478	181,478	181,380	98	
Other Expenses	14,901	14,901	13,408	493	1,000
Annual Audit	33,709	33,709	33,594	115	
Revenue Administration (Tax Collection)					
Salaries & Wages	58,271	58,271	58,271		
Other Expenses	9,500	9,500	8,745	255	500
Assessment of Taxes					
Salaries & Wages	158,785	158,785	156,725		2,060
Other Expenses	63,460	63,460	15,724	5,736	42,000
Legal Services & Costs					
Other Expenses	306,216	306,216	290,066	1,150	15,000
Engineering Services					
Salaries & Wages	65,447	65,447	60,028		5,419
Other Expenses	28,810	28,810	24,954	356	3,500
Industrial and Economic Development Committee					
Other Expenses	500	500			500
Pride Committee					
Other Expenses	869	869	789	80	
Open Space Committee					
Other Expenses	250	250	20	230	
Mount Olive Historical Society					
Other Expenses	1,000	1,000	907	93	
Ethics Board					
Other Expenses	1,000	1,000			1,000
Information Technology Support					
Other Expenses	69,103	69,103	68,725	378	
LAND USE ADMINISTRATION					
Municipal Land Use Law (NJS 40:55D-1)					
Planning Board					
Salaries & Wages	178,429	178,429	176,361		2,068
Other Expenses	57,239	57,239	32,574	4,665	20,000
Board of Adjustment					
Other Expenses	10,996	10,996	10,438	558	
INSURANCE					
General Liability	290,012	290,012	290,012		
Workers Compensation	204,931	204,931	202,929		2,002
Employee Group Health	2,233,536	2,248,286	2,241,109	7,177	
Unemployment Compensation	50,000	50,000	50,000		
PUBLIC SAFETY					
Police					
Salaries & Wages	5,311,881	5,311,881	5,302,098	5,465	4,318
Other Expenses	194,597	194,597	193,750	847	
Acquisition of Police Vehicles	92,000	92,000	92,000		
Emergency Management System					
Salaries & Wages	4,160	4,160	4,160		
Other Expenses	2,233	2,233	1,642	591	
Fire					
Other Expenses					
Flanders Fire Company	75,108	75,108	75,108		
Budd Lake Fire Company	86,703	86,703	85,908	795	
Fire Hydrant Rental	14,260	14,260	14,260		

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY (Continued)					
Fire (Continued)					
Contribution to Volunteer Fire Companies					
Flanders Fire Company	\$ 45,000	\$ 45,000	\$ 45,000		
Budd Lake Fire Company	45,000	45,000	45,000		
First Aid Organization - Contributions					
Budd Lake Rescue Squad	35,000	35,000	35,000		
Flanders Rescue Squad	35,000	35,000	35,000		
First Aid Organization					
Other Expenses					
Budd Lake Rescue Squad	81,174	81,174	80,648	\$ 526	
Flanders Rescue Squad	52,714	52,714	52,714		
Uniform Fire Safety Act (PL 1983, Ch. 183)					
Fire Prevention					
Salaries & Wages	114,834	114,834	112,234		\$ 2,600
Other Expenses	5,339	5,339	2,342	1,497	1,500
PUBLIC WORKS FUNCTIONS					
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	862,099	862,099	862,099		
Other Expenses	378,566	378,566	377,046	1,520	
Street Signs					
Other Expenses	40,518	40,518	38,641	1,877	
Buildings and Grounds					
Salaries & Wages	371,119	371,119	363,240		7,879
Other Expenses	367,101	367,101	357,367	9,734	
Fleet Maintenance					
Other Expenses	584,338	584,338	573,900	5,438	5,000
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries & Wages	434,582	434,582	433,724	49	809
Other Expenses	23,450	23,450	16,342	3,108	4,000
Environmental Committee (R.S. 40:56A-1 et seq)					
Other Expenses	1,000	1,000	330	670	
Animal Control					
Other Expenses	71,698	71,698	71,698		
Division of Senior Social Services					
Salaries & Wages	135,050	135,050	134,871		179
Other Expenses	14,421	14,421	13,994	427	
Mount Olive Municipal Alliance Commission					
Other Expenses	7,500	7,500	7,500		
PARKS AND RECREATION					
Recreation					
Salaries & Wages	75,384	75,384	74,682		702
Other Expenses	23,682	23,682	20,417	3,265	
Beach Front Maintenance					
Salaries & Wages	57,400	57,400	54,991		2,409
Other Expenses	8,055	8,055	7,345	710	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
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	\$ 273,846	\$ 276,646	\$ 276,575	\$ 71	
Other Expenses	56,528	56,528	52,068	2,460	\$ 2,000
UNCLASSIFIED					
Accumulated Absence Trust Fund	125,000	125,000	125,000		
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	195,000	195,000	191,296	3,704	
Street Lighting	162,750	162,750	162,750		
Gas (Natural or Propane)	100,000	100,000	96,739	3,261	
Telecommunications	95,000	95,000	77,506	5,494	12,000
Vehicle Fuel	375,000	350,475	297,984	7,491	45,000
Municipal Court					
Salaries and Wages	356,095	362,345	361,265		1,080
Other Expenses	17,377	17,377	15,334	1,043	1,000
Public Defender (P.L. 1977, C. 256)					
Other Expenses	9,377	9,377	8,077	1,300	-
Total Operations Within "CAPS"	<u>15,992,860</u>	<u>15,992,135</u>	<u>15,707,921</u>	<u>91,144</u>	<u>193,070</u>
Detail:					
Salaries & Wages	9,119,929	9,128,979	9,091,229	5,683	32,067
Other Expenses	6,872,931	6,863,156	6,616,692	85,461	161,003
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Prior Year Bills					
HMUA - 2007	1,440	1,440	1,440		
Kaplan Companies - 2007	4,950	4,950	4,049		901
Statutory Charges					
Social Security System (O.A.S.I.)	700,733	701,458	697,474	234	3,750
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>707,123</u>	<u>707,848</u>	<u>702,963</u>	<u>234</u>	<u>4,651</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>16,699,983</u>	<u>16,699,983</u>	<u>16,410,884</u>	<u>91,378</u>	<u>197,721</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)					
Length of Service Award Program (LOSAP)	1,286,448	1,286,448	1,286,448		
Public Employees Retirement System	140,000	140,000	140,000		
Police and Firemen's Retirement System of NJ	260,867	260,867	260,867		
Deferred Contribution Retirement Program	900,900	900,900	900,900		
Morris County Improvement Program	2,500	2,500	46	254	2,200
Lease Program					
Principal	40,000	40,000	40,000		
Interest	26,602	26,602	26,042	-	560
Total Other Operations Excluded from "CAPS"	<u>2,657,317</u>	<u>2,657,317</u>	<u>2,654,303</u>	<u>254</u>	<u>2,760</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Interlocal Municipal Service Agreements					
Health Services	\$ 63,469	\$ 63,469	\$ 63,469	-	-
Total Interlocal Municipal Service Agreements	<u>63,469</u>	<u>63,469</u>	<u>63,469</u>	-	-
Public and Private Programs Offset by Revenues					
Cops Universal Hiring Grant					
Federal Share	25,000	25,000	25,000		
Public Health Priority Fund Grant	6,157	12,314	12,314		
Recycling Tonnage Grant		20,724	20,724		
Body Armor Fund	5,723	10,955	10,955		
Drunk Driving Enforcement Fund		15,606	15,606		
Clean Communities Program Grant	34,859	34,859	34,859		
Planning Assistance Grant		17,628	17,628		
Pandemic Flu Preparedness	8,386	8,386	8,386		
ANJEC Trail Plan		6,000	6,000		
Over the Limit Under Arrest		5,000	5,000		
Alcohol, Education, & Rehab Fund	1,071	1,071	1,071		
Tobacco Age-of-Sale enforcement Program	900	900	900		
Click It or Ticket Grant	4,000	4,000	4,000		
Donation - BASF		500	500		
Donation - Benjamin Moore		2,000	2,000		
School Resource Officer Grant	83,333	83,333	83,333	-	-
Total Public and Private Programs Offset by Revenues	<u>169,429</u>	<u>248,276</u>	<u>248,276</u>	-	-
Total Operations Excluded from "CAPS"	<u>2,890,215</u>	<u>2,969,062</u>	<u>2,966,048</u>	\$ 254	\$ 2,760
Detail:					
Other Expenses	<u>2,890,215</u>	<u>2,969,062</u>	<u>2,966,048</u>	254	2,760
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	45,671	45,671	45,671	-	-
Total Capital Improvements Excluded from "CAPS"	<u>45,671</u>	<u>45,671</u>	<u>45,671</u>	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,822,000	2,822,000	2,822,000		
Interest on Bonds	1,165,940	1,165,940	1,165,940		
Interest on Notes	38,379	38,379	38,379		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	150,788	150,788	150,788		
Wastewater Loan:					
Principal	239,376	239,376	239,376		
Interest	64,100	64,100	59,582		4,518
EDA Loan Payable	20,716	20,716	20,716	-	-
Total Municipal Debt Service Excluded from "CAPS"	<u>4,501,299</u>	<u>4,501,299</u>	<u>4,496,781</u>	-	4,518

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Special Emergency Authorizations - 5 Years	\$ 120,800	\$ 120,800	\$ 120,800		
Deferred Charges to Future Taxation Unfunded:					
Ord. No. 23-04	79,400	79,400	79,400		
Ord. No. 23-06	15,000	15,000	15,000	-	-
	<u>215,200</u>	<u>215,200</u>	<u>215,200</u>	-	-
Total Deferred Charges - Municipal Excluded from "CAPS"					
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>7,652,385</u>	<u>7,731,232</u>	<u>7,723,700</u>	\$ 254	\$ 7,278
Subtotal General Appropriations	24,352,368	24,431,215	24,134,584	91,632	204,999
Reserve for Uncollected Taxes	<u>2,504,000</u>	<u>2,504,000</u>	<u>2,504,000</u>	-	-
Total General Appropriations	<u>\$ 26,856,368</u>	<u>\$ 26,935,215</u>	<u>\$ 26,638,584</u>	\$ 91,632	\$ 204,999
<u>Reference</u>	A-2			A	

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 26,856,368	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	<u>78,847</u>	
		<u>\$ 26,935,215</u>	
Cash Disbursed	A-4		\$ 23,555,764
Less: Refunds	A-4		<u>305,301</u>
			23,250,463
Federal and State Grants Appropriated	A-22		248,276
Deferred Charges - Special Emergency	A-11		120,800
Encumbrances Payable	A-13		515,045
Reserve for Uncollected Taxes	A-2		<u>2,504,000</u>
			<u>\$ 26,638,584</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ <u>29,309</u>	\$ <u>14,577</u>
OTHER TRUST FUND			
Cash	B-3	<u>6,983,420</u>	<u>7,403,107</u>
OPEN SPACE TRUST FUND			
Cash	B-3	<u>500,662</u>	<u>768,208</u>
LENGTH OF SERVICE AWARD PROGRAM (LOSAP) TRUST FUND (Unaudited)			
Investments	B	680,335	968,471
Contribution Receivable	B	<u>124,016</u>	<u>113,624</u>
		<u>804,351</u>	<u>1,082,095</u>
Total Assets		<u>\$ 8,317,742</u>	<u>\$ 9,267,987</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-5	\$ 114	\$ 188
Reserve for Animal Control Expenditures	B-4	<u>29,195</u>	<u>14,389</u>
		<u>29,309</u>	<u>14,577</u>
OTHER TRUST FUND			
Escrow Deposits	B-6	4,918,891	5,460,244
Due to the State of New Jersey	B-8		2,536
Reserve for Payroll and Payroll Deductions	B-10	4,219	41,131
Miscellaneous Reserves	B-7	<u>2,060,310</u>	<u>1,899,196</u>
		<u>6,983,420</u>	<u>7,403,107</u>
OPEN SPACE TRUST FUND			
Reserve for Open Space	B-9	<u>500,662</u>	<u>768,208</u>
LENGTH OF SERVICE AWARD PROGRAM (LOSAP) TRUST FUND (Unaudited)			
Reserve for Investments in Length of Service Award Program	B	<u>804,351</u>	<u>1,082,095</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,317,742</u>	<u>\$ 9,267,987</u>

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

	<u>Reference</u>	<u>2008 Anticipated</u>	<u>2008 Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	B-3	\$ 587,706	\$ 588,776	\$ 1,070
		<u>\$ 587,706</u>	588,776	<u>\$ 1,070</u>
Non-Budget Revenue	B-3		<u>797,158</u>	
			<u>\$ 1,385,934</u>	
Analysis of Non-Budget Revenue				
Charters Farm Reimbursements			653,226	
Interest on Investments and Deposits			11,419	
Down Payment on Improvements Returned			<u>132,513</u>	
			<u>\$ 797,158</u>	

STATEMENT OF EXPENDITURES - STATUTORY 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			\$ 11,375	\$ (11,375)
Acquisition of Land for Recreation and Conservation			616,105	(616,105)
Debt Service			1,026,000	(1,026,000)
Reserve for Future Use	B-1	<u>\$ 587,706</u>	-	<u>587,706</u>
		<u>\$ 587,706</u>	<u>\$ 1,653,480</u>	<u>\$ (1,065,774)</u>
		<u>Reference</u>	B-3	

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Cash	C-2,C-3	\$ 651,107	\$ 965,790
Deferred Charges to Future Taxation			
Funded	C-4	31,411,968	33,287,832
Unfunded	C-12	1,349,348	1,885,545
Department of Transportation Grant Receivable	C-5	400,000	262,161
Due from Green Acres	C-6		958,000
Due from Community Development Block Grant	C-11	133,400	
Due from County of Morris Historic Preservation Trust Fund	C-7	160,000	160,000
Due from County of Morris Open Space Trust Fund	C-8	-	1,059,500
		<u> </u>	<u> </u>
Total Assets		<u>\$ 34,105,823</u>	<u>\$ 38,578,828</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-14	\$ 27,779,000	\$ 29,229,000
Wastewater Loans Payable	C-21	1,893,645	2,133,021
EDA Loan Payable	C-22	68,060	88,776
Green Trust Loan Payable	C-23	778,244	880,833
Garden State Preservation Trust Loan Payable	C-24	378,019	401,202
MCIA Loan Payable	C-25	515,000	555,000
Bond Anticipation Notes	C-26		792,992
Improvement Authorizations			
Funded	C-13	400,741	676,445
Unfunded	C-13	951,349	1,088,186
Capital Improvement Fund	C-15	6,420	7,288
Encumbrances Payable	C-16	1,198,424	2,536,707
Reserve for Irrigation Improvements	C-17		49,000
Reserve for Land Proceeds	C-18	81,757	81,550
Reserve for Pocket Parks	C-19	15,000	15,000
Reserve for Recreation Improvements	C-20	37,500	37,500
Fund Balance	C-1	2,664	6,328
		<u> </u>	<u> </u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 34,105,823</u>	<u>\$ 38,578,828</u>

There were bonds and notes authorized but not issued on December 31, 2008 and 2007 of \$1,349,348 and \$1,092,553, respectively (See Exhibit C-27).

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - STATUTORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Balance, January 1	C	\$ 6,328	\$ 72,751
Increased By:			
Cancellation of Funded Improvement Authorizations	C-13	<u>189</u>	<u>6,327</u>
		6,517	79,078
Decreased by:			
Cancellation of New Jersey Department of Transportation Grant Receivable	C-1		2,921
Utilized as Current Fund Revenue	C-10	<u>3,853</u>	<u>69,829</u>
		<u>3,853</u>	<u>72,750</u>
Balance, December 31	C	<u>\$ 2,664</u>	<u>\$ 6,328</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 755,145	\$ 666,285
		<u>755,145</u>	<u>666,285</u>
Receivables With Full Reserves Consumer Accounts Receivable	D-7	50,044	56,305
		<u>50,044</u>	<u>56,305</u>
Total Operating Fund		<u>805,189</u>	<u>722,590</u>
CAPITAL FUND			
Cash	D-5,D-6	722,090	203,029
Fixed Capital Authorized and Uncompleted	D-16	2,049,340	824,560
Fixed Capital	D-8	5,023,104	4,897,884
		<u>5,023,104</u>	<u>4,897,884</u>
Total Capital Fund		<u>7,794,534</u>	<u>5,925,473</u>
Total Assets		<u>\$ 8,599,723</u>	<u>\$ 6,648,063</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
LIABILITIES, RESERVES AND FUND BALANCES			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-3,14	\$ 20,328	\$ 12,238
Encumbrances Payable	D-9	60,075	56,087
Accrued Interest on Bonds	D-10	<u>16,654</u>	<u>26,928</u>
		97,057	95,253
Reserve for Receivables	D	50,044	56,305
Fund Balance	D-1	<u>658,088</u>	<u>571,032</u>
Total Operating Fund		<u>805,189</u>	<u>722,590</u>
CAPITAL FUND			
Serial Bonds	D-15	1,793,000	1,291,000
Encumbrances Payable	D-17	222,317	143,130
Improvement Authorizations:			
Funded	D-18	607,951	15,000
Unfunded	D-18	1,218,472	651,384
Capital Improvement Fund	D-19	5,750	5,750
Deferred Reserve for Amortization	D-13	17,650	23,654
Reserve for Amortization	D-12	3,914,394	3,650,140
Fund Balance	D-4	<u>15,000</u>	<u>145,415</u>
Total Capital Fund		<u>7,794,534</u>	<u>5,925,473</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 8,599,723</u>	<u>\$ 6,648,063</u>

There were bonds and notes authorized but not issued at December 31, 2008 and 2007 of \$1,347,400 and \$757,650, respectively, (See Exhibit D-20)

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - STATUTORY BASIS - WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-2	\$ 155,273	\$ 208,157
Rents	D-2	1,319,616	1,156,948
Miscellaneous	D-2	253,733	172,007
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	<u>13,077</u>	<u>45,241</u>
 Total Income		 <u>1,741,699</u>	 <u>1,582,353</u>
EXPENDITURES			
Budget Appropriations			
Operating	D-3	1,128,515	1,060,579
Capital Improvements	D-3	18,250	39,450
Debt Service	D-3	299,740	291,360
Deferred Charges and Statutory Expenditures	D-3	43,908	39,406
Other Debits to Income			
Refund of Prior Year Revenue	D-5	<u>8,957</u>	<u>-</u>
 Total Expenditures		 <u>1,499,370</u>	 <u>1,430,795</u>
 Excess in Revenue		 242,329	 151,558
 FUND BALANCE, JANUARY 1,	D	 <u>571,032</u>	 <u>627,631</u>
		813,361	779,189
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>155,273</u>	<u>208,157</u>
 FUND BALANCE, DECEMBER 31,	D	 <u>\$ 658,088</u>	 <u>\$ 571,032</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - STATUTORY BASIS - WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Reference</u>	2008 <u>Anticipated</u>	2008 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	D-1	\$ 155,273	\$ 155,273	
Rents	D-1, D-6	1,120,000	1,319,616	\$ 199,616
Miscellaneous	D-1	120,000	108,318	(11,682)
Fund Balance - Capital Fund	D-4	<u>145,415</u>	<u>145,415</u>	<u>-</u>
		<u>\$ 1,540,688</u>	<u>\$ 1,728,622</u>	<u>\$ 187,934</u>
<u>Analysis of Miscellaneous Budget Revenue</u>	<u>Reference</u>	D-3		
Tower Rental Fees			\$ 68,626	
Water Connection Fees			3,040	
Pool Permits			3,340	
Interest on Delinquent Rents			7,063	
Miscellaneous			<u>6,253</u>	
	D-4		<u>88,322</u>	
Interest on Investments:				
Cash Receipts	D-5		15,434	
Due from Water Capital Fund	D-11		<u>4,562</u>	
			<u>19,996</u>	
Total Miscellaneous Revenue	D-1, D-2		<u>\$ 108,318</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008 Appropriated</u>		<u>2008 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	\$ 418,388	\$ 422,638	\$ 420,722	\$ 1,916	
Other Expenses	750,477	745,877	687,621	18,256	\$ 40,000
Capital Improvement Fund	18,250	18,250	18,250		
DEBT SERVICE					
Payment of Bond Principal	255,000	255,000	255,000		
Interest on Bonds	55,015	55,015	44,740		10,275
STATUTORY EXPENDITURES					
Contribution to PERS	11,552	11,552	11,551	1	
Social Security System	32,006	32,356	32,201	155	-
	<u>\$ 1,540,688</u>	<u>\$ 1,540,688</u>	<u>\$ 1,470,085</u>	<u>\$ 20,328</u>	<u>\$ 50,275</u>
	<u>Reference</u>	D-2	D-2	D	
Cash Disbursed	D-5		\$ 1,394,814		
Less: Refunds	D-5		<u>1,458</u>		
			1,393,356		
Encumbrances Payable	D-9		60,075		
Accrued Interest on Bonds and Notes	D-10		<u>16,654</u>		
			<u>\$ 1,470,085</u>		

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - STATUTORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Balance, January 1	D	\$ 145,415	\$ 735
Increased By:			
Cancellation of Improvement Authorizations	D-18	<u>15,000</u>	<u>144,680</u>
		160,415	145,415
Decreased By:			
Transfer to Water Utility Operating Fund	D-11	<u>145,415</u>	<u>-</u>
Balance, December 31	D	<u>\$ 15,000</u>	<u>\$ 145,415</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
OPERATING FUND			
Cash	E-7	\$ 2,767,949	\$ 2,797,253
		<u>2,767,949</u>	<u>2,797,253</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	E-9	503,154	564,238
Utility Liens Receivable	E-10	1,628	1,145
		<u>504,782</u>	<u>565,383</u>
Total Operating Fund		<u>3,272,731</u>	<u>3,362,636</u>
ASSESSMENT TRUST FUND			
Cash	E-7	1,837,704	2,165,349
Assessments Receivable	E-11	4,475,795	5,551,443
Assessment Lien Receivable	E-12	2,354	1,017
Prospective Assessments Funded	E-13	3,274,170	3,380,897
Total Assessment Trust Fund		<u>9,590,023</u>	<u>11,098,706</u>
CAPITAL FUND			
Cash	E-7,E-8	230	75,269
Fixed Capital	E-18	32,670,494	32,513,599
Total Capital Fund		<u>32,670,724</u>	<u>32,588,868</u>
Total Assets		<u>\$ 45,533,478</u>	<u>\$ 47,050,210</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	E-4,E-16	\$ 22,197	\$ 35,672
Accounts Payable	E-17		12,878
Encumbrances Payable	E-14	187,648	92,356
Accrued Interest on Bonds and Notes	E-23	<u>165,348</u>	<u>188,395</u>
		375,193	329,301
Reserve for Receivables	E	504,782	565,383
Fund Balance	E-1	<u>2,392,756</u>	<u>2,467,952</u>
Total Operating Fund		<u>3,272,731</u>	<u>3,362,636</u>
ASSESSMENT TRUST FUND			
Serial Bonds	E-25	763,000	858,000
Wastewater Loans Payable	E-15	8,476,886	9,890,569
Reserve for Assessment Interest and Costs	E-20	349	349
Reserve for Prospective Assessments Funded	E-19	<u>349,788</u>	<u>349,788</u>
		<u>9,590,023</u>	<u>11,098,706</u>
CAPITAL FUND			
Serial Bonds	E-24	2,932,000	3,264,000
Wastewater Loans Payable	E-15	500,696	568,760
Reserve for Amortization	E-21	29,237,798	28,680,839
Capital Improvement Fund	E-22	230	230
Fund Balance	E-6	<u>-</u>	<u>75,039</u>
Total Capital Fund		<u>32,670,724</u>	<u>32,588,868</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 45,533,478</u>	<u>\$ 47,050,210</u>

There were no Bonds and Notes authorized but not issued on December 31, 2008 and 2007.

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - STATUTORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-2	\$ 684,605	\$ 512,273
Sewer Rents and liens	E-2	3,581,040	3,534,483
Other Budget Revenues	E-2	489,487	526,570
Prior Year Accounts Payable Cancelled	E-17	12,143	
Unexpended Balance of Appropriation Reserves	E-16	<u>36,496</u>	<u>97,463</u>
 Total Income		 <u>4,803,771</u>	 <u>4,670,789</u>
EXPENDITURES			
Budget Appropriations			
Operating	E-4	3,123,814	2,963,367
Capital Outlay	E-4	265,000	50,000
Deferred Charges and Statutory Expenditures	E-4	40,430	34,105
Debt Service	E-4	<u>765,118</u>	<u>805,935</u>
 Total Expenditures		 <u>4,194,362</u>	 <u>3,853,407</u>
 Excess in Revenue		 609,409	 817,382
 FUND BALANCE, JANUARY 1	E	 <u>2,467,952</u>	 <u>2,162,843</u>
 Decreased by:		 3,077,361	 2,980,225
Utilized as Anticipated Revenue	E-1	<u>684,605</u>	<u>512,273</u>
 FUND BALANCE, DECEMBER 31	E	 <u>\$ 2,392,756</u>	 <u>\$ 2,467,952</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - STATUTORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Reference</u>	2008 <u>Anticipated</u>	2008 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	E-1	\$ 684,605	\$ 684,605	
Sewer Rents and Liens	E-1,E-9	3,200,000	3,581,040	\$ 381,040
Miscellaneous	E-1	150,000	164,975	14,975
Reimbursement - Mt. Olive School District	E-1,E-7	70,000	83,278	13,278
Interest on Assessments	E-1,E-7	175,000	166,195	(8,805)
Sewer Capital Surplus	E-1,E-6	<u>75,038</u>	<u>75,039</u>	<u>1</u>
		<u>\$ 4,354,643</u>	<u>\$ 4,755,132</u>	<u>\$ 400,489</u>
	<u>Reference</u>	E-4		
Analysis of Miscellaneous Revenue				
Interest on Delinquent Rents			\$ 65,977	
Return Check Fees			600	
Miscellaneous Fees			<u>15,820</u>	
	E-7		82,397	
Transfer from Sewer Capital Fund	E-7		75,039	
Interest on Investments and Deposits:				
Sewer Operating Fund	E-7	\$ 54,787		
Sewer Capital Fund	E-7	965		
Sewer Assessment Trust Fund	E-7	<u>26,826</u>		
			<u>82,578</u>	
Total Miscellaneous	E-1,E-2		<u>\$ 240,014</u>	

EXHIBIT E-3

STATEMENT OF REVENUES - STATUTORY BASIS
SEWER UTILITY ASSESSMENT TRUST FUND

	<u>Reference</u>	2008 <u>Anticipated</u>	2008 <u>Realized</u>	Excess or <u>(Deficit)</u>
Assessment Cash	E-7	\$ 1,508,683	\$ 1,508,683	-
		<u>\$ 1,508,683</u>	1,508,683	<u>\$ -</u>
	<u>Reference</u>	E-5		
Receipts from Sale of EDU's	E-7		<u>106,733</u>	
			<u>\$ 1,615,416</u>	

The Accompanying Notes are in Integral Part of these Financial Statements

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<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	\$ 378,568	\$ 383,318	\$ 382,291	\$ 1,027	
Other Expenses	732,057	762,057	761,280	777	
Musconetcong Sewerage Authority	2,033,589	1,998,439	1,965,439	13,000	\$ 20,000
Capital Outlay	310,000	310,000	257,722	7,278	45,000
DEBT SERVICE					
Payment of Bonds and Loans	400,064	400,064	400,064		
Interest on Bonds and Loans	460,335	460,335	365,054		95,281
STATUTORY EXPENDITURES					
Contribution to PERS	11,070	11,070	11,070		
Social Security System	28,960	29,360	29,245	115	-
	<u>\$ 4,354,643</u>	<u>\$ 4,354,643</u>	<u>\$ 4,172,165</u>	<u>\$ 22,197</u>	<u>\$ 160,281</u>

	<u>Reference</u>	E-2	E-2	E
Cash Disbursed	E-7			\$ 3,819,260
Less: Refunds	E-7			<u>91</u>
				3,819,169
Accrued Interest on Bonds and Notes	E-23			165,348
Encumbrances Payable	E-14			<u>187,648</u>
				<u>\$ 4,172,165</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY 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	\$ 1,413,683	\$ 1,413,683	
Payment of Bond Principal	E-25	<u>95,000</u>	<u>95,000</u>	<u>-</u>
		<u>\$ 1,508,683</u>	<u>\$ 1,508,683</u>	<u>\$ -</u>
	<u>Reference</u>	E-3		
Cash Disbursed			<u>\$ 1,508,683</u>	

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - STATUTORY BASIS
SEWER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Balance, January 1	E	\$ 75,039	
Increased By:			
Cancellation of Improvement Authorizations	E-6	_____ -	\$ <u>75,039</u>
		75,039	75,039
Decreased By:			
Transfer to Sewer Operating Fund	E-27	_____ <u>75,039</u>	_____ -
Balance, December 31	E	\$ <u> -</u>	\$ <u>75,039</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
SANITATION DISTRICT FUND
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Cash	F-4	\$ 289,454	\$ 511,456
Due from County of Morris	F-5	<u>122,366</u>	<u>157,602</u>
Total Assets		<u>\$ 411,820</u>	<u>\$ 669,058</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	F-3, F-6	\$ 38,051	\$ 72,408
Encumbrance Payable	F-7	<u>102,667</u>	<u>108,010</u>
Fund Balance		140,718	180,418
	F-1	<u>271,102</u>	<u>488,640</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 411,820</u>	<u>\$ 669,058</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE -
STATUTORY BASIS - SANITATION DISTRICT FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	F-2	\$ 381,122	\$ 330,000
Sanitation District Taxes	F-2	1,352,080	1,258,334
Host Benefit Fees	F-2	811,891	1,009,871
Recycling Revenue	F-2	52,809	33,167
Bulk Item Pick-Up Fees	F-2	29,999	34,721
Yard Waste Fees	F-2	2,217	2,371
Dumpster Fees	F-2	9,100	10,530
Nonbudget Revenue	F-2	5,733	22,746
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	F-6	<u>92,282</u>	<u>90,779</u>
 Total Revenues		 <u>2,737,233</u>	 <u>2,792,519</u>
 EXPENDITURES			
Budget Appropriations:			
Operating	F-3	2,356,587	2,244,313
Statutory Expenditures	F-3	116,912	97,206
Surplus (General Budget)	F-3	<u>100,150</u>	<u>96,200</u>
 Total Expenditures		 <u>2,573,649</u>	 <u>2,437,719</u>
 Excess in Revenue		 163,584	 354,800
 FUND BALANCE, JANUARY 1	 F	 <u>488,640</u>	 <u>463,840</u>
		652,224	818,640
Decreased by:			
Utilized as Anticipated Revenue	F-1,F-2	<u>381,122</u>	<u>330,000</u>
 BALANCE, DECEMBER 31,	 F	 <u>\$ 271,102</u>	 <u>\$ 488,640</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - STATUTORY BASIS - SANITATION DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	F-1	\$ 381,122	\$ 381,122	-
Sanitation District Taxes	F-1	<u>1,343,277</u>	<u>1,352,080</u>	<u>\$ 8,803</u>
Host Benefit Fees -				
Transfer Station	F-1	815,000	747,422	(67,578)
County Reimbursement	F-1	64,000	64,469	469
Recycling Revenue	F-1	28,750	52,809	24,059
Bulk Item Pick-Up Fees	F-1	30,000	29,999	(1)
Dumpster Fees	F-1	9,500	9,100	(400)
Yard Waste Fees	F-1	<u>2,000</u>	<u>2,217</u>	<u>217</u>
		<u>949,250</u>	<u>906,016</u>	<u>(43,234)</u>
 Total		 <u>\$ 2,673,649</u>	 2,639,218	 <u>\$ (34,431)</u>
 Nonbudget Revenue	 F-1, F-4		 <u>5,733</u>	
			 <u>\$ 2,644,951</u>	
 <u>Analysis of Revenues</u>				
Fund Balance Anticipated	F-1		\$ 381,122	
Cash Receipts	F-4		1,510,674	
Due from County of Morris	F-5		<u>747,422</u>	
	F-2		<u>\$ 2,639,218</u>	
 <u>Analysis of Miscellaneous Revenues</u>				
Interest on Investments and Deposits			\$ 79	
NSF Fees			40	
Prior Year Refunds			<u>5,614</u>	
	F-2,F-4		<u>\$ 5,733</u>	

The Accompanying Notes are in Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS
SANITATION DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries & Wages	\$ 1,081,555	\$ 1,081,555	\$ 1,018,239	\$ 3,316	\$ 60,000
Other Expenses	1,375,032	1,375,032	1,303,003	32,029	40,000
STATUTORY EXPENDITURES					
Contribution to Public Employees					
Retirement System	34,173	34,173	34,173		
Social Security System	82,739	82,739	80,033	2,706	
Surplus (General Budget)-Downpayment					
Capital Ordinances	<u>100,150</u>	<u>100,150</u>	<u>100,150</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,673,649</u>	<u>\$ 2,673,649</u>	<u>\$ 2,535,598</u>	<u>\$ 38,051</u>	<u>\$ 100,000</u>
	<u>Reference</u>	F-2	F-2	F	
Cash Disbursed	F-4		\$ 2,479,932		
Less Refunds	F-4		<u>47,001</u>		
Encumbrances Payable	F-4		2,432,931		
			<u>102,667</u>		
			<u>\$ 2,535,598</u>		

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
RECREATION UTILITY FUND
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Cash	G-4	\$ 164,007	\$ 125,318
Total Assets		<u>\$ 164,007</u>	<u>\$ 125,318</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	G-3	\$ 13,321	\$ 32,582
Encumbrance Payable	G-5	<u>7,993</u>	<u>14,048</u>
Fund Balance	G-2	21,314 <u>142,693</u>	46,630 <u>78,688</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 164,007</u>	<u>\$ 125,318</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE -
STATUTORY BASIS - RECREATION UTILITY FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Anticipated	G-2	\$ 65,071	\$ 57,560
Program Fees	G-2	335,566	270,680
Non-Budget Revenue	G-2	2,980	6,245
Unexpended Balance of Appropriation Reserves	G-6	<u>33,169</u>	<u>5,033</u>
 Total Revenues		 <u>436,786</u>	 <u>339,518</u>
 EXPENDITURES			
Budget Appropriations:			
Operating	G-3	293,753	288,254
Statutory Expenditures	G-3	<u>13,957</u>	<u>9,306</u>
 Total Expenditures		 <u>307,710</u>	 <u>297,560</u>
 Excess in Revenue		 129,076	 41,958
 FUND BALANCE, JANUARY 1	 G	 <u>78,688</u>	 <u>94,290</u>
		207,764	136,248
Decreased by:			
Utilized as Anticipated Revenue	G-2	<u>65,071</u>	<u>57,560</u>
 BALANCE, DECEMBER 31,	 G	 <u>\$ 142,693</u>	 <u>\$ 78,688</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - STATUTORY BASIS - RECREATION UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	G-1	\$ 65,071	\$ 65,071	
Program Fees	G-1	260,000	260,000	
New Programs	G-1	<u>115,639</u>	<u>75,566</u>	\$ 40,073
Total		<u>\$ 440,710</u>	400,637	<u>\$ 40,073</u>
Nonbudget Revenue	G-1,G-4		<u>2,980</u>	
			<u>\$ 403,617</u>	
<u>Analysis of Budget Revenues</u>				
Fund Balance Anticipated	G-2		\$ 65,071	
Cash Receipts	G-4		<u>335,566</u>	
			<u>\$ 400,637</u>	
<u>Analysis of Nonbudget Revenues</u>				
Interest on Investments and Deposits			\$ 2,900	
Returned Check Fee			<u>80</u>	
	G-1,G-2,G-4		<u>\$ 2,980</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - STATUTORY BASIS
RECREATION UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries & Wages	\$ 182,443	\$ 182,443	\$ 119,161	\$ 282	\$ 63,000
Other Expenses	244,310	244,310	166,112	8,198	70,000
STATUTORY EXPENDITURES					
Social Security System	<u>13,957</u>	<u>13,957</u>	<u>9,116</u>	<u>4,841</u>	<u>-</u>
Total	<u>\$ 440,710</u>	<u>\$ 440,710</u>	<u>\$ 294,389</u>	<u>\$ 13,321</u>	<u>\$ 133,000</u>
	<u>Reference</u>	G-2	G-2	G	G
Cash Disbursed	G-4		\$ 286,410		
Less Refunds	G-4		<u>14</u>		
			286,396		
Encumbrances Payable	G-5		<u>7,993</u>		
			<u>\$ 294,389</u>		

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Land	\$ 19,587,900	\$ 19,587,900
Buildings and Building Improvements	11,911,300	11,911,300
Machinery and Equipment	<u>14,920,895</u>	<u>14,726,612</u>
Total Assets	<u>\$ 46,420,095</u>	<u>\$ 46,225,812</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 46,420,095</u>	<u>\$ 46,225,812</u>
Total Reserves	<u>\$ 46,420,095</u>	<u>\$ 46,225,812</u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

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 statutory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

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

A. Reporting Entity

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

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

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the municipal library, volunteer fire companies and rescue squads, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

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

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

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Township has the following funds and account group:

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

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

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

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

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

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

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities, 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 for the water utility is accounted for in the capital section of the fund.

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

Sanitation District Fund – This fund is used to account for the revenues and expenditures for operation of the sanitation district.

Recreation Utility Fund - This fund is used to account for the revenues and expenditures for the Township's recreation programs and the assets and liabilities relative to such activities.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the Township, other than those accounted for in the water and sewer 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 ("statutory 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 tax sale. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

Utility Rents - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. 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.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 2008 and 2007 the Township Council increased the original budget by \$78,847 and \$118,625. The 2008 and 2007 increases were funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2008 and 2007.

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.

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

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

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

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

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

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, 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.

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

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General Fixed Assets (Continued)

No depreciation has been provided for in the financial statements.

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

Accounting for utility fund "fixed capital" remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the water and sewer utility funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund(s) represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility(s) does not record depreciation on fixed assets.

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

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

Reclassifications - Certain reclassifications have been made to the December 31, 2007 balances to conform to the December 31, 2008 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.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

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 New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for a temporary period ending December 31, 2009 and \$100,000 for the year ending December 31, 2007. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2008 and 2007, the book value of the Township's deposits were \$20,396,825 and \$22,754,935 and bank and brokerage firm balances of the Township's deposits amounted to \$20,701,559 and \$23,009,605, 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>2008</u>	<u>2007</u>
Insured	\$ 7,715,643	\$ 8,788,307
Uninsured and Uncollateralized	<u>12,985,916</u>	<u>14,221,298</u>
	<u>\$ 20,701,559</u>	<u>\$ 23,009,605</u>

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, 2008 and 2007, the Township's bank balance of \$12,985,916 and \$14,221,298 was exposed to custodial credit risk as follows:

	<u>2008</u>	<u>2007</u>
Uninsured and Uncollateralized Collateral held by pledging financial institution's trust department but not in the Township's name	<u>\$ 12,985,916</u>	<u>\$ 14,221,298</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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 Trust Fund 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, 2008 and 2007, the Township had the following investments:

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

	<u>Fair Value</u>
<u>2007</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Township's name	<u>\$ 968,471</u>

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, 2008 and 2007, \$680,335 and \$968,471 of the Township's investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>	
	<u>2008</u>	<u>2007</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	<u>\$ 680,335</u>	<u>\$ 968,471</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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.

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at December 31, 2008 consisted of the following:

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

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE (Continued)

Receivables at December 31, 2007 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u> <u>Sewer</u>	<u>Total</u>
<u>2007</u>				
Property Taxes	\$ 866,019			\$ 866,019
Tax Title Liens	404,314			404,314
Utility Rents		\$ 56,305	\$ 564,238	620,543
Utility Liens	-	-	1,145	1,145
	<u>\$ 1,270,333</u>	<u>\$ 56,305</u>	<u>\$ 565,383</u>	<u>\$ 1,892,021</u>

In 2007, the Township collected \$894,363 and \$329,897 from delinquent taxes and utility rents, which represented 67.21%, 100% and 99.7% of the prior year's delinquent tax, water and sewer charges receivable at December 31, 2006.

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.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

The Township's debt is summarized as follows:

	<u>2008</u>	<u>2007</u>
Issued		
General		
Bonds, Notes and Loans	\$ 31,411,968	\$ 34,080,824
Water Utility		
Bonds and Notes	1,793,000	1,291,000
Sewer Utility		
Bonds and Notes	3,432,696	3,832,760
Sewer Utility Assessment		
Bonds and Notes	<u>9,239,886</u>	<u>10,748,569</u>
	45,877,550	49,953,153
Less: Funds Temporarily Held to Pay Bonds and Notes	<u>1,837,704</u>	<u>2,165,349</u>
Net Debt Issued	<u>44,039,846</u>	<u>47,787,804</u>
Authorized But Not Issued		
General		
Bonds and Notes	1,349,348	1,092,553
Water Utility		
Bonds and Notes	<u>1,347,400</u>	<u>757,650</u>
	<u>2,696,748</u>	<u>1,850,203</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 46,736,594</u>	<u>\$ 49,638,007</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of .85% and .95% at December 31, 2008 and 2007, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2008</u>			
General Debt	\$ 32,761,316	\$ 515,000	\$ 32,246,316
School Debt	62,045,695	62,045,695	
Utility Debt	<u>15,812,982</u>	<u>15,812,982</u>	<u>-</u>
Total	<u>\$ 110,619,993</u>	<u>\$ 78,373,677</u>	<u>\$ 32,246,316</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2007</u>			
General Debt	\$ 35,173,377	\$ 555,000	\$ 34,618,377
School Debt	63,659,768	63,659,768	
Utility Debt	<u>16,629,979</u>	<u>16,629,979</u>	<u>-</u>
Total	<u>\$ 115,463,124</u>	<u>\$ 80,844,747</u>	<u>\$ 34,618,377</u>

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

	<u>2008</u>	<u>2007</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 131,266,040	\$ 127,129,074
Net Debt	<u>32,246,316</u>	<u>34,618,377</u>
Remaining Borrowing Power	<u>\$ 99,019,724</u>	<u>\$ 92,510,697</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

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:

General Obligation Bonds

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

	<u>2008</u>	<u>2007</u>
\$8,455,000, 1998 Bonds, due in annual installments of \$459,000 through August 15, 2008, interest at 4.80%		\$ 459,000
\$594,000, 1998 Bonds, due in annual installments of \$33,000 through August 15, 2008, interest at 4.80%		33,000
\$3,000,000, 1999 Bonds, due in annual installments of \$150,000 through August 15, 2009, interest at 5.25%	\$ 150,000	300,000
\$7,665,000, 2002 Bonds, due in annual installments of \$600,000 through February 15, 2016 interest at 4.00% to 4.60%	4,800,000	5,400,000
\$5,795,000, 2003 Bonds, due in annual installments of \$390,000 through February 15, 2019, interest at 3.00% to 3.375%	4,290,000	4,680,000
\$2,958,000, 2004 Bonds, due in annual installments of \$200,000 to \$300,000 through February 15, 2016, interest at 3.40% to 3.95%	2,258,000	2,458,000

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

	<u>2008</u>	<u>2007</u>
\$1,430,000, 2005 Bonds, due in annual installments of \$130,000 to \$160,000 through April 1, 2015, interest at 3.35% to 3.75%	\$ 1,100,000	\$ 1,230,000
\$1,320,000, 2005 Tax Appeal Bonds, due in annual installments of \$200,000 to \$260,000 through April 1, 2011, interest at 3.25% to 3.375%	720,000	920,000
\$7,190,000, 2005 Refunding Bonds, due in annual installments of \$15,000 to \$760,000 through February 15, 2019, interest at 3.50% to 5.00%	7,165,000	7,180,000
\$3,279,000, 2006 Bonds, due in annual installments of \$215,000 to \$230,000 through May 15, 2021, interest at 4.00% to 4.10%	2,949,000	3,164,000
\$3,405,000, 2007 Bonds, due in annual installments of \$430,000 to \$560,000 through March 15, 2017 at 3.625% to 3.75%	2,975,000	3,405,000
\$1,372,000, 2008 Bonds, due in annual installments of \$190,000 to \$377,000 through September 1, 2013 at 3.00%	<u>1,372,000</u>	<u>-</u>
	<u>\$ 27,779,000</u>	<u>\$ 29,229,000</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

Sewer Utility Bonds

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

Sewer Capital Fund	<u>2008</u>	<u>2007</u>
\$2,237,000, 1998 Bonds, due in annual installments of \$121,000 through August 15, 2008, interest at 4.875%		\$ 121,000
\$3,606,000, 1998 Bonds, due in annual installments of \$201,000 through August 15, 2008, interest at 4.80%		201,000
\$2,957,000, 2005 Refunding Bonds, due in annual installments of \$10,000 to \$335,000 through August 15, 2018, interest at 3.25% to 5.00%	<u>\$ 2,932,000</u>	<u>2,942,000</u>
Total Sewer Capital Fund	<u>2,932,000</u>	<u>3,264,000</u>
Sewer Assessment Trust Fund		
\$1,603,000, 1999 Bonds, due in annual installments of \$95,000 through December 1, 2009, interest at 5.25% to 5.30%	95,000	190,000
\$668,000, 2005 Bonds, due in annual installments of \$95,000 to \$98,000 through August 15, 2016, interest at 3.25% to 5.00%	<u>668,000</u>	<u>668,000</u>
Total Sewer Assessment Trust Fund	<u>763,000</u>	<u>858,000</u>
 Total Sewer Utility Bonds	 <u>\$ 3,695,000</u>	 <u>\$ 4,122,000</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

Water Utility Bonds

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

	<u>2008</u>	<u>2007</u>
Water Utility Bonds		
\$465,000, 2005 Bonds, due in annual installments of \$95,000 to \$100,000 through April 1, 2010, interest at 3.25% to 3.375%	\$ 200,000	\$ 295,000
\$416,000, 2006 Bonds, due in annual installments of \$70,000 to \$106,000 through May 15, 2011, interest at 4.00%	281,000	351,000
\$645,000, 2007 Bonds, due in annual installments of \$90,000 to \$180,000 through March 15, 2012, interest at 3.625% to 3.750%	555,000	645,000
\$757,000, 2008 Bonds, due in annual installments of \$105,000 to \$207,000 through September 1, 2013, interest at 3.00%	<u>757,000</u>	<u>-</u>
Total Water Utility Bonds	<u>\$ 1,793,000</u>	<u>\$ 1,291,000</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>2008</u>	<u>2007</u>
\$500,000, 2002 Loan due in semi-annual installments of \$11,307 to \$15,392 through July 2022, interest at 2.00%	<u>\$ 378,019</u>	<u>\$ 401,202</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

Green 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 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 balance outstanding at December 31, which is included in the General Capital Fund, is as follows:

	<u>2008</u>	<u>2007</u>
\$1,884,294, 1996 Loan due in semi-annual installments of \$50,034 to \$59,255 through December, 2015, interest at 2.00%	\$ <u>778,244</u>	\$ <u>880,833</u>

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>2008</u>	<u>2007</u>
\$21,024,543, 1993 Loan due in semi-annual installments of \$12,796 to \$995,957 through February 2013, interest at 4.2% to 4.8%	\$ 7,396,842	\$ 8,673,996
\$7,001,920, 1995 Loan due in semi-annual installments of \$4,377 to \$285,000 through August 2015, interest at 4.6% to 5.25%	2,973,689	3,349,594
\$1,231,851, 1996 Loan due in semi-annual installments of \$2,888 to \$50,000 through August 2016, interest at 5.0% to 5.25%	<u>500,696</u>	<u>568,760</u>
	<u>\$ 10,871,227</u>	<u>\$ 12,592,350</u>

	<u>2008</u>	<u>2007</u>
General Capital Fund	\$ 1,893,645	\$ 2,133,021
Sewer Utility Fund	<u>8,977,582</u>	<u>10,459,329</u>
	<u>\$ 10,871,227</u>	<u>\$ 12,592,350</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

EDA Loan Payable

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

	<u>2008</u>	<u>2007</u>
\$118,400, 2001 Loan due in annual installments of \$11,840 through March 2010, interest at 0.00%	\$ 23,680	\$ 35,520
\$88,760, 2003 Loan due in annual installments of \$8,876 through June 2013, interest at 0.00%	<u>44,380</u>	<u>53,256</u>
	<u>\$ 68,060</u>	<u>\$ 88,776</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>2008</u>	<u>2007</u>
\$650,000 2003 Loan due in annual installments of \$35,000 to \$95,000 through February 2016, interest at 1.75% to 5.75%	<u>\$ 515,000</u>	<u>\$ 555,000</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2008 is as follows:

Calendar Year	General		Water Utility		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2009	\$ 3,599,761	\$ 1,137,359	\$ 380,000	\$ 56,251	\$ 1,948,997	\$ 398,617	\$ 7,520,985
2010	3,728,490	1,006,836	410,000	42,613	1,990,689	337,030	7,515,658
2011	3,855,016	874,250	406,000	28,411	2,038,312	274,464	7,476,453
2012	3,423,196	743,194	390,000	15,885	2,079,426	207,252	6,858,953
2013	3,498,282	612,419	207,000	6,210	2,580,012	135,661	7,039,584
2014-2018	11,909,272	1,292,547			2,035,146	185,551	15,422,516
2019-2022	<u>1,397,951</u>	<u>62,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,459,992</u>
Total	<u>\$ 31,411,968</u>	<u>\$ 5,728,646</u>	<u>\$ 1,793,000</u>	<u>\$ 149,370</u>	<u>\$ 12,672,582</u>	<u>\$ 1,538,575</u>	<u>\$ 53,294,141</u>

Changes in Long-Term Municipal Debt

The Township's long-term capital debt activity for the years 2008 and 2007 were as follows:

	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>	Due Within <u>One Year</u>
<u>2008</u>					
General Capital Fund					
Bonds Payable	\$ 29,229,000	\$ 1,372,000	\$ 2,822,000	\$ 27,779,000	\$ 3,160,000
Intergovernmental Loans Payable	<u>4,058,832</u>	<u>-</u>	<u>425,864</u>	<u>3,632,968</u>	<u>439,671</u>
General Capital Fund Long-Term Liabilities	<u>\$ 33,287,832</u>	<u>\$ 1,372,000</u>	<u>\$ 3,247,864</u>	<u>\$ 31,411,968</u>	<u>\$ 3,599,671</u>
Water Utility Capital Fund					
Bonds Payable	\$ 1,291,000	\$ 757,000	\$ 255,000	\$ 1,793,000	\$ 380,000
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 1,291,000</u>	<u>\$ 757,000</u>	<u>\$ 255,000</u>	<u>\$ 1,793,000</u>	<u>\$ 380,000</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 3,264,000		\$ 332,000	\$ 2,932,000	\$ 335,000
Intergovernmental Loans	<u>568,760</u>	<u>-</u>	<u>68,064</u>	<u>500,696</u>	<u>66,974</u>
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 3,832,760</u>	<u>\$ -</u>	<u>\$ 400,064</u>	<u>\$ 3,432,696</u>	<u>\$ 401,974</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>	Due Within <u>One Year</u>
2008 (Continued)					
Sewer Utility Assessment Fund					
Bonds Payable	\$ 858,000		\$ 95,000	\$ 763,000	\$ 95,000
Intergovernmental Loans	<u>9,890,569</u>	<u>-</u>	<u>1,413,683</u>	<u>8,476,886</u>	<u>1,452,023</u>
Sewer Utility Assessment Fund Long-Term Liabilities	<u>\$ 10,748,569</u>	<u>\$ -</u>	<u>\$ 1,508,683</u>	<u>\$ 9,239,886</u>	<u>\$ 1,547,023</u>
	Balance, December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>	Due Within <u>One Year</u>
<u>2007</u>					
General Capital Fund					
Bonds Payable	\$ 28,051,000	\$ 3,405,000	\$ 2,227,000	\$ 29,229,000	\$ 2,822,000
Intergovernmental Loans Payable	<u>4,470,594</u>	<u>-</u>	<u>411,762</u>	<u>4,058,832</u>	<u>425,864</u>
General Capital Fund Long-Term Liabilities	<u>\$ 32,521,594</u>	<u>\$ 3,405,000</u>	<u>\$ 2,638,762</u>	<u>\$ 33,287,832</u>	<u>\$ 3,247,864</u>
Water Utility Capital Fund					
Bonds Payable	<u>\$ 801,000</u>	<u>\$ 645,000</u>	<u>\$ 155,000</u>	<u>\$ 1,291,000</u>	<u>\$ 255,000</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 801,000</u>	<u>\$ 645,000</u>	<u>\$ 155,000</u>	<u>\$ 1,291,000</u>	<u>\$ 255,000</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 3,591,000		\$ 327,000	\$ 3,264,000	\$ 332,000
Intergovernmental Loans	<u>629,685</u>	<u>-</u>	<u>60,925</u>	<u>568,760</u>	<u>68,064</u>
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 4,220,685</u>	<u>\$ -</u>	<u>\$ 387,925</u>	<u>\$ 3,832,760</u>	<u>\$ 400,064</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>	Due Within <u>One Year</u>
<u>2007 (Continued)</u>					
Sewer Utility Assessment Fund					
Bonds Payable	\$ 953,000		\$ 95,000	\$ 858,000	\$ 95,000
Intergovernmental Loans	<u>11,272,453</u>	<u>-</u>	<u>1,381,884</u>	<u>9,890,569</u>	<u>1,413,682</u>
Sewer Utility Assessment Fund					
Long-Term Liabilities	<u>\$ 12,225,453</u>	<u>\$ -</u>	<u>\$ 1,476,884</u>	<u>\$ 10,748,569</u>	<u>\$ 1,508,682</u>

Short-Term Debt

The Township's short-term capital debt activity for the years 2008 and 2007 was as follows:

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ 792,992</u>	<u>\$ -</u>	<u>\$ 792,992</u>	<u>\$ -</u>
	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>
<u>2007</u>				
Bond Anticipation Notes				
General Capital Fund		\$ 792,992		\$ 792,992
Water Utility Capital Fund	<u>\$ 669,000</u>	<u>-</u>	<u>\$ 669,000</u>	<u>-</u>
	<u>\$ 669,000</u>	<u>\$ 792,992</u>	<u>\$ 669,000</u>	<u>\$ 792,992</u>

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Township's statutory debt limit calculation is reported in the Current Fund for the years 2008 and 2007 as follows:

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Special Emergency Notes	\$ 313,000	\$ 192,200	\$ 313,000	\$ 192,200
	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>
<u>2007</u>				
Special Emergency Notes	\$ 418,200	\$ 313,000	\$ 418,200	\$ 313,000

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2008 and 2007.

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Land	\$ 19,587,900			\$ 19,587,900
Buildings and Building Improvements	11,911,300			11,911,300
Machinery and Equipment	14,726,612	\$ 413,221	\$ 218,938	14,920,895
	<u>\$ 46,225,812</u>	<u>\$ 413,221</u>	<u>\$ 218,938</u>	<u>\$ 46,420,095</u>
	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2007</u>
<u>2007</u>				
Land	\$ 19,709,600		\$ 121,700	\$ 19,587,900
Buildings and Building Improvements	11,911,300			11,911,300
Machinery and Equipment	14,161,988	\$ 1,886,340	1,321,716	14,726,612
	<u>\$ 45,782,888</u>	<u>\$ 1,886,340</u>	<u>\$ 1,443,416</u>	<u>\$ 46,225,812</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 7 FUND BALANCES APPROPRIATED

Under the statutory 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>2008</u>	Utilized in Subsequent <u>Year's Budget</u> (A)	Fund Balance December 31, <u>2007</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 3,954,327	\$ 2,991,310	\$ 4,706,671	\$ 3,000,000
Non-Cash Surplus	<u>165,301</u>	<u>-</u>	<u>200,477</u>	<u>-</u>
	<u>\$ 4,119,628</u>	<u>\$ 2,991,310</u>	<u>\$ 4,907,148</u>	<u>\$ 3,000,000</u>
Water Utility Operating Fund				
Cash Surplus	658,088	357,079	571,032	155,273
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 658,088</u>	<u>\$ 357,079</u>	<u>\$ 571,032</u>	<u>\$ 155,273</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 2,392,756	\$ 893,968	\$ 2,467,952	\$ 684,605
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,392,756</u>	<u>\$ 893,968</u>	<u>\$ 2,467,952</u>	<u>\$ 684,605</u>
Sanitation District				
Cash Surplus	\$ 271,102	\$ 271,000	\$ 488,640	\$ 381,122
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 271,102</u>	<u>\$ 271,000</u>	<u>\$ 488,640</u>	<u>\$ 381,122</u>
Recreation Utility Fund				
Cash Surplus	\$ 142,693	\$ 100,000	\$ 78,688	\$ 65,071
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 142,693</u>	<u>\$ 100,000</u>	<u>\$ 78,688</u>	<u>\$ 65,071</u>

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>2008</u>			
Current Fund			
Special Emergency Authorizations	\$ 325,755	\$ 120,800	\$ 204,955
	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>2007</u>			
Current Fund			
Special Emergency Authorizations	\$ 483,200	\$ 120,800	\$ 362,400

NOTE 9 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 \$3,039,057 and \$2,898,591 at December 31, 2008 and 2007, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

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

As of December 31, 2008 and 2007, the Township has reserved \$158,704 and \$172,711, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 10 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.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement system (retirement system) 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 obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Basis of Accounting

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent. The law provides that local employers' PFRS normal and accrued liability contributions shall be as follows: for payments due in the State fiscal year ending June 30, 2004, 20 percent; for payments due in the State fiscal year ending June 30, 2005, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 60 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS or PFRS, effective July 12, 2002.

Chapter 92, P.L. 2007 implements certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform which establishes a DCRP for elected and certain appointed officials, effective July 1, 2007.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of the employees' annual compensation, as defined. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS. In the PERS, the employer contribution includes funding for post-retirement medical premiums for participating local governments. In the DCRP, member contributions are matched by a 3% employer contribution.

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. For the DCRP, which is a defined contribution plan, annual pension cost equals annual required contributions.

During the years ended December 31, 2008, 2007 and 2006, the Township was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

<u>Year Ended December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2008	\$ 900,900	\$ 336,913	\$ 46
2007	606,394	181,684	
2006	370,881	107,455	

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

Plan Description

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

Service Retirement

Eligibility

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

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

Disability Retirement

Eligibility

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funding Policy

The required contribution is funded on a pay-as-you-go basis with an additional amount to prefund benefits as determined annually by the Township. For the year 2008, the Township contributed nothing to the plan. There are no contributions required for eligible retirees.

Annual OPEB Cost and Net OPEB Obligation

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

Annual Required Contribution	\$ 4,662,100
Total (Annual OPEB Cost (Expense))	4,662,100
Contributions Made	<u>272,900</u>
Increase in Net OPEB Obligation	4,389,200
Net OPEB Obligation - Beginning of Year	<u>-</u>
Net OPEB Obligation - End of Year	<u>\$ 4,389,200</u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2008 is as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligations</u>
2008	\$ 4,662,100	5.9%	\$ 4,389,200

Funded Status and Funding Progress

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

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

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

NOTE 12 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.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 12 RISK MANAGEMENT (Continued)

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>
2008	\$ 50,000	\$ 14,483	\$ 406	\$ 72,852
2007		14,005	54,289	8,114
2006	30,000	13,523	25,995	46,797

NOTE 13 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, 2008 and 2007. 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) or (immaterial). As of December 31, 2008 and 2007, the Township reserved \$397,805 and \$700,000, 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.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 13 CONTINGENT LIABILITIES

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, 2008 and 2007, 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 14 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, 2008 and 2007, the Township had no estimated arbitrage earnings due to the IRS.

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

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

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

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

The Township of Mount Olive has contributed \$1,442 and \$1,403 for 2008 and 2007, respectively, for each eligible volunteer fire company and rescue squad member.

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (Continued)

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

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

<u>2007</u> <u>Capital Project/Commitment</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
Construction of Library	\$ 192,174	2008
(2) Steel Frame Building Construction	67,750	2008
Construction of DPW Garage - Phase II	20,601	2008
Resurfacing of Naughtright Road	24,912	2008
Water System Interconnection Project	44,262	2008
Resurfacing of Tennis Courts	53,800	2008
DPW Site Fencing	49,400	2008
Acquisition of Land	<u>1,925,000</u>	2008
	<u>\$ 2,377,899</u>	

NOTE 17 PRIOR-YEAR DEFEASANCE OF DEBT

In prior years, the Township defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Township's financial statements. On December 31, 2008 and 2007, \$8,077,000 and \$10,545,000, respectively, of bonds outstanding are considered defeased. On August 15, 2008, \$2,468,000 of the defeased bonds outstanding at December 31, 2007 were retired. The December 31, 2008 defeased bonds will be retired on December 1, 2009.

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, 2007	\$ 7,015,934	\$ 42,510
Increased by Receipts:		
Taxes Receivable	\$ 83,644,367	
Non-Budget Revenues	312,739	
State of NJ - Senior Citizens' and Vet. Deductions	129,341	
Revenue Accounts Receivable	4,895,812	
Special Emergency Notes Payable	192,200	
Fees Payable	3,400	
Prepaid Taxes	295,508	
Receipts from Open Space Trust Fund	1,026,000	
Receipts from General Capital Fund	21,717	
Receipts from State and Federal Grant Fund	846	
Budget Refunds	305,301	
Interest on Investments and Deposits		\$ 846
Reserve for Unappropriated Grants		2,453
Grants Receivable		251,779
Tax Overpayments	181,146	
Miscellaneous Reserves and Deposits	158,512	
	<u>91,166,889</u>	<u>-</u>
	98,182,823	255,078
Decreased by Disbursements:		
2008 Budget Appropriations	23,555,764	
2007 Appropriation Reserves	426,641	
Miscellaneous Reserves and Deposits	138,091	
Special Emergency Notes Payable	313,000	
Encumbrances Payable		51,048
Reserve for Grants Appropriated		173,750
Refund of Prior Year Revenue	6,556	
Fees Payable	3,800	
County Taxes Payable	8,905,753	
Local District School Taxes Payable	56,786,067	
Sanitation District Taxes Payable	1,352,080	
Open Space Trust Taxes Payable	588,776	
Reserve for Tax Appeals	302,195	
Cash Disbursed to Current Fund		\$ 846
Tax Overpayments	181,146	
	<u>92,559,869</u>	<u>-</u>
	98,182,823	225,644
Balance, December 31, 2008	<u>\$ 5,622,954</u>	<u>\$ 71,944</u>

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

	Balance, December 31, <u>2007</u>	Balance, December 31, <u>2008</u>
Tax Collector	\$ 300	\$ 300
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>\$ 850</u>	<u>\$ 850</u>

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

Balance, December 31, 2007		\$ 30,277
Increased by:		
Veterans Deductions Per Tax Billings - 2008	\$ 110,250	
Senior Citizen Deductions Per Tax Billings - 2008	20,250	
Veterans Deductions Allowed Per Tax Collector - 2008	3,000	
Senior Citizen Deductions Allowed Per Tax Collector -2008	1,000	
Senior Citizen Deductions Allowed Per Tax Collector - 2007	<u>500</u>	
		<u>135,000</u>
		165,277
Decreased by:		
Cash Received	129,341	
Veterans Deductions Disallowed per Tax Collector - 2008	250	
Senior Citizen Deductions Disallowed Per Tax Collector-2007	<u>3,940</u>	
		<u>133,531</u>
Balance, December 31, 2008		<u>\$ 31,746</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF TAXES RECEIVABLE

Year	Balance, December 31, 2007	2008 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2008
2005	\$ 11,720						\$ 11,720
2006	27,009						19,643
2007	827,290	\$ 28,881	\$ 3,940	\$ 500	\$ 10,761	-	35,767
2008	866,019	28,881	3,940	500	10,761	-	67,130
	-	84,710,223	250	134,500	336,413	1,425	1,022,143
	\$ 866,019	\$ 84,739,104	\$ 4,190	\$ 135,000	\$ 347,174	\$ 1,425	\$ 1,089,273

Analysis of 2008 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 84,545,625
Added Taxes	164,598
	<u>\$ 84,710,223</u>
Tax Levy	
County Taxes (Abstract)	\$ 7,255,774
Due County for Added and Omitted Taxes	17,277
County Open Space Preservation	1,632,702
	<u>\$ 8,905,753</u>
Local District School Tax (Abstract)	56,786,067
Local Sanitation District	1,348,454
Local Sanitation District - Added Taxes	3,626
	<u>1,352,080</u>
Local Open Space Levy	587,705
Local Open Space Levy-Added Taxes	1,071
	<u>588,776</u>
Local Tax for Municipal Purposes	16,934,177
Add Additional Tax Levied	143,370
	<u>17,077,547</u>
	<u>\$ 84,710,223</u>

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

Balance, December 31, 2007	\$ 404,314
Increased by:	
Transfers from Taxes Receivable	<u>1,425</u>
	405,739
Decreased by:	
Transfer to Foreclosed Tax Title Liens	<u>162,104</u>
Balance, December 31, 2008	<u>\$ 243,635</u>

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

Balance, December 31, 2007	\$ 4,111,494
Increased by:	
Transfer from Tax Title Liens	\$ 162,104
Adjustment to Assessed Valuation	<u>76,296</u>
	<u>238,400</u>
Balance, December 31, 2008	<u>\$ 4,349,894</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2007</u>	Accrued in 2008	<u>Collected</u>	Balance, December 31, <u>2008</u>
Township Clerk				
Licenses				
Alcoholic Beverages		\$ 20,515	\$ 20,515	
Fees and Permits		3,701	3,701	
Board of Health				
Fees and Permits		102,425	102,425	
Registrar				
Fees and Permits		4,310	4,310	
SMA Clinic, Shots and Screening				
Fees and Permits		34,509	34,509	
Police Department				
Fees and Permits		6,861	6,861	
Tax Search Officer				
Fees and Permits		10	10	
Tax Assessor				
Fees and Permits		1,288	1,288	
Engineering				
Fees and Permits		1,432	1,432	
Planning Board				
Fees and Permits		30,651	30,651	
Zoning Board				
Fees and Permits		12,350	12,350	
Water Testing				
Fees and Permits		6,140	6,140	
Senior Activities				
Fees and Permits		1,610	1,610	
Board of Adjustment				
Fees and Permits		4,100	4,100	
Municipal Court				
Fines and Costs	\$ 32,902	484,024	482,499	\$ 34,427
Interest and Costs on Taxes		201,617	201,617	
Interest on Investments and Deposits		140,402	140,402	
Water Tower Rental - NYNEX		186,503	186,503	
Interest on Developers' Deposit Fees		34,786	34,786	
Life Hazard Use Fees		32,267	32,267	
Fire Prevention Inspection Fees		86,987	86,987	
Reserve for Garden State Trust Fund		137,821	137,821	
Consolidated Municipal Property Tax Relief		628,581	628,581	
Energy Receipts Taxes		1,815,620	1,815,620	
Supplemental Energy Receipts Taxes		90,868	90,868	
Watershed Moratorium Aid		9,165	9,165	
Highlands Reimbursement Aid		19,981	19,981	
Reserve for Highlands Reimbursement Aid		12,573	12,573	
Uniform Construction Code Fees	17,823	392,276	389,123	20,976
Interlocal Health Agreement		63,469	63,469	
Cable TV Franchise Fee		84,308	84,308	
Solid Waste Collection District Budget				
Surplus-Down Payment-Capital Ordinances		100,150	100,150	
Hotel Tax Revenues		226,084	226,084	
General Capital Fund Surplus		3,853	3,853	
Due from Open Space Trust Fund - Debt Service		1,026,000	1,026,000	
Due from Mt. Olive Child Care - Lease	-	73,500	73,500	-
	<u>\$ 50,725</u>	<u>\$ 6,080,737</u>	<u>\$ 6,076,059</u>	<u>\$ 55,403</u>
			4,895,812	
			137,821	
			12,573	
			3,853	
			<u>1,026,000</u>	
			<u>\$ 6,076,059</u>	

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

	<u>Amount</u> <u>Authorized</u>	1/5 of <u>Amount</u> <u>Authorized</u>	Balance, December 31, <u>2007</u>	Raised in <u>2008</u>	<u>Cancelled</u>	Balance, December 31, <u>2008</u>
Revaluation of Real Property	\$ 604,000	\$ 120,800	<u>\$ 483,200</u>	<u>\$ 120,800</u>	<u>\$ 36,645</u>	<u>\$ 325,755</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2007 APPROPRIATION RESERVES

	Balance, December 31, <u>2007</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
SALARIES AND WAGES				
General Government				
Mayor and Council	\$ 31	\$ 31		\$ 31
Township Clerk	3,812	3,812		3,812
Financial Administration	5,562	2,562		2,562
Engineering Services	6,155	6,155		6,155
Land Use Administration				
Planning Board	158	158		158
Public Safety				
Police	24,420	24,420		24,420
Fire Prevention	498	498		498
Buildings and Grounds	459	459		459
Health and Human Services				
Board of Health	292	292		292
Division of Senior Social Services	633	633		633
Municipal Court	3,143	3,143		3,143
OTHER EXPENSES				
Mayor and Council	2,899	5,220	\$ 574	4,646
Township Clerk	9,662	9,913	147	9,766
Business Administration	4,864	6,083	19	6,064
Financial Administration	868	3,068	3,000	68
Annual Audit	22	22		22
Revenue Administration	103	2,621	2,235	386
Assessment of Taxes	10,696	39,774	29,848	9,926
Legal Services & Costs	10,453	38,586	21,852	16,734
Engineering Services and Costs	5,574	7,124	7,124	
Industrial and Economic Devel. Committee	500	500		500
Pride Committee	487	737	342	395
Open Space Committee	250	250		250
Ethics Board	169	238		238
Information Technology Support	2,774	6,060	2,588	3,472
Planning Board	2,892	8,936	2,759	6,177
Board of Adjustment	3,083	4,891	1,486	3,405
Public Safety				
Police	6,578	41,604	18,063	23,541
Emergency Management System	1,590	2,270	200	2,070

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2007 APPROPRIATION RESERVES

	Balance, December 31, <u>2007</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)				
Fire				
Budd Lake Fire Company	\$ 818	\$ 818		\$ 818
Fire Hydrant Rental		530		530
First Aid Organization				
Budd Lake Rescue Squad	421	32,706	\$ 31,088	1,618
Fire Prevention	2,479	2,479	45	2,434
Streets and Roads				
Road Repairs and Maintenance	3,937	29,466	27,942	1,524
Street Signs	2,862	3,626	663	2,963
Buildings and Grounds	8,653	59,929	40,777	19,152
Fleet Maintenance	5,522	72,194	56,882	15,312
Health and Human Services				
Board of Health	5,104	12,280	5,234	7,046
Environmental Committee	427	1,127	700	427
Division of Senior Social Services	3,810	4,328	213	4,115
Recreation and Education				
Recreation	822	2,251	987	1,264
Beach Front Maintenance	99	254	155	99
Code Enforcement - Inspection of Buildings	3,702	3,937	752	3,185
Mount Olive Library		311	311	
Utilities				
Electricity	3,718	5,555	5,335	220
Street Lighting	631	2,672	22	2,650
Gas	6,216	14,472	14,339	133
Telecommunications	13,183	31,510	12,995	18,515
Vehicle Fuel		21,863	17,758	4,105
Municipal Court	106	1,731	1,390	341
Public Defender	1,250	1,873	623	1,250
Statutory Charges				
Social Security System	2,111	2,111		2,111
Insurance				
General Liability	5	5		5
Employee Group Health	16,591	22,946	4,568	18,378
Length of Service Award Program (LOSAP)		130,000	113,625	16,375
Morris County Improvement Program				
Lease Program - Interest	1	-	-	-
	<u>191,095</u>	<u>681,034</u>	<u>426,641</u>	<u>254,393</u>
		\$ 191,095		
Appropriation Reserves		<u>489,939</u>		
Encumbrances Payable		<u>681,034</u>		

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

Balance, December 31, 2007	\$ 489,939
Increased by:	
Charges to 2008 Appropriations	515,045
	1,004,984
Decreased by:	
Transferred to Appropriation Reserves	489,939
Balance, December 31, 2008	\$ 515,045

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

Balance, December 31, 2007	\$ 173,750
Increased by:	
Charges to Appropriated Grant Reserves	175,287
	349,037
Decreased by:	
Cash Disbursements	173,750
Balance, December 31, 2008	\$ 175,287

STATEMENT OF FEES PAYABLE

Balance, December 31, 2007	\$ 875
Increased by:	
Cash Received	3,400
	4,275
Decreased by:	
Cash Disbursed	3,800
Balance, December 31, 2008	\$ 475

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

Balance, December 31, 2007	\$ 392,074
Increased by:	
Collection of 2009 Taxes	<u>295,508</u>
	687,582
Decreased by:	
Application to 2008 Taxes Receivable	<u>392,074</u>
Balance, December 31, 2008	<u>\$ 295,508</u>

STATEMENT OF SPECIAL EMERGENCY NOTES PAYABLE

Balance, December 31, 2007	\$ 313,000
Increased By:	
Cash Receipts	<u>192,200</u>
	505,200
Decreased By:	
Cash Disbursements	<u>313,000</u>
Balance, December 31, 2008	<u>\$ 192,200</u>

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:		
2008 Tax Levy	\$ 7,255,774	
2008 Open Space Preservation	1,632,702	
2008 Added and Omitted Taxes (54:4-63.1 et seq.)	<u>17,277</u>	
		<u>\$ 8,905,753</u>
Decreased by:		
Cash Disbursed		<u>\$ 8,905,753</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
Levy - Calendar Year 2008		<u>\$ 56,786,067</u>
Decreased by:		
Cash Disbursed		<u>\$ 56,786,067</u>

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

	Balance, December 31, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2008</u>
Reserve for Tax Sale Premiums	\$ 249,500	\$ 49,300	\$ 39,000	\$ 259,800
Reserve for Garden State Trust Fund	137,821	109,212	137,821	109,212
Reserve for Highlands Reimbursement aid	12,573		12,573	
Reserve for Revaluation	<u>136,236</u>	<u>-</u>	<u>136,236</u>	<u>-</u>
	<u>\$ 536,130</u>	<u>\$ 158,512</u>	<u>\$ 325,630</u>	<u>\$ 369,012</u>
Cash Receipts		\$ 158,512		
Cash Disbursements			\$ 138,091	
Cancelled - Deferred Charge			36,645	
Cancelled - Fund Balance			500	
Utilized as Budget Revenue		<u>-</u>	<u>150,394</u>	
		<u>\$ 158,512</u>	<u>\$ 325,630</u>	

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2007	\$ 700,000
Decreased by:	
Cash Disbursed	<u>302,195</u>
Balance, December 31, 2008	<u>\$ 397,805</u>

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

	Balance, December 31, <u>2007</u>	<u>Increases</u>	<u>Cancellation</u>	<u>Decreases</u>	Balance, December 31, <u>2008</u>
Clean Communities Program	\$ 12,500	\$ 34,859		\$ 32,042	\$ 15,317
COPS Universal Hiring Grant		25,000		25,000	
Alcohol, Education, and Rehab		1,071		1,071	
Recreation Trails Programs	2,300				2,300
Enhanced 911 Equipment Grant	923			375	548
Planning Assistance Grant		17,628			17,628
Public Health Priority Funding Grant		12,314		12,314	
Over the Limit Under Arrest		5,000	\$ 280	4,720	
Click It or Ticket Grant		4,000	1,072	2,928	
Pandemic Flu Preparedness		8,386	1,040	7,346	
COPS School Resource Officer	11,759	83,333	1	95,091	
Drunk Driving Enforcement Fund	37,700	15,606		19,440	33,866
Tobacco Age of Sale Enforcement Grant	1,747	900		2,283	364
Body Armor Replacement Grant	997	10,955		5,142	6,810
Bullet Proof Vest Partnership	3,036			3,036	
Recycling Tonnage Grant	10,949	20,724		2,599	29,074
ANJEC Trail Plan		6,000		6,000	
Municipal Stormwater Regulation Program	803			803	
Baptist Church Stabilization	600		600		
Budd Lake Watershed Restoration	55,573				55,573
Donations - BASF		500			500
Donations - Police Equipment	1,334			1,334	
Donations - Siemens - Equipment	3,000			3,000	
Donations - Benjamin Moore	-	2,000	-	1,811	189
	<u>\$ 143,221</u>	<u>\$ 248,276</u>	<u>\$ 2,993</u>	<u>\$ 226,335</u>	<u>\$ 162,169</u>
Budget Appropriation: State & Federal Grants		<u>\$ 248,276</u>			
Cash Disbursements				\$ 51,048	
Encumbrances Payable				<u>175,287</u>	
				<u>\$ 226,335</u>	

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

Balance, December 31, 2007	\$ -
Increased By:	
Donation for Lions Club	2,453
Balance, December 31, 2008	\$ 2,453

EXHIBIT A-24

STATEMENT OF GRANTS RECEIVABLE
FEDERAL AND STATE GRANT FUND

	Balance, December 31, <u>2007</u>	Revenue <u>Realized</u>	Cash <u>Received</u>	<u>Cancelled</u>	Balance, December 31, <u>2008</u>
COPS Universal Hiring Grant		\$ 25,000	\$ 25,000		
COPS School Resource Officers Grant	\$ 11,759	83,333	95,091	\$ 1	
ANJEC Trail Plan		6,000			\$ 6,000
Body Armor Replacement Grant		10,955	10,955		
Clean Communities Program		34,859	34,859		
Tobacco-Age-of-Sale Enforcement Program		900	900		
Public Health Priority Funding		12,314	12,314		
Drunk Driving Enforcement Fund		15,606	15,606		
NJDEP - Recreation Trails Program	2,300				2,300
Donations - BASF		500	500		
Recycling Tonnage Grant		20,724	20,724		
Donation - Benjamin Moore		2,000	2,000		
Planning Assistance Grant		17,628			17,628
Over the Limit Under Arrest		5,000	4,720	280	
Alcohol, Education and Rehab		1,071	1,071		
Click It or Ticket Grant		4,000	2,928	1,072	
Pandemic Flu Preparedness		8,386	7,346	1,040	
Budd Lake Watershed Rest.	238,635		2,045		236,590
Baptist Church Stabilization	16,320		15,720	600	
Bullet Proof Vest Partnership	5,447	-	-	-	5,447
	<u>\$ 274,461</u>	<u>\$ 248,276</u>	<u>\$ 251,779</u>	<u>\$ 2,993</u>	<u>\$ 267,965</u>
Original Budget	\$ 169,429				
Chapter 159	78,847				
		<u>\$ 248,276</u>			
		Cash Receipts	<u>\$ 251,779</u>		

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

Increased by:			
2008 Tax Levy		\$ 587,705	
2008 Added Tax Levy		<u>1,071</u>	
			<u>\$ 588,776</u>
Decreased by:			
Cash Disbursed to Open Space Trust Fund			<u>\$ 588,776</u>

EXHIBIT A-26

STATEMENT OF SANITATION DISTRICT TAXES

Increased by:			
2008 Tax Levy		\$ 1,348,454	
2008 Added Tax Levy		<u>3,626</u>	
			<u>\$ 1,352,080</u>
Decreased by:			
Cash Disbursed to Sanitation District Fund			<u>\$ 1,352,080</u>

EXHIBIT A-27

STATEMENT OF TAX OVERPAYMENTS

Increased By:			
2009 Overpayments Applied			<u>\$ 181,146</u>
Decreased By:			
Cash Disbursements			<u>\$ 181,146</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, 2007	\$ 14,577	\$ 7,403,107	\$ 768,208
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 4,475		
Interest on Investments and Deposits			\$ 11,419
Municipal Open Space Tax Levy			588,776
Payroll and Payroll Deductions		\$ 18,398,240	
Developers Escrow Deposits		703,342	
Miscellaneous Reserves		388,709	
Animal Control Fees	63,134		
Current Fund Budget Appropriations	71,698	125,000	
Reimbursements	-	-	785,739
	<u>139,307</u>	<u>19,615,291</u>	<u>1,385,934</u>
	153,884	27,018,398	2,154,142
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	120,026		
Due to State of New Jersey	4,549	2,942	
Open Space Expenditures			627,480
Payments to Current Fund			1,026,000
Payments to General Capital Fund			
Payroll and Payroll Deductions		18,435,152	
Developers Escrow Deposits Refunded		1,244,695	
Miscellaneous Reserves	-	352,189	-
	<u>124,575</u>	<u>20,034,978</u>	<u>1,653,480</u>
Balance, December 31, 2008	<u>\$ 29,309</u>	<u>\$ 6,983,420</u>	<u>\$ 500,662</u>

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

Balance, December 31, 2007		\$ 14,389
Increased by:		
Current Fund Budget Appropriation		\$ 71,698
Animal Control Fees		
Dog License Fees	\$ 33,962	
Cat License Fees	14,453	
Miscellaneous Receipts	6,017	
Impound/Kennel Fees	<u>8,702</u>	
		<u>63,134</u>
		<u>134,832</u>
		149,221
Decreased by:		
Expenditures Under R.S. 4:19-15-11		<u>120,026</u>
Balance, December 31, 2008		<u>\$ 29,195</u>

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

Balance, December 31, 2007	\$ 188
Increased by:	
Dog License Fees Collected	<u>4,475</u>
	4,663
Decreased by:	
Payments Made to State of New Jersey	<u>4,549</u>
Balance, December 31, 2008	<u><u>\$ 114</u></u>

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

Balance, December 31, 2007	\$	5,460,244
Increased by:		
Cash Receipts		703,342
		6,163,586
Decreased by:		
Cash Disbursements		1,244,695
Balance, December 31, 2008	\$	4,918,891

EXHIBIT B-7

**OTHER TRUST FUND
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2008</u>
Unemployment Compensation	\$ 8,114	\$ 65,144	\$ 406	\$ 72,852
Law Enforcement	17,738	16,694	6,307	28,125
Affordable Housing	1,433,490	157,425	58,938	1,531,977
DARE Program	3,495	1,954	4,812	637
Off-Duty Police Contributions	50,717	52,502	63,280	39,939
Accumulated Snow Removal	46,764	36,974	46,431	37,307
POAA	477	56		533
Pride Committee	1,381	18	819	580
Character Education - Donations	2		2	
Turkey Brook	2,796	32	2,828	
Detention Basin Contributions	41,748	595	2,094	40,249
Accumulated Absences	172,711	128,817	142,824	158,704
Connector Road - Donations	85,661	1,969	12,539	75,091
Tree Bank Fund	34,102	50,205	10,071	74,236
Electronic Fees	-	1,324	1,244	80
	<u>\$ 1,899,196</u>	<u>\$ 513,709</u>	<u>\$ 352,595</u>	<u>\$ 2,060,310</u>
Cash Receipts		\$ 388,709		
Current Fund Budget Appropriations				
Accumulated Absences Account		125,000		
		<u>\$ 513,709</u>		
Cash Disbursements			\$ 352,189	
Due to State of New Jersey			406	
			<u>\$ 352,595</u>	

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

Balance, December 31, 2007	\$	2,536
Increased by:		
Unemployment Claims		406
		2,942
Decreased By:		
Cash Disbursements		2,942
Balance, December 31, 2008	\$	-

EXHIBIT B-9

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

Balance, December 31, 2007	\$	768,208
Increased by:		
Interest on Investments and Deposits	\$	11,419
Miscellaneous Cash Receipts		785,739
Municipal Open Space Tax Levy		588,776
		1,385,934
		2,154,142
Decreased by:		
Payments to Current Fund - Debt Service		1,026,000
Miscellaneous Cash Disbursements		627,480
		1,653,480
Balance, December 31, 2008	\$	500,662

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

Balance, December 31, 2007	\$ 41,131
Increased by:	
Cash Receipts	<u>18,398,240</u>
	18,439,371
Decreased by:	
Cash Disbursements	<u>18,435,152</u>
Balance, December 31, 2008	<u>\$ 4,219</u>

GENERAL CAPITAL FUND

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

Balance, December 31, 2007	\$	965,790
Increased by Receipts:		
Interest on Investments and Deposits	\$	17,864
Refunds		42,112
Department of Transportation Grant Proceeds		25,029
Due from Green Acres Grant		962,500
Due from County of Morris Open Space Trust Fund		900,000
Serial Bond Proceeds		1,372,000
Donation - Deferred Charges Unfunded		2,000
Current Fund Budget Appropriations:		
Capital Improvement Fund		45,671
Deferred Charges - Unfunded		94,400
		<u>3,461,576</u>
		4,427,366
Decreased by Disbursements:		
Improvement Authorizations		397,413
Payment of Bond Anticipation Notes		792,992
Due to Municipal Open Space Trust Fund		132,513
Encumbrances Payable		2,431,624
Payments to Current Fund		21,717
		<u>3,776,259</u>
Balance, December 31, 2008	\$	<u><u>651,107</u></u>

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

	Balance, December 31, <u>2008</u>
Capital Improvement Fund	\$ 6,420
Encumbrances Payable	1,198,424
Reserve for Land Proceeds	81,757
Reserve for Pocket Parks	15,000
Reserve for Recreation Improvements	37,500
Fund Balance	2,664
Department of Transportation Grant Receivable	(400,000)
Due from Community Development Block Grant	(133,400)
Due from County of Morris Historic Preservation Trust Fund	(160,000)
Due from County of Morris Open Space Trust Fund	
 Ord. No.	
<u>Improvement Authorizations</u>	
5-00 Impvt. of Township Property	3,133
24-00 Various Improvements	33,009
27-00 Construction of New Connector Road	111,085
11-01/4-02 Various Capital Improvements	13,116
06-02/11-07 Library Construction	103,812
37-02 Various Improvements	(16,464)
48-02 BLFD Tank Removal	49,356
24-03 Various Capital Improvements	(7,656)
24-04 Various Capital Improvements	4,710
45-04 Baptist Church Improvements	75,418
27-05 Various Capital Improvements	(11,271)
23-06 Various Improvements	3,540
33-06 Various Improvements	(224)
13-07 Road Resurfacing	2,347
32-07 Construction of a Dog Park	1,215
33-07 Acquisition of Various Equipment	(3,900)
44-07 Vehicle Purchases	(1,822)
46-08 Various Improvements	<u>(356,662)</u>
	 <u>\$ 651,107</u>

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

Balance, December 31, 2007		\$ 33,287,832
Increased by:		
Bond Issued		1,372,000
		34,659,832
Decreased by:		
2008 Budget Appropriation		
Payment of Bond Principal	\$ 2,822,000	
Payment of Loan Principal:		
Wastewater	\$ 239,376	
EDA	20,716	
Garden State Preservation Trust	23,183	
Morris County Improvement Authority	40,000	
Green Trust	102,589	
	425,864	
		3,247,864
Balance, December 31, 2008		\$ 31,411,968

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

Balance, December 31, 2007		\$ 262,161
Increased by:		
Grant Awards		200,000
		462,161
Decreased by:		
Cash Receipts	\$ 25,029	
Cancellations		
Improvement Authorizations #11-07	37,132	
		62,161
Balance, December 31, 2008		\$ 400,000
<u>Analysis of Balance</u>		
Ordinance # 37-02		\$ 200,000
Ordinance # 46-08		200,000
		\$ 400,000

EXHIBIT C-6

STATEMENT OF GREEN ACRES GRANT RECEIVABLE

Balance, December 31, 2007		\$ 958,000
Increased by:		
Grant Awards Ordinance #12-08		4,500
		962,500
Decreased by:		
Cash Receipts		962,500
Balance, December 31, 2008		\$ -

EXHIBIT C-7

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

Balance, December 31, 2007		\$ 160,000
Balance, December 31, 2008		\$ 160,000

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF DUE FROM COUNTY OF MORRIS OPEN SPACE TRUST FUND**

Balance, December 31, 2007		\$ 1,059,500
Decreased By:		
Cash Receipts	\$ 900,000	
Cancellation of Ordinance #52-07	<u>159,500</u>	
		<u>1,059,500</u>
Balance, December 31, 2008		<u><u>\$ -</u></u>

STATEMENT OF DUE TO OPEN SPACE TRUST FUND

Increased By:		
Cancellation of Ordinance #52-07	\$ 128,000	
Revised Funding of Ordinance #12-08	4,500	
Cancel Ordinance #16-07	<u>13</u>	
		\$ 132,513
Decreased by :		
Cash Disbursements - Open Space Trust Fund		<u>132,513</u>
Balance, December 31, 2008		<u><u>\$ -</u></u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF DUE TO CURRENT FUND**

Increased By:	
Interest on Investments	\$ 17,864
Utilized as Current Fund Revenue - Fund Balance	<u>3,853</u>
	\$ 21,717
Decreased By:	
Cash Disbursements to Current Fund	<u>21,717</u>
Balance, December 31, 2008	<u>\$ -</u>

STATEMENT OF DUE FROM COMMUNITY DEVELOPMENT BLOCK GRANT

Increased By:	
Grant Awards Ordinances: 46-08	<u>\$ 133,400</u>
Balance, December 31, 2008	<u>\$ 133,400</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance, December 31, 2007	2008 Authorizations	Bonds Issued	Authorizations Cancelled/Donations	Budget Appropriation	Balance, December 31, 2008	Analysis of Balance, December 31, 2008	
								Expenditures	Unexpended Improvement Authorizations
16-00	Impvts. To Flanders Park	\$ 51,622		\$ 51,622					
11-01/4-02	Various Capital Improvements	11,246				\$ 11,246	\$		11,246
06-02	Library Construction	95,153				95,153			95,153
37-02	Various Improvements	179,659				179,659	\$	16,464	163,195
24-03	Various Capital Improvements	70,893		62,000	1,237	79,400	7,656	7,656	
23-04	Purchase of Sanitation Equipment	192,400		113,000			10,463		10,463
24-04	Various Capital Improvements	25,463		15,000			104,099	11,271	92,828
27-05	Various Capital Improvements	104,099			90				
52-05	Construction of DPW Building	90							
23-06	Various Improvements	50,658		35,000		15,000	658		658
33-06	Various Improvements	15,900		15,000	676		224	224	
13-07	Various Road Improvements	138,870		138,870					
20-07	Acquisition of an Asphalt Zipper	47,500		47,500					
32-07	Construction of a Dog Park	4,262		2,000	2,000		262		262
33-07	Acquisition of Various Equipment	780,900		777,000			3,900	3,900	
47-07	Acquisition of Various Vehicles	116,830		115,000			1,822	1,822	
46-08	Various Improvements	-		-	-	-	934,206	356,662	577,544
		\$ 1,885,545	\$ 934,206	\$ 1,372,000	\$ 4,003	\$ 94,400	\$ 1,349,348	\$ 397,999	\$ 951,349
				Donations Auth. Cancelled	\$ 2,000				
					2,003				
					\$ 4,003				

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance, December 31, 2007		2008 Authorizations	Encumbrances Cancelled	Expended	Funded Authorizations Cancelled	Unfunded Authorizations Cancelled	Balance, December 31, 2008	
				Funded	Unfunded						Funded	Unfunded
5-00	Impvt. of Township Property	2/22/00	\$ 125,000	\$ 3,133							\$ 3,133	
16-00	Impvts. To Flanders Park	5/9/00	600,000		8,821			8,821				
24-00	Various Improvements	7/25/00	888,500	23,445			9,564				33,009	
27-00	Construction of New Connector Road	8/8/00	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	56,311	95,153						103,812	95,153
37-02	Various Improvements	9/24/02	1,602,070	35	179,659						49,356	163,195
48-02	BLFD Tank Removal	12/10/02	93,432	49,356								
24-03	Various Capital Improvements	5/27/03	1,968,418		29,162			27,925		\$ 1,237		
23-04	Various Capital Improvements	9/14/04	506,000		303			232	71			
24-04	Various Capital Improvements	9/14/04	1,321,580		23,430			8,257			4,710	10,463
45-04	Baptist Church Improvements	11/23/04	100,000	75,418							75,418	
27-05	Various Capital Improvements	8/9/2005	1,125,960	47,808	104,099			59,079				92,828
52-05	Construction of DPW Building	11/1/2005	1,900,000	1,220	90			1,036	184	90		658
23-06	Various Improvements	7/25/2006	1,437,016		25,322			21,124			3,540	
33-06	Various Improvements	11/21/2006	122,000		1,062			386		676		
34-06	Acq. Of the Mandelbaum Prop	12/19/2006	418,412	2,410					2,410			
13-07	Road Resurfacing	3/27/2007	146,179				2,347					
16-07	Acquisition of Blue Atlas	4/10/2007	1,878,000									
18-07	Acquisition of Blue Atlas	4/10/2007	77,000	6,208								
32-07	Construction of a Dog Park	7/27/2007	35,000		2,000			523			1,215	262
33-07	Acquisition of Various Equipment	7/27/2007	822,000		606,591			606,591				
47-07	Acquisition of Various Vehicles	11/20/2007	122,977		1,248			1,248				
52-07	Acquisition of Certain Property	12/18/2007	287,500	286,900					287,500			577,544
46-08	Various Improvements	7/8/2008	1,363,145			\$ 1,363,145						
				\$ 676,445	\$ 1,088,186	\$ 1,363,145	\$ 105,083	\$ 1,553,725	\$ 325,041	\$ 2,003	\$ 400,741	\$ 951,349

Capital Improvement Fund	\$
Reserve for Irrigation	46,539
CDBG Grant	49,000
DOT Grant Receivable	133,400
Deferred Charges Unfunded	200,000
	934,206
	<u>\$ 1,363,145</u>

Encumbrances Payable	\$ 1,198,424
Cash Disbursements	397,413
Refunds	(42,112)
	<u>\$ 1,553,725</u>

Cancelled Receivables:	
DOT Grant Receivable	\$ 37,132
Due to Open Space Trust Fund	13
Due to Open Space Trust Fund	128,000
Due from County of Morris Open Space Trust Fund	159,500
Reserve for Land Proceeds	207
Fund Balance	<u>189</u>
	<u>\$ 325,041</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, December 31, 2007	Balance, December 31, 2008
			Outstanding December 31, 2008	Decreased			
			Date	Amount	%	Increased	
General Improvements	08/15/98	\$ 8,455,000			4.80	\$ 459,000	\$ 459,000
Sewer Refunding Bonds	08/15/98	594,000			4.80	33,000	33,000
General Improvements	12/01/99	3,000,000	8/15/2009	150,000	5.25	300,000	150,000 \$ 150,000
General Improvements	05/15/02	7,665,000	2/15/2009-11	600,000	4.00		
			2/15/2012	600,000	4.125		
			2/15/2013	600,000	4.20		
			2/15/2014	600,000	4.35		
			2/15/2015	600,000	4.50		
			2/15/2016	600,000	4.60	5,400,000	4,800,000
General Improvements	05/15/03	5,795,000	2/15/09-12	390,000	3.000		
			2/15/13-14	390,000	3.125		
			2/15/15-18	390,000	3.250		
			2/15/19	390,000	3.375	4,680,000	390,000
General Improvements	05/15/04	2,958,000	2/15/2009	220,000	3.4		
			2/15/2010-11	275,000	3.4-3.5		
			2/15/2012	290,000	3.6		
			2/15/13-15	300,000	3.7-3.9		
			2/15/2016	298,000	3.95	2,458,000	200,000
General Improvements	04/01/05	1,430,000	4/1/2009	140,000	3.35		
			4/1/10-15	160,000	3.375-3.750	1,230,000	130,000
Tax Appeal Refunding	04/01/05	1,320,000	4/1/2009	220,000	3.35		
			4/1/2010	240,000	3.375		
			4/1/2011	260,000	3.375	920,000	200,000

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

Balance, December 31, 2007	\$	7,288
Increased by:		
2008 Budget Appropriations		<u>45,671</u>
		52,959
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>46,539</u>
Balance, December 31, 2008	\$	<u>6,420</u>

EXHIBIT C-16

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2007	\$	2,536,707
Increased by:		
Charges to Improvement Authorizations		<u>1,198,424</u>
		3,735,131
Decreased by:		
Cancelled	\$	105,083
Cash Disbursements		<u>2,431,624</u>
		<u>2,536,707</u>
Balance, December 31, 2008	\$	<u>1,198,424</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF RESERVE FOR IRRIGATION IMPROVEMENTS**

Balance, December 31, 2007	\$ 49,000
Decreased by:	
Appropriation to finance Improvement Authorization	<u>49,000</u>
Balance, December 31, 2008	<u>\$ -</u>

STATEMENT OF RESERVE FOR LAND PROCEEDS

Balance, December 31, 2007	\$ 81,550
Increased by:	
Cancellation of Ordinance #18-07	<u>207</u>
Balance, December 31, 2008	<u>\$ 81,757</u>

STATEMENT OF RESERVE FOR POCKET PARKS

Balance, December 31, 2007	<u>\$ 15,000</u>
Balance, December 31, 2008	<u>\$ 15,000</u>

STATEMENT OF RESERVE FOR RECREATION IMPROVEMENTS

Balance, December 31, 2007	<u>\$ 37,500</u>
Balance, December 31, 2008	<u>\$ 37,500</u>

EXHIBIT C-21

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

Balance, December 31, 2007	\$ 2,133,021
Decreased by:	
Paid by Budget Appropriation	<u>239,376</u>
Balance, December 31, 2008	<u>\$ 1,893,645</u>

EXHIBIT C-22

STATEMENT OF EDA LOAN PAYABLE

Balance, December 31, 2007	\$ 88,776
Decreased by:	
Paid by Budget Appropriation	<u>20,716</u>
Balance, December 31, 2008	<u>\$ 68,060</u>

EXHIBIT C-23

STATEMENT OF GREEN TRUST LOAN PAYABLE

Balance, December 31, 2007	\$ 880,833
Decreased by:	
Paid by Budget Appropriation	<u>102,589</u>
Balance, December 31, 2008	<u>\$ 778,244</u>

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

Balance, December 31, 2007	\$ 401,202
Decreased by:	
Paid by Budget Appropriation	<u>23,183</u>
Balance, December 31, 2008	<u>\$ 378,019</u>

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

Balance, December 31, 2007	\$ 555,000
Decreased by:	
Paid by Budget Appropriation	<u>40,000</u>
Balance, December 31, 2008	<u>\$ 515,000</u>

WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2007	\$ 666,285	\$ 203,029
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,319,616	
Interest on Investments	15,434	\$ 4,562
Miscellaneous Fees	88,322	
Appropriation Refunds	1,458	
Proceeds from Serial Bonds		757,000
Budget Appropriation - Capital Improvement Fund		18,250
Receipts from Water Utility Capital Fund	<u>149,977</u>	<u>-</u>
	<u>1,574,807</u>	<u>779,812</u>
	2,241,092	982,841
Decreased by Disbursements:		
2008 Budget Appropriations	1,394,814	36,371
2007 Appropriation Reserves	55,248	
Refund of Prior Year Revenue	8,957	
Accrued Interest on Bonds and Notes	26,928	
Improvement Authorizations		
Encumbrances Payable		74,403
Payments made to Water Utility Operating Fund	<u>-</u>	<u>149,977</u>
	<u>1,485,947</u>	<u>260,751</u>
Balance, December 31, 2008	<u>\$ 755,145</u>	<u>\$ 722,090</u>

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

	Balance, December 31, <u>2008</u>
Encumbrances Payable	\$ 222,317
Capital Improvement Fund	5,750
Fund Balance	15,000
Improvement Authorizations:	
12-06 Various Improvements	(350)
25-07 Various Improvements	607,951
26-08 Flanders Well #2	(114,638)
40-08 Various Improvements	<u>(13,940)</u>
	<u>\$ 722,090</u>

EXHIBIT D-7

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

Balance, December 31, 2007	\$ 56,305
Increased by:	
Water Rents Levied	<u>1,313,355</u>
	1,369,660
Decreased by:	
Cash Receipts	<u>1,319,616</u>
Balance, December 31, 2008	<u>\$ 50,044</u>

EXHIBIT D-8

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

Balance, December 31, 2007	\$ 4,897,884
Increased by:	
Transfers from Fixed Capital Authorized and Uncompleted	<u>125,220</u>
Balance, December 31, 2008	<u>\$ 5,023,104</u>

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

Balance, December 31, 2007	\$	56,087
Increased by:		
Charges to 2008 Budget Appropriations		60,075
		116,162
Decreased by:		
Transfer to Appropriation Reserves		56,087
Balance, December 31, 2008	\$	60,075

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

Balance, December 31, 2007	\$	26,928
Increased by:		
Charged to 2008 Budget Appropriations		16,654
		43,582
Decreased by:		
Cash Disbursements		26,928
Balance, December 31, 2008	\$	16,654

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

Increased by:		
Interest Earned in Water Utility Capital Fund	\$	4,562
Water Capital Fund Balance Anticipated in the 2008 Water Operating Budget		145,415
		\$ 149,977
Decreased by:		
Receipts from Water Utility Capital Fund	\$	149,977

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

Balance, December 31, 2007		\$ 3,650,140
Increased by:		
Serial Bonds Paid by Budget	\$ 255,000	
Transfer from Deferred Reserve for Amortization	<u>24,254</u>	
		<u>279,254</u>
		3,929,394
Decreased By:		
Cancellations		<u>15,000</u>
Balance, December 31, 2008		<u>\$ 3,914,394</u>

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

Balance, December 31, 2007		\$ 23,654
Increased by:		
Fixed Capital Authorized		<u>18,250</u>
		41,904
Decreased by:		
Transfer to Reserve for Amortization		<u>24,254</u>
Balance, December 31, 2008		<u>\$ 17,650</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2007 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2007</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	\$ 10,201		\$ 10,201		\$ 10,201
Other Expenses	991	\$ 56,087	58,124	\$ 55,248	2,876
STATUTORY EXPENDITURES					
Social Security System	<u>1,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,238</u>	<u>\$ 56,087</u>	<u>\$ 68,325</u>	<u>\$ 55,248</u>	<u>\$ 13,077</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, 2007</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2008</u>
			<u>Date</u>	<u>Outstanding December 31, 2008</u>	<u>Amount</u>					
General Improvements	4/1/2005	\$ 465,000	4/1/2009	\$ 100,000		3.350%	\$ 295,000	\$ 95,000	\$ 200,000	
			4/1/2010	100,000		3.375%				
Water Improvements	5/15/2006	416,000	5/15/2009	75,000		4.00%				
			5/15/2010	100,000		4.00%				
			5/15/2011	106,000		4.00%	351,000	70,000	281,000	
Water Improvements	3/15/07	645,000	3/15/2009	100,000		3.625%	645,000	90,000	555,000	
			3/15/2010	100,000		6.625%				
			3/15/2011	175,000		3.750%				
			3/15/2012	180,000		3.750%				
Water Improvements	8/20/2008	757,000	9/1/2009	105,000		3.000%		\$ 757,000	757,000	
			9/1/2010	110,000		3.000%				
			9/1/2011	125,000		3.000%				
			9/1/2012	210,000		3.000%				
			9/1/2013	207,000		3.000%				
							<u>\$ 1,291,000</u>	<u>\$ 757,000</u>	<u>\$ 255,000</u>	<u>\$ 1,793,000</u>
							Budget Appropriation		<u>\$ 255,000</u>	

**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, 2007	2008 <u>Authorizations</u>	Transferred to <u>Fixed Capital</u>	<u>Cancelled</u>	Balance, December 31, 2008
31-05	Various Improvements	\$ 22,363		\$ 1,580	\$ 15,000	\$ 5,783
12-06	Various Improvements	28,197		23,649		4,548
25-07	Various Improvements	774,000		99,353		674,647
26-08	Flanders Well #2		\$ 1,000,000	638		999,362
40-08	Various Improvements	-	365,000	-	-	365,000
		<u>\$ 824,560</u>	<u>\$ 1,365,000</u>	<u>\$ 125,220</u>	<u>\$ 15,000</u>	<u>\$ 2,049,340</u>

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

Balance, December 31, 2007	\$ 143,130
Increased By	
Charges to Improvement Authorizations	<u>153,590</u>
	296,720
Decreased by:	
Cash Disbursements	<u>74,403</u>
Balance, December 31, 2008	<u>\$ 222,317</u>

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

Balance, December 31, 2007	\$ 5,750
Increased By:	
2008 Budget Appropriation	<u>18,250</u>
	24,000
Decreased By:	
Appropriated Finance Improvement Authorizations	<u>18,250</u>
Balance, December 31, 2008	<u>\$ 5,750</u>

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

<u>Ord.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2007</u>	2008 <u>Authorizations</u>	Bonds <u>Issued</u>	Balance, December 31, <u>2008</u>
12-06	Various Improvements	\$ 22,350		\$ 22,000	\$ 350
25-07	Various Improvements	735,300		735,000	300
26-08	Flanders Well #2		\$ 1,000,000		1,000,000
40-08	Various Improvements	-	346,750	-	346,750
		<u>\$ 757,650</u>	<u>\$ 1,346,750</u>	<u>\$ 757,000</u>	<u>\$ 1,347,400</u>

SEWER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>	<u>Assessment</u>
Balance, December 31, 2007	\$ 2,797,253	\$ 75,269	\$ 2,165,349
Increased by Receipts:			
Interest on Investments and Deposits	\$ 54,787	\$ 965	\$ 26,826
Budget Appropriations - Deferred Charges Unfunded			
Receipts from Sewer Utility Capital Fund	76,004		
Receipts from Sewer Utility Assessment Trust Fund	26,826		
Consumer Rents Accounts Receivable (Net of Refunds)	3,581,040		
Assessments Receivable			1,074,305
Receipts from Sale of EDU's			106,733
Reimbursement from Mount Olive School District	83,278		
Miscellaneous Budget Revenue	82,397		
Interest on Assessments	166,195		
Budget Refunds	91		
	<u>4,070,618</u>	<u>965</u>	<u>1,207,864</u>
	6,867,871	76,234	3,373,213
Decreased by Disbursements:			
2008 Budget Appropriations	3,819,260		
2007 Appropriation Reserves	91,532		1,508,683
Accounts Payable	735		
Accrued Interest on Bond and Notes	188,395		
Due to Sewer Operating Fund		<u>76,004</u>	<u>26,826</u>
	<u>4,099,922</u>	<u>76,004</u>	<u>1,535,509</u>
Balance, December 31, 2008	<u>\$ 2,767,949</u>	<u>\$ 230</u>	<u>\$ 1,837,704</u>

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

	Balance, December 31, <u>2008</u>
Capital Improvement Fund	\$ <u>230</u>
	\$ <u>230</u>

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

Balance, December 31, 2007		\$ 564,238
Increased by:		
Sewer Rents Levied		<u>3,626,288</u>
		4,190,526
Decreased by:		
Cash Collections (net of refunds)	\$ 3,581,040	
Transfer to Utility Liens	483	
Cancelled	<u>105,849</u>	
		<u>3,687,372</u>
Balance, December 31, 2008		\$ <u>503,154</u>

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

Balance, December 31, 2007		\$ 1,145
Increased by:		
Transfers from Consumer Accounts Receivable		<u>483</u>
Balance, December 31, 2008		\$ <u>1,628</u>

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

Balance, December 31, 2007		\$ 5,551,443
Increased by:		
Sale of EDU's		<u>106,733</u>
		5,658,176
Decreased by:		
Cancelled	\$ 6	
Transfer to Liens Receivable	1,337	
Cash Received for Sale of EDU's	106,733	
Cash Receipts for Assessments Receivable (Net of Refunds)	<u>1,074,305</u>	
		<u>1,182,381</u>
Balance, December 31, 2008		<u>\$ 4,475,795</u>

EXHIBIT E-12

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

Balance, December 31, 2007		\$ 1,017
Increased by:		
Transfers from Assessments Receivable		<u>1,337</u>
Balance, December 31, 2008		<u>\$ 2,354</u>
Balance Pledged to:		
Assessment Debt	\$ 2,005	
Reserve for Interest and Costs on Liens	<u>349</u>	
		<u>\$ 2,354</u>

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

Ord. No.	Improvement Description	Balance December 31, 2007	Increased by <u>Assessments</u> Cancelled and Adjustments	Decreased by <u>Sale of EDU's</u>	Balance December 31, 2008	Balance Pledged To Wastewater Loans	Reserve
3-92/21-92/ 7-93/16-93/ 10-95/20-95/ 11-97/17-98	Sewer Collection and Treatment System - Budd Lake	\$ 3,380,897	\$ 5	\$ 106,732	\$ 3,274,170	\$ 2,924,382	\$ 349,788

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

Balance, December 31, 2007	\$ 92,356
Increased by:	
Charges to 2008 Budget Appropriations	<u>187,648</u>
	280,004
Decreased by:	
Transfer to Appropriation Reserves	<u>92,356</u>
Balance, December 31, 2008	<u>\$ 187,648</u>

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

	Sewer Assessment Trust Fund	Sewer Capital Fund	Total
Balance, December 31, 2007	\$ 9,890,569	\$ 568,760	\$ 10,459,329
Decreased by:			
Repayment of Loans by Assessment Budget	1,413,683		1,413,683
Repayment of Loans by Operating Budget	-	68,064	68,064
	<u>1,413,683</u>	<u>68,064</u>	<u>1,481,747</u>
Balance, December 31, 2008	<u>\$ 8,476,886</u>	<u>\$ 500,696</u>	<u>\$ 8,977,582</u>

Analysis of Balance

1993 Loan	\$ 7,396,842
1995 Loan	1,080,044
1996 Loan	<u>500,696</u>
	<u>\$ 8,977,582</u>

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

	Balance, December 31, <u>2007</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	\$ 10,611		\$ 10,611		\$ 10,611
Other Expenses	148	\$ 66,356	67,417	\$ 65,701	1,716
Capital Outlay	24,000	26,000	50,000	25,831	24,169
STATUTORY EXPENDITURES					
Social Security System	<u>913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 35,672</u>	<u>\$ 92,356</u>	<u>\$ 128,028</u>	<u>\$ 91,532</u>	<u>\$ 36,496</u>
		Cash Disbursements		<u>\$ 91,532</u>	

EXHIBIT E-17

**STATEMENT OF ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2007	\$ 12,878
Decreased By:	
Cancelled	\$ 12,143
Cash Disbursements	<u>735</u>
	<u>12,878</u>
Balance, December 31, 2008	<u>\$ -</u>

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2007</u>	Capital Outlay <u>Expenditures</u>	Balance, December 31, <u>2008</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
		<u>\$ 32,513,599</u>	<u>\$ 156,895</u>	<u>\$ 32,670,494</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>2007</u>	Balance December 31, <u>2008</u>
3-92/21-92/7-93/16-93/ 10-95/20-95/11-97/17-98	Sewer Collection and Treatment System - Budd Lake	\$ 349,788	\$ 349,788

EXHIBIT E-20

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

Balance, December 31, 2007	\$ 349
Balance, December 31, 2008	\$ 349

EXHIBIT E-21

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

Balance, December 31, 2007	\$ 28,680,839
Increased by:	
2008 Budget Appropriation	
Transfer from Capital Outlay	\$ 156,895
Bond Principal	332,000
Loan Principal	<u>68,064</u>
	<u>556,959</u>
Balance, December 31, 2008	\$ <u>29,237,798</u>

EXHIBIT E-22

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

Balance, December 31, 2007	\$ 230
Balance, December 31, 2008	\$ <u>230</u>

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

Balance, December 31, 2007	\$ 188,395
Increased by:	
Charges to 2008 Budget Appropriations:	
Interest on Bonds and Notes	<u>165,348</u>
	353,743
Decreased by:	
Cash Disbursements	<u>188,395</u>
Balance, December 31, 2008	<u>\$ 165,348</u>
Serial Bonds	\$ 60,275
Wastewater Loans	<u>105,073</u>
	<u>\$ 165,348</u>

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, December 31, 2007	Balance, December 31, 2008
			Date	Outstanding December 31, 2008 Amount			
General Improvements	8/15/98	\$ 2,237,000			4.80-4.875%	\$ 121,000	\$ 121,000
Sewer Refunding Bonds	8/15/98	3,606,000			4.80%	201,000	201,000
Sewer Refunding Bonds	5/25/2005	2,957,000	8/15/09	335,000		2,942,000	10,000
			8/15/10	330,000			
			8/15/11-15	335,000			
			8/15/16	322,000			
			8/15/17-18	135,000			
						<u>\$ 3,264,000</u>	<u>\$ 2,932,000</u>
							<u>\$ 332,000</u>
							<u>\$ 332,000</u>

Paid by Budget Appropriation

**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, 2007</u>	<u>Decreased</u>	<u>Balance, December 31, 2008</u>
				<u>Outstanding December 31, 2008</u>	<u>Amount</u>				
Sewer Refunding Bonds	12/1/1999	\$ 1,603,000	12/1/2009	\$ 95,000	\$ 95,000	5.25-5.30%	\$ 190,000	\$ 95,000	\$ 95,000
Sewer Refunding Bonds	5/25/2005	668,000	8/15/10-15	95,000	95,000	3.25-5.00%	668,000	-	668,000
			8/15/16	98,000	98,000	3.25-5.00%	668,000	-	668,000
							\$ 858,000	\$ 95,000	\$ 763,000
							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	\$	26,826
Decreased by:		
Cash Disbursements	\$	26,826

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

Increased by:		
Interest on Investments	\$	965
Fund Balance - Sewer Capital Fund		75,039
	\$	76,004
Decreased by:		
Cash Disbursements	\$	76,004

SANITATION DISTRICT FUND

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF CASH
SANITATION DISTRICT FUND**

Balance, December 31, 2007		\$ 511,456
Increased by:		
Budget Revenue	\$ 1,510,674	
Non Budget Revenue	5,733	
Due from County of Morris	782,658	
Appropriation Refunds	<u>47,001</u>	
		<u>2,346,066</u>
		2,857,522
Decreased by Disbursements:		
2007 Appropriation Reserves	88,136	
2008 Appropriation Expenditures	<u>2,479,932</u>	
		<u>2,568,068</u>
Balance, December 31, 2008		<u>\$ 289,454</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF DUE FROM COUNTY OF MORRIS
SANITATION DISTRICT FUND**

Balance, December 31, 2007	\$ 157,602
Increased by:	
Host Benefit Fees Realized as Revenue	747,422
	905,024
Decreased by:	
Cash Receipts	782,658
Balance, December 31, 2008	\$ 122,366

**STATEMENT OF 2007 APPROPRIATION RESERVES
SANITATION DISTRICT FUND**

	Balance December 31, <u>2007</u>	Transfer From Encumbrances Payable	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 25,560		\$ 25,560		\$ 25,560
Other Expenses	40,557	\$ 108,010	154,858	\$ 88,136	66,722
Statutory Expenditures:					
Social Security System	6,291	-	-	-	-
	<u>\$ 72,408</u>	<u>\$ 108,010</u>	<u>\$ 180,418</u>	<u>\$ 88,136</u>	<u>\$ 92,282</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF ENCUMBRANCES PAYABLE
SANITATION DISTRICT FUND**

Balance, December 31, 2007	\$ 108,010
Increased by:	
Charges to 2008 Budget	<u>102,667</u>
	210,677
Decreased by:	
Transfer to 2007 Appropriation Reserves	<u>108,010</u>
Balance, December 31, 2008	<u>\$ 102,667</u>

RECREATION UTILITY FUND

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

Balance, December 31, 2007		\$ 125,318
Increased by:		
Budget Revenue	\$ 335,566	
Non Budget Revenue	2,980	
Appropriation Refunds	<u>14</u>	
		<u>338,560</u>
		463,878
Decreased by Disbursements:		
2007 Appropriation Reserves	13,461	
2008 Appropriation Expenditures	<u>286,410</u>	
		<u>299,871</u>
Balance, December 31, 2008		<u><u>\$ 164,007</u></u>

**STATEMENT OF ENCUMBRANCES PAYABLE
RECREATION UTILITY FUND**

Balance, December 31, 2007		\$ 14,048
Increased by:		
Charges to 2008 Budget		<u>7,993</u>
		22,041
Decreased by:		
Transfer to Appropriation Reserves		<u>14,048</u>
Balance, December 31, 2008		<u><u>\$ 7,993</u></u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2007 APPROPRIATION RESERVES
RECREATION UTILITY FUND**

	Balance December 31, <u>2007</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	\$ 6,412		\$ 6,412		\$ 6,412
Other Expenses	25,674	\$ 14,048	39,722	\$ 13,461	26,261
Statutory Expenditures:					
Social Security System	<u>496</u>	<u>-</u>	<u>496</u>	<u>-</u>	<u>496</u>
	<u>\$ 32,582</u>	<u>\$ 14,048</u>	<u>\$ 46,630</u>	<u>\$ 13,461</u>	<u>\$ 33,169</u>

**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 – statutory basis of the Township of Mount Olive as of and for the year ended December 31, 2008, and have issued our report thereon dated June 25, 2009 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 statutory 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. Additionally, our report on the financial statements – statutory basis was qualified because of the presentation of the unaudited LOSAP Trust Fund financial statements. 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the statutory basis of accounting such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

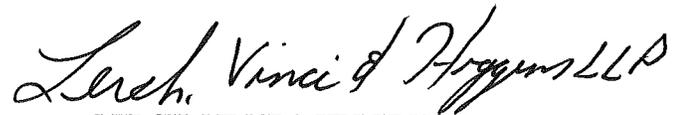
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 the 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 25, 2009

**TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2008**

U.S. Dept. of Justice	<u>Grant Year</u>	<u>Federal CFDA Number</u>	<u>Grant Award Received</u>	<u>Balance, December 31, 2007</u>	<u>Revenue Realized</u>	<u>Cancelled</u>	<u>Expenditures</u>	<u>Balance, December 31, 2008</u>
COPS Universal Hiring Program	2008	16.710	\$ 25,000		\$ 25,000		\$ 25,000	
COPS School Resource Officer Grant	2006	16.710						
	2007	16.710	11,759	\$ 11,759			11,759	
	2008	16.710	83,333	-	83,333	-	83,333	-
				\$ -	\$ 108,333	\$ -	\$ 120,092	\$ -

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, 2008

State Grant Program	Grant Number	Grant Year	Grant Amount Received	Balance, December 31, 2007	2008 Revenue	Cancelled	Expended	Balance, December 31, 2008	(Memo) Cumulative Expenditures
Drunk Driving Enforcement Fund	1110-448-031020-22	2008	\$ 15,606	\$ 29,334	\$ 15,606		\$ 11,074	\$ 15,606	11,074
		2007		8,366			8,366	18,260	19,213
		2006							
Clean Communities Program	4900-752-178810-60	2008	34,859	12,500	34,859		19,542	15,317	19,542
		2007					12,500		32,941
Recycling Tonnage Grant	N/A	2008	20,724	9,317	20,724		967	20,724	967
		2007		1,632			1,632	8,350	8,134
		2006							
Public Health Priority Funding	4220-150-021-030-60	2008	12,314		12,314		12,314		12,314
Body Armor Replacement Grant	N/A	2008	10,955	997	10,955		4,145	6,810	4,145
		2006					997		4,965
Bullet Proof Vest Partnership	N/A	2003		3,036			3,036		13,979
Pandemic Flu Preparedness	N/A	2008	7,346		8,386	\$ 1,040	7,346		7,346
Click It or Ticket Grant	N/A	2008	2,928		4,000	1,072	2,928		2,928
Alcohol, Education and Rehab	N/A	2008	1,071		1,071		1,071		1,071
NJDEP - Recreation Trails Grant	N/A	2007		2,300				2,300	
ANJEC Trail Plan	N/A	2008			6,000		6,000		6,000
Planning Assistance Grant	N/A	2008			17,628			17,628	

TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Amount Received</u>	<u>Balance, December 31, 2007</u>	<u>2008 Revenue</u>	<u>Balance Cancellation</u>	<u>Expended</u>	<u>Balance, December 31, 2008</u>	<u>(Memo) Cumulative Expenditures</u>
Over the Limit Under Arrest	N/A	2008	\$ 4,720	\$	\$ 5,000	\$ 280	\$ 4,720	\$	\$ 4,720
Municipal Stormwater Regulation program		2005		\$ 803			803		14,110
Tobacco Age of Sale Enforcement Grant	97-1679-ADA-00	2008	900		900		536	\$ 364	536
		2007		1,500			1,500		1,500
		2005		247			247		1,170
Enhanced 911 Equipment Grant	N/A	2007		923			375	548	10,966
Department of Transportation Ordinance #11-07									
Resurfacing of Naughtright Road Ordinance #46-08	N/A	2007		35,452		35,452			11,548
Various Improvements Ordinance # 37-02	N/A	2008			200,000			200,000	
Turkey Brook Park Pedestrian & Bicycle Connections	N/A	2002		200,000				200,000	
				<u>\$ 306,407</u>	<u>\$ 337,443</u>	<u>\$ 37,844</u>	<u>\$ 100,099</u>	<u>\$ 505,907</u>	<u>\$ 189,169</u>

N/A - Not Available

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

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2008**

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 financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the statutory 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	\$ 108,333	\$ 137,443	\$ 245,776
General Capital Fund	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Total Financial Awards	<u>\$ 108,333</u>	<u>\$ 337,443</u>	<u>\$ 445,776</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, 2008**

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Township's federal and state loans outstanding at December 31, 2008, 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	\$ 378,019
Green Trust Loan	V-226-6020	778,244
Wastewater Trust Loans	4860-510-702440-61	10,871,227
EDA Loan	004-L04229	<u>68,060</u>
		<u>\$ 12,095,550</u>

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2008

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2008</u>			<u>Year 2007</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 3,000,000	3.19	%	\$ 2,826,000	3.10	%
Miscellaneous - From Other Than						
Local Property Tax Levies	6,655,783	7.08		6,720,320	7.37	
Collection of Delinquent Taxes and Tax Title Liens	820,449	0.87		894,363	0.98	
Collection of Current Tax Levy	83,350,242	88.59		80,324,530	88.11	
Other Credits to Income	<u>254,893</u>	<u>0.27</u>		<u>403,234</u>	<u>0.44</u>	
 Total Income	 <u>94,081,367</u>	 <u>100.00</u>	 %	 <u>91,168,447</u>	 <u>100.00</u>	 %
EXPENDITURES						
Budget Expenditures						
Municipal Purposes	24,226,216	26.37	%	22,566,163	26.02	%
Local School Taxes	56,786,067	61.81		54,301,960	61.60	
County Taxes	8,905,752	9.69		8,756,255	9.86	
Sanitation District Taxes	1,352,080	1.47		1,258,334	1.49	
Municipal Open Space Preservation	588,776	0.64		606,227	0.74	
Other Expenditures	<u>9,996</u>	<u>0.02</u>		<u>12,937</u>	<u>0.29</u>	
 Total Expenditures	 <u>91,868,887</u>	 <u>100.00</u>	 %	 <u>87,501,876</u>	 <u>100.00</u>	 %
 Excess in Revenue	 2,212,480			 3,666,571		
 Fund Balance, January 1	 <u>4,907,148</u>			 <u>4,066,577</u>		
	 7,119,628			 7,733,148		
Decreased by:						
Utilized as Anticipated Revenue	<u>3,000,000</u>			<u>2,826,000</u>		
 Fund Balance, December 31	 <u>\$ 4,119,628</u>			 <u>\$ 4,907,148</u>		

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2008</u>			<u>Year 2007</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 155,273	8.92 %	\$	208,157	13.16 %
Collection of Water Rents	1,319,616	75.77		1,156,948	14,483.00
Miscellaneous - From Other Than Water Rents	253,733	14.57		172,007	10.87
Other Credits to Income	<u>13,077</u>	<u>0.74</u>		<u>45,241</u>	<u>2.85</u>
 Total Income	 <u>1,741,699</u>	 <u>100.00</u> %		 <u>1,582,353</u>	 <u>14,509.88</u> %
 EXPENDITURES					
Budget Expenditures					
Operating	1,128,515	75.27 %		1,060,579	74.13 %
Capital Improvements	18,250	1.22		39,450	2.76
Debt Service	299,740	20.00		291,360	20.36
Deferred Charges and Statutory Expenditures	43,908	2.93		39,406	2.75
Refund of Prior Year Revenue	<u>8,957</u>	<u>0.58</u>		<u>-</u>	<u>-</u>
 Total Expenditures	 <u>1,499,370</u>	 <u>100.00</u> %		 <u>1,430,795</u>	 <u>100.00</u> %
 Excess in Revenue	 242,329			 151,558	
 Fund Balance, January 1	 <u>571,032</u>			 <u>627,631</u>	
Decreased by:					
Utilized as Anticipated Revenue	<u>155,273</u>			<u>208,157</u>	
 Fund Balance, December 31	 <u>\$ 658,088</u>			 <u>\$ 571,032</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2008</u>			<u>Year 2007</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 684,605	14.25	%	\$ 512,273	10.97	%
Sewer User Fees	3,581,040	74.55		3,534,483	14,483.00	
Miscellaneous - From Other Than						
Sewer Service Charges	489,487	10.19		526,570	11.28	
Prior Year Accounts Payable Cancelled	12,143	0.25				
Unexpended Balance of Appropriation Reserves	<u>36,496</u>	<u>0.76</u>		<u>97,463</u>	<u>2.80</u>	
 Total Income	 <u>4,803,771</u>	 <u>100.00</u>	 %	 <u>4,670,789</u>	 <u>14,508.05</u>	 %
EXPENDITURES						
Budget Expenditures						
Operating	3,123,814	74.48	%	2,963,367	76.90	%
Deferred Charges and Statutory Expenditures	40,430	0.96		34,105	0.89	
Debt Service	765,118	18.24		805,935	20.92	
Capital Outlay	<u>265,000</u>	<u>6.32</u>		<u>50,000</u>	<u>1.29</u>	
 Total Expenditures	 <u>4,194,362</u>	 <u>100.00</u>	 %	 <u>3,853,407</u>	 <u>100.00</u>	 %
 Excess in Revenue	 609,409			 817,382		
 Fund Balance, January 1	 <u>2,467,952</u>			 <u>2,162,843</u>		
Decreased by:						
Utilized as Anticipated Revenue	<u>684,605</u>			<u>512,273</u>		
 Fund Balance, December 31	 <u>\$ 2,392,756</u>			 <u>\$ 2,467,952</u>		

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
SANITATION DISTRICT FUND**

	<u>Year 2008</u>			<u>Year 2007</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 381,122	13.96 %	\$	330,000	11.82 %
Sanitation District Taxes	1,352,080	49.54		1,258,334	14,483.00
Host Benefit Fees - Transfer Station	811,891	29.46		1,009,871	36.16
Miscellaneous - Fees	99,858	3.66		103,535	3.71
Unexpended Balance of Appropriation Reserves	<u>92,282</u>	<u>3.38</u>		<u>90,779</u>	<u>3.25</u>
 Total Income	 <u>2,737,233</u>	 <u>100.00</u> %		 <u>2,792,519</u>	 <u>14,537.94</u> %
 EXPENDITURES					
Budget Expenditures					
Operating	2,356,587	91.57 %		2,244,313	92.06 %
Deferred Charges and Statutory Expenditures	116,912	4.54		97,206	3.99
Surplus (General Budget)	<u>100,150</u>	<u>3.89</u>		<u>96,200</u>	<u>3.95</u>
 Total Expenditures	 <u>2,573,649</u>	 <u>100.00</u> %		 <u>2,437,719</u>	 <u>100.00</u> %
 Excess in Revenue	 163,584			 354,800	
 Fund Balance, January 1	 <u>488,640</u>			 <u>463,840</u>	
	652,224			818,640	
Decreased by:					
Utilized as Anticipated Revenue	<u>381,122</u>			<u>330,000</u>	
 Fund Balance, December 31	 <u>\$ 271,102</u>			 <u>\$ 488,640</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2008</u>			<u>Year 2007</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 65,071	14.90 %	\$	57,560	16.95 %
Program Fees	335,565	76.83		270,680	79.73
Other Credits to Income	<u>36,150</u>	<u>8.27</u>		<u>11,278</u>	<u>3.32</u>
 Total Income	 <u>436,786</u>	 <u>100.00</u> %		 <u>339,518</u>	 <u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Operating	293,753	95.46 %		288,254	96.87 %
Statutory Expenditures	<u>13,957</u>	<u>4.54</u>		<u>9,306</u>	<u>3.13</u>
 Total Expenditures	 <u>307,710</u>	 <u>100.00</u> %		 <u>297,560</u>	 <u>100.00</u> %
 Excess in Revenue	 129,076			 41,958	
 Fund Balance, January 1	 <u>78,688</u>			 <u>94,290</u>	
	207,764			136,248	
Decreased by:					
Utilized as Anticipated Revenue	<u>65,071</u>			<u>57,560</u>	
 Fund Balance, December 31	 <u>\$ 142,693</u>			 <u>\$ 78,688</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>
2008	\$ 84,710,223	\$ 83,350,242	98.39%
2007	81,844,643	80,524,530	98.38%
2006	78,084,409	76,640,639	98.15%

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>
2008	\$ 243,635	\$ 1,089,273	\$ 1,332,908	1.573%
2007	404,314	866,019	1,270,333	1.552%
2006	392,845	1,170,761	1,563,606	2.002%

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>
2008	\$4,349,894
2007	4,111,494
2006	4,111,494

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2008</u> (A)	<u>2007</u>	<u>2006</u>
Tax Rate	<u>\$2.32</u>	<u>\$4.10</u>	<u>\$3.88</u>

Apportionment of Tax Rate

Municipal	.48	.82	.79
County	.24	.44	.41
Local School	1.55	2.74	2.58
Sanitation District	.06	.10	.10

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

Assessed Valuation

2008	<u>\$3,673,163,443</u>		
2007		<u>\$1,978,562,802</u>	
2006			<u>\$2,005,820,235</u>

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>
2008	\$1,313,355	\$1,319,616
2007	1,166,729	1,156,948
2006	1,125,825	1,121,750

Comparison of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>
2008	\$3,626,288	\$3,581,040
2007	3,815,348	3,534,483
2006	3,508,451	3,487,219

(1) Includes collection of prior year receivables.

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year (A)</u>
Current Fund	2008	\$ 4,119,628	\$ 2,991,310
	2007	4,907,148	3,000,000
	2006	4,066,577	2,826,000
	2005	3,256,162	2,338,500
	2004	3,323,612	2,440,000
Water Utility Operating Fund	2008	\$ 658,088	\$ 357,079
	2007	571,032	155,273
	2006	627,631	208,157
	2005	665,069	156,899
	2004	581,116	167,014
Sewer Utility Operating Fund	2008	\$ 2,392,756	\$ 893,968
	2007	2,467,952	684,605
	2006	2,162,843	512,273
	2005	1,943,250	957,238
	2004	1,649,825	621,989
Sanitation District Fund	2008	\$ 271,102	\$ 271,000
	2007	488,640	381,122
	2006	463,840	330,000
	2005	399,184	253,708
	2004	429,924	299,142
Recreation Utility Fund	2008	\$ 142,693	\$ 100,000
	2007	78,688	65,071
	2006	94,290	57,560
	2005	61,055	33,200
	2004	12,113	12,113

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

**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		
Raymond T. Perkins	Council President		
Phillip Tobey	Council Vice President		
Russ Tepper	Councilman		
Colleen Labow	Councilwoman		
Robert Greenbaum	Councilman		
Steve Rattner	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		
Philip Maenza	Municipal Court Judge	1,000,000	Fidelity and Deposit Co. Blanket Bond
Jennifer Gentilucci	Court Administrator	1,000,000	Fidelity and Deposit Co. Blanket Bond
Gary Lindsey	Construction Code Official		
John Marchione	Tax Assessor		

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

GENERAL COMMENTS

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

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

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

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

Electrician Services
Pump Station for Turkey Brook Park
2009 Type III Ambulance
New Recycling Truck for DPW
Historic Seward Mansino Roof Replacement
Portable TV Inspection System w/Multi-Conductor Cable
1500 GPM CAFS Pumper for Budd Lake Fire Department

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

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 8, 2008 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 September 18, 2008.

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>
2008	6	1	1
2007	16	1	1
2006	14	-0-	-0-

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.

Corrective action has been taken on the prior year audit recommendation.

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