

TOWNSHIP OF MINE HILL

COUNTY OF MORRIS

REPORT OF AUDIT

2009

*NISIVOCIA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
REPORT OF AUDIT
2009

TOWNSHIP OF MINE HILL
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2009

<u>PART I - Financial Statements and Supplementary Data</u>	<u>Page</u>
Independent Auditors' Report	1-2
 <u>Financial Statements</u>	 <u>Schedule</u>
<u>Current Fund</u>	
Comparative Balance Sheet	A
Comparative Statement of Operations and Change in Fund Balance	A-1
Statement of Revenue	A-2
Statement of Expenditures	A-3
<u>Trust Funds</u>	
Comparative Balance Sheet	B
Statement of Fund Balance - Assessment Trust Fund (Not Applicable)	B-1
Statement of Revenue - Assessment Trust Fund (Not Applicable)	B-2
Statement of Expenditures - Assessment Trust Fund (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet	C
Statement of Fund Balance	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet	D
Comparative Statement of Operations and Change in Fund	
Balance - Water Utility Operating Fund	D-1
Statement of Fund Balance - Water Utility Capital Fund	D-1A
Statement of Revenue - Water Utility Operating Fund	D-2
Statement of Expenditures - Water Utility Operating Fund	D-3
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet	E
Comparative Statement of Operations and Change in Fund	
Balance - Sewer Utility Operating Fund	E-1
Statement of Fund Balance - Sewer Utility Capital Fund (Not Applicable)	E-1A
Statement of Revenue - Sewer Utility Operating Fund	E-2
Statement of Expenditures - Sewer Utility Operating Fund	E-3
<u>Public Assistance Fund (Not Applicable)</u>	F
<u>Bond and Interest Fund (Not Applicable)</u>	G
<u>Special Garbage District Fund</u>	
Comparative Balance Sheet	H
Comparative Statement of Operations and Change in Fund Balance	H-1
Statement of Revenue	H-2
Statement of Expenditures	H-3
<u>General Fixed Assets Account Group (Unaudited)</u>	
Comparative Balance Sheet (Unaudited)	I
 <u>Notes to Financial Statements</u>	 <u>Page</u>
	1-21

TOWNSHIP OF MINE HILL
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

<u>PART I - Financial Statements and Supplementary Data (Cont'd)</u>	<u>Schedule</u>
<u>Supplementary Data</u>	
Schedule of Officials in Office and Surety Bonds	1
<u>Current Fund</u>	
Schedule of Cash - Treasurer	A-4
Schedule of Cash - Collector	A-5
Schedule of Cash - Grant Funds (Not Applicable)	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Grants Receivable	A-10
Schedule of 2008 Appropriation Reserves	A-11
Schedule of Local School District Taxes Payable	A-12
Schedule of Reserve for Grant Funds - Appropriated	A-13
Schedule of Reserve for Grant Funds - Unappropriated	A-14
<u>Trust Funds</u>	
Schedule of Cash - Treasurer	B-4
Schedule of Cash - Collector - Animal Control Fund (Not Applicable)	B-4A
Schedule of Cash - Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Fund	B-6
<u>General Capital Fund</u>	
Schedule of Cash	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of Morris County Improvement Authority Lease Purchase Agreement Payable	C-9
Schedule of Bonds and Notes Authorized but not Issued	C-10
<u>Water Utility Fund</u>	
Schedule of Cash - Treasurer	D-4
Schedule of Cash - Collector - Water Utility Operating Fund	D-4A
Analysis of Cash - Water Utility Capital Fund	D-5
Schedule of Consumer Accounts Receivable - Water Utility Operating Fund	D-6
Schedule of Fixed Capital - Water Utility Capital Fund	D-7
Schedule of Fixed Capital Authorized and Uncompleted - Water Utility Capital Fund	D-8
Schedule of 2008 Appropriation Reserves - Water Utility Operating Fund	D-9
Schedule of Improvement Authorizations - Water Utility Capital Fund	D-10
Schedule of Capital Improvement Fund - Water Utility Capital Fund	D-11
Schedule of Reserve for Amortization - Water Utility Capital Fund	D-12
Schedule of Deferred Reserve for Amortization - Water Utility Capital Fund	D-13
Schedule of Bond Anticipation Notes Payable - Water Utility Capital Fund (Not Applicable)	D-14
Schedule of Serial Bonds Payable - Water Utility Capital Fund	D-15
Schedule of NJ Water Supply Rehabilitation Loan Payable - Water Utility Capital Fund	D-16
Schedule of Bonds and Notes Authorized but not Issued - Water Utility Capital Fund	D-17

TOWNSHIP OF MINE HILL
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

<u>PART I - Financial Statements and Supplementary Data (Cont'd)</u>	<u>Schedule</u>
<u>Supplementary Data (Cont'd)</u>	
<u>Sewer Utility Fund</u>	
Schedule of Cash - Treasurer	E-4
Schedule of Cash - Collector - Sewer Utility Operating Fund	E-4A
Analysis of Cash - Sewer Utility Capital Fund	E-5
Schedule of Consumer Accounts Receivable - Sewer Utility Operating Fund	E-6
Schedule of Fixed Capital - Sewer Utility Capital Fund	E-7
Schedule of Fixed Capital Authorized and Uncompleted - Sewer Utility Capital Fund	E-8
Schedule of 2008 Appropriation Reserves - Sewer Utility Operating Fund	E-9
Schedule of Improvement Authorizations - Sewer Utility Capital Fund	E-10
Schedule of Capital Improvement Fund - Sewer Utility Capital Fund	E-11
Schedule of Reserve for Amortization - Sewer Utility Capital Fund	E-12
Schedule of Deferred Reserve for Amortization - Sewer Utility Capital Fund	E-13
Schedule of Bond Anticipation Notes Payable - Sewer Utility Capital Fund	E-14
Schedule of Serial Bonds Payable - Sewer Utility Capital Fund	E-15
Schedule of NJ Environmental Infrastructure Trust (NJEIT) Loans Payable - Sewer Utility Capital Fund	E-16
Schedule of Bonds and Notes Authorized but not Issued - Sewer Utility Capital Fund	E-17
<u>Public Assistance Fund (Not Applicable)</u>	F
<u>Bond and Interest Fund (Not Applicable)</u>	G
<u>Special Garbage District Fund</u>	
Schedule of Cash - Treasurer	H-4
Schedule of District Taxes Receivable	H-5
Schedule of 2008 Appropriation Reserves	H-6
 <u>PART II - Single Audit</u>	 <u>Page</u>
Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2
Notes to Schedules of Expenditures of Federal and State Awards	3
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Schedule of Findings and Questioned Costs	6
Summary Schedule of Prior Audit Findings	7
 <u>PART III - Comments and Recommendations</u>	 <u>Page</u>
Comments and Recommendations	8-11
Summary of Recommendations	12

TOWNSHIP OF MINE HILL

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2009



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Mount Arlington, NJ 07856
Phone: 973-328-1825
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Independent Auditors' Report

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

We have audited the financial statements of the various funds of the Township of Mine Hill in the County of Morris (the "Township") as of, and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

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

We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed asset account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual cost. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2009 and 2008 stated at \$15,088,006 and \$15,175,520, respectively.

In our opinion, because the Township prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, and the results of its operations for the years then ended.

The Honorable Mayor and Members
of the Township Council
Township of Mine Hill
Page 2

However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the general fixed assets account group been audited, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Mine Hill at December 31, 2009 and 2008, and the results of operations and changes in fund balances, where applicable, of such funds thereof for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2010, on our consideration of the Township of Mine Hill's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* and are not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audits of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1 to the financial statements and Note B to the schedules of expenditures of federal and state awards.

Nisivoccia & Company, LLP

Mount Arlington, New Jersey
April 30, 2010

NISIVOCCIA & COMPANY, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Registered Municipal Accountant No. 447
Certified Public Accountant

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
CURRENT FUND

TOWNSHIP OF MINE HILL
CURRENT FUND
COMPARATIVE BALANCE SHEET

A
1 of 2

		December 31,	
	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Treasurer:			
Cash and Cash Equivalents		\$ 877,539.02	\$ 1,027,433.07
Investments			28,416.93
	A-4	877,539.02	1,055,850.00
Petty Cash			300.00
Change Fund		250.00	250.00
		877,789.02	1,056,400.00
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		9,237.49	9,237.49
Grants Receivable	A-10	210,048.75	10,000.00
		1,097,075.26	1,075,637.49
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	266,502.56	274,845.87
Tax Title Liens Receivable	A-8	283,383.86	263,042.09
Property Acquired for Taxes at Assessed Valuation		23,500.00	23,500.00
Revenue Accounts Receivable	A-9	11,008.93	17,468.24
Due Animal Control Fund	B		24.91
Due Other Trust Funds	B	20,502.27	103,761.77
Due General Capital Fund	C	44,506.55	
Due Sewer Utility Operating Fund	E		24,019.00
Due Net Payroll Fund			77.17
Due Payroll Agency Fund			9,060.26
Total Receivables and Other Assets with Full Reserves		649,404.17	715,799.31
TOTAL ASSETS		\$ 1,746,479.43	\$ 1,791,436.80

TOWNSHIP OF MINE HILL
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

A
2 of 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 104,896.50	\$ 69,306.33
Unencumbered	A-3;A-11	153,566.93	169,207.46
		<u>258,463.43</u>	<u>238,513.79</u>
Accounts Payable - Vendors			6,000.00
Due General Capital Fund	C		21,887.03
Due Water Utility Operating Fund	D		22,911.75
Due Special Garbage District Fund	H		223.78
Due State of New Jersey:			
Marriage License Fees		150.00	75.00
Prepaid Taxes		46,617.17	43,756.46
Premiums Received at Tax Sale			210,100.00
Tax Overpayments		36,303.43	25,863.31
Reserve for:			
Third Party Tax Title Lien Redemptions		29,567.88	13,804.12
Pending Tax Appeals		75,000.00	75,000.00
Sale of Municipal Assets		21,440.00	20,440.00
Grant Funds:			
Appropriated:			
Encumbered	A-13	59,034.68	38.64
Unencumbered	A-13	95,442.54	1,779.06
Unappropriated	A-14		11,839.29
		<u>622,019.13</u>	<u>692,232.23</u>
Reserve for Receivables and Other Assets	A	649,404.17	715,799.31
Fund Balance	A-1	<u>475,056.13</u>	<u>383,405.26</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 1,746,479.43</u></u>	<u><u>\$ 1,791,436.80</u></u>

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

TOWNSHIP OF MINE HILL

A-1

CURRENT FUNDCOMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

		Year Ended December 31,	
	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 255,000.00	\$ 192,000.00
Miscellaneous Revenue Anticipated		973,098.20	943,744.80
Receipts from:			
Delinquent Taxes		272,185.95	335,252.70
Current Taxes		10,032,208.94	9,982,277.43
Nonbudget Revenue		24,669.76	63,481.32
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		78,963.41	59,405.96
Accounts Payable Canceled		6,000.00	
Tax Overpayments Canceled		57.57	
Interfunds Returned		127,805.68	177,959.05
Total Income		<u>11,769,989.51</u>	<u>11,754,121.26</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		3,992,758.90	3,797,019.40
County Taxes		1,224,674.59	1,245,699.96
Local School District Taxes		5,727,711.00	5,840,100.00
Special Garbage District Taxes		385,192.10	367,398.25
Local Open Space Taxes		26,015.23	26,028.64
Reinstate Prior Year Tax Overpayments		102.34	
Refund of Prior Year Revenue - Taxes		1,875.66	
Interfunds and Other Receivables Advanced		65,008.82	136,943.11
Total Expenditures		<u>11,423,338.64</u>	<u>11,413,189.36</u>
Excess in Revenue/Statutory Excess to Fund Balance		346,650.87	340,931.90
<u>Fund Balance</u>			
Balance January 1		<u>383,405.26</u>	<u>234,473.36</u>
		730,056.13	575,405.26
Decreased by:			
Utilized as Anticipated Revenue		<u>255,000.00</u>	<u>192,000.00</u>
Balance December 31	A	\$ 475,056.13	\$ 383,405.26

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

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

A-2
1 of 2

	Budget	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 255,000.00	\$ 255,000.00	
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	5,900.00	5,800.00	\$ 100.00 *
Fines and Costs:			
Municipal Court	90,834.81	99,044.24	8,209.43
Interest and Costs on Taxes	77,873.72	63,569.66	14,304.06 *
Interest on Investments and Deposits	19,288.66	12,835.36	6,453.30 *
Beach Concession Fees	16,077.09	15,098.00	979.09 *
Consolidated Municipal Property Tax Relief Act	83,455.00	83,455.00	
Energy Receipts Tax	272,728.00	272,728.00	
Uniform Construction Code Fees	43,500.00	35,000.00	8,500.00 *
Cable TV Franchise Fees	15,447.00	29,258.00	13,811.00
Cell Tower Leases	87,421.86	83,929.62	3,492.24 *
Interlocal Dispatch Contribution	11,063.14	7,543.01	3,520.13 *
Interlocal Municipal Court	24,358.68	25,038.26	679.58
Uniform Fire Safety Fees	4,623.45	6,531.85	1,908.40
Clean Communities Program	11,445.20	11,445.20	
Stormwater Regulation Program Grant	6,822.00	6,822.00	
Highlands Assessment	15,000.00	15,000.00	
Highlands Study	50,000.00	50,000.00	
NJ Transportation Trust Fund Authority Act	150,000.00	150,000.00	
	985,838.61	973,098.20	12,740.41 *
Receipts from Delinquent Taxes	274,845.87	272,185.95	2,659.92 *
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	2,957,183.57	3,044,376.02	87,192.45
Budget Totals	4,472,868.05	4,544,660.17	\$ 71,792.12
Nonbudget Revenue		24,669.76	
	\$ 4,472,868.05	\$ 4,569,329.93	

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009
(Continued)

A-2
2 of 2

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 10,032,208.94
Allocated to County, School, Special District and Local Open Space Taxes	<u>7,363,592.92</u>
Balance for Support of Municipal Budget	2,668,616.02
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>375,760.00</u>
 Realized for Support of Municipal Budget	 <u><u>\$ 3,044,376.02</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u><u>\$ 272,185.95</u></u>
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Analysis of Interest on Investments:

Collected/Received by Treasurer	\$ 12,833.09	
Due from Other Trust Fund	<u>2.27</u>	
		<u><u>\$ 12,835.36</u></u>

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Clerk Fees and Permits	12,179.09	
State of New Jersey:		
Motor Vehicle Inspections	3,250.00	
Senior Citizens' and Veterans' Deductions		
Administrative Reimbursement	1,181.23	
Other Miscellaneous Revenue	<u>6,385.61</u>	
		\$ 22,995.93

Collector:

Tax Search Fees		70.00
Other Miscellaneous Revenue		<u>1,603.83</u>
		<u><u>\$ 24,669.76</u></u>

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

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

A-3
1 of 9

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 88,253.00	\$ 88,253.00	\$ 82,283.28	\$ 5,969.72	
Other Expenses	58,000.00	55,392.00	52,534.72	2,857.28	
Mayor and Council:					
Salaries and Wages	20,750.00	20,750.00	20,749.96	0.04	
Other Expenses	600.00	600.00	600.00		
Municipal Clerk:					
Salaries and Wages	44,240.00	44,240.00	42,641.68	1,598.32	
Other Expenses	13,000.00	13,200.00	13,191.87	8.13	
Financial Administration:					
Salaries and Wages	43,350.00	43,350.00	43,211.71	138.29	
Other Expenses	19,000.00	19,000.00	6,757.20	12,242.80	
Annual Audit	40,000.00	43,783.00	43,783.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	40,350.00	41,950.00	41,231.16	718.84	
Other Expenses	14,200.00	14,200.00	14,190.60	9.40	
Tax Assessment Administration:					
Salaries and Wages	21,000.00	21,000.00	20,723.96	276.04	
Other Expenses	2,000.00	2,250.00	2,250.00		
Legal Services and Costs:					
Other Expenses	125,000.00	125,000.00	117,800.18	7,199.82	
Municipal Prosecutor:					
Salaries and Wages	1,820.00	1,820.00	1,820.00		
Engineering Services and Costs:					
Other Expenses	30,000.00	30,000.00	15,624.27	14,375.73	

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

A-3
2 of 9

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
GENERAL GOVERNMENT:					
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	\$ 7,665.00	\$ 7,665.00	\$ 7,473.51	\$ 191.49	
Other Expenses	5,000.00	5,000.00	3,515.74	1,484.26	
Board of Adjustment:					
Salaries and Wages	4,100.00	4,100.00	4,099.57	0.43	
Other Expenses	1,500.00	1,500.00	804.05	695.95	
Zoning Officer:					
Salaries and Wages	21,000.00	21,000.00	20,503.98	496.02	
Other Expenses	200.00	200.00		200.00	
Environmental Commission (RS 40:56-1 et seq.):					
Other Expenses	300.00	300.00	125.00	175.00	
Insurance:					
General Liability	77,082.00	77,082.00	77,082.00		
Surety Bonds	6,000.00	6,000.00	1,312.50	4,687.50	
Workers' Compensation	62,206.00	62,206.00	62,206.00		
Group Insurance Plan for Employees	166,000.00	166,000.00	154,401.44	11,598.56	
PUBLIC SAFETY:					
Municipal Court:					
Salaries and Wages	14,642.85	14,642.85	14,642.85		
Other Expenses	18,620.00	18,620.00	18,620.00		
Aid to Volunteer Fire Company	57,000.00	57,000.00	56,622.22	377.78	
Police:					
Salaries and Wages	15,000.00	15,000.00	11,323.60	3,676.40	
First Aid Organization Contribution	30,000.00	30,000.00	30,000.00		

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

A-3
3 of 9

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC SAFETY: (Cont'd)					
Annual Inspection:					
Other Expenses	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00		
Fire Hydrant Service	20,000.00	20,000.00	20,000.00		
Emergency Management Services:					
Salaries and Wages	2,440.00	2,440.00	2,385.36	\$ 54.64	
Other Expenses	500.00	500.00	500.00		
Uniform Fire Safety Bureau - Fire Official:					
Salaries and Wages	5,460.00	5,460.00	5,342.88	117.12	
Other Expenses	500.00	500.00		500.00	
STREETS AND ROADS:					
Road Repairs and Maintenance:					
Salaries and Wages	152,000.00	152,000.00	140,229.88	11,770.12	
Other Expenses	150,000.00	150,000.00	137,998.36	12,001.64	
RECREATION AND EDUCATION:					
Board of Recreation Commissioners (NJSA 40:12-1 et seq.):					
Salaries and Wages	7,600.00	9,550.00	9,469.18	80.82	
Other Expenses	16,500.00	16,500.00	10,180.20	6,319.80	
Beach:					
Salaries and Wages	28,000.00	21,570.00	21,569.27	0.73	
Other Expenses	10,000.00	10,000.00	8,054.99	1,945.01	
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	4,000.00	4,000.00	1,018.14	2,981.86	
Contribution to Senior Citizens' Center (NJSA 40:48-9.4)	1,500.00	1,500.00	1,500.00		

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

A-3
4 of 9

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
HEALTH AND WELFARE:					
Animal Control:					
Salaries and Wages	\$ 320.00	\$ 320.00	\$ 315.80	\$ 4.20	
Other Expenses	3,700.00	3,700.00	3,575.05	124.95	
Administration of Public Assistance:					
Salaries and Wages	100.00	100.00		100.00	
Other Expenses	100.00	100.00		100.00	
Senior Citizen and Disabled Resident Transportation:					
Salaries and Wages	10,000.00	10,000.00	8,995.50	1,004.50	
Other Expenses	1,000.00	1,000.00	3.60	996.40	
Mandated Inoculations (NJSA 40A:4-45.3cc):					
Hepatitis B Vaccine	100.00	100.00		100.00	
NJ Public Employees OSHA (NJSA 40A:4-45.3u):					
Other Expenses	100.00	100.00		100.00	
State Uniform Construction Code (NJSA 52:27D-120 et seq.):					
Construction Official:					
Salaries and Wages	50,500.00	52,300.00	52,213.89	86.11	
Other Expenses	6,000.00	6,000.00	2,774.66	3,225.34	
Subcode Officials:					
Fire Subcode Official:					
Salaries and Wages	7,000.00	5,200.00		5,200.00	
Plumbing Subcode Official:					
Salaries and Wages	11,125.00	11,125.00	10,946.48	178.52	
Electrical Subcode Official:					
Salaries and Wages	10,300.00	10,300.00	10,298.98	1.02	

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

A-3
5 of 9

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
State Uniform Construction Code (NJSA 52:27D-120 et seq.):					
Subcode Officials:					
Smoke Detector Inspection:					
Salaries and Wages	\$ 2,500.00	\$ 2,500.00	\$ 2,260.00	\$ 240.00	
Building Subcode Official:					
Salaries and Wages	4,000.00	5,255.00	5,254.85	0.15	
UNCLASSIFIED:					
Utilities:					
Gasoline	17,000.00	17,000.00	10,202.56	6,797.44	
Electricity	18,500.00	18,500.00	16,246.35	2,253.65	
Telephone	13,000.00	13,000.00	10,316.56	2,683.44	
Heating Fuel	19,000.00	19,000.00	15,117.05	3,882.95	
Street Lighting	54,000.00	54,000.00	51,646.89	2,353.11	
Sewer Fees	2,000.00	2,000.00	1,872.00	128.00	
Water Fees	4,000.00	4,000.00	1,720.85	2,279.15	
Total Operations Within "CAPS"	1,681,723.85	1,681,723.85	1,545,135.38	136,588.47	
Detail:					
Salaries and Wages	613,515.85	611,890.85	579,987.33	31,903.52	
Other Expenses	1,068,208.00	1,069,833.00	965,148.05	104,684.95	

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

A-3
6 of 9

(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
Deferred Charges:					
Prior Year's Bills: NJ Division of Taxation: P.O.'s #9992 and #1009	\$ 673.00	\$ 673.00	\$ 672.17		\$ 0.83
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	69,993.00	69,993.00	69,993.00		
Social Security System (OASI)	60,000.00	60,000.00	45,070.04	\$ 14,929.96	
Police and Fireman's Retirement System of N.J.	12,789.00	12,789.00	12,789.00		
Unemployment Insurance	2,000.00	2,000.00	2,000.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	145,455.00	145,455.00	130,524.21	14,929.96	0.83
Total General Appropriations for Municipal Purposes Within "CAPS"	1,827,178.85	1,827,178.85	1,675,659.59	151,518.43	0.83
Operations Excluded from "CAPS":					
Maintenance of Privately-Owned Library:					
Other Expenses	1,500.00	1,500.00		1,500.00	
Interlocal Municipal Service Agreements:					
Police Services - Borough of Wharton	1,240,028.00	1,240,028.00	1,240,028.00		
Radio Dispatch Services - Borough of Wharton	11,063.14	11,063.14	11,063.14		
Radio Dispatch Services - County of Morris	36,589.86	36,589.86	36,589.41	0.45	
Board of Health - Township of Roxbury:					
Other Expenses	47,358.00	47,358.00	47,358.00		
Municipal Court - Borough of Wharton:					
Other Expenses	24,358.68	24,358.68	24,358.68		
Municipal Court - Town of Dover:					
Other Expenses	58,141.32	58,141.32	58,141.32		

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

A-3
7 of 9

(Continued)

3.00

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Excluded from "CAPS":					
Public and Private Programs Offset by Revenue:					
Clean Communities Program	\$ 11,445.20	\$ 11,445.20	\$ 11,445.20		
Stormwater Regulation Program Grant	6,822.00	6,822.00	6,822.00		
Highlands Council - Initial Assessment Grant	15,000.00	15,000.00	15,000.00		
Highlands Council - Plan Conformance Grant	50,000.00	50,000.00	50,000.00		
Total Operations Excluded from "CAPS"	<u>1,502,306.20</u>	<u>1,502,306.20</u>	<u>1,500,805.75</u>	<u>\$ 1,500.45</u>	
Detail:					
Other Expenses	<u>1,502,306.20</u>	<u>1,502,306.20</u>	<u>1,500,805.75</u>	<u>1,500.45</u>	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	104,240.00	104,240.00			\$ 104,240.00
Oil Tank Remediation	38,000.00	38,000.00	37,451.95	548.05	
Public and Private Programs Offset by Revenue:					
NJ Transportation Trust Fund Authority Act	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>		
Total Capital Improvements - Excluded from "CAPS"	<u>292,240.00</u>	<u>292,240.00</u>	<u>187,451.95</u>	<u>548.05</u>	<u>104,240.00</u>

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

A-3
8 of 9

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	\$ 225,000.00	\$ 225,000.00	\$ 225,000.00		
Payment of Bond Anticipation Notes and Capital Notes	43,500.00	43,500.00	43,500.00		
Interest on Bonds	28,315.00	28,315.00	28,315.00		
Interest on Notes	54,350.00	54,350.00	54,243.13		\$ 106.87
Morris County Improvement Authority:					
Lease Purchase Payments for Principal	102,350.00	102,350.00	102,348.71		1.29
Lease Purchase Payments for Interest	21,868.00	21,868.00	21,867.84		0.16
Total Municipal Debt Service - Excluded from "CAPS"	475,383.00	475,383.00	475,274.68		108.32
Total General Appropriations - Excluded from "CAPS"	2,269,929.20	2,269,929.20	2,163,532.38	\$ 2,048.50	104,348.32
Subtotal General Appropriations	4,097,108.05	4,097,108.05	3,839,191.97	153,566.93	104,349.15
Reserve for Uncollected Taxes	375,760.00	375,760.00	375,760.00		
Total General Appropriations	\$ 4,472,868.05	\$4,472,868.05	\$ 4,214,951.97	\$ 153,566.93	\$ 104,349.15

Ref.

A

TOWNSHIP OF MINE HILL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

A-3
9 of 9

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>
Adopted Budget		<u>\$ 4,472,868.05</u>	
Reserve for Uncollected Taxes			\$ 375,760.00
Reserve for Encumbrances	A		104,896.50
Appropriated Grant Reserves			233,267.20
Due General Capital Fund			43,500.00
Cash Disbursed			<u>3,465,286.18</u>
			4,222,709.88
Less: Appropriation Refunds			<u>7,757.91</u>
			<u>\$ 4,214,951.97</u>

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

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
TRUST FUNDS

TOWNSHIP OF MINE HILL
TRUST FUNDS
COMPARATIVE BALANCE SHEET

B

<u>ASSETS</u>	<u>Ref.</u>	December 31,	
		<u>2009</u>	<u>2008</u>
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 3,075.93	\$ 838.84
Other Trust Funds:			
Cash and Cash Equivalents	B-4	938,466.47	624,137.85
		<u>938,466.47</u>	<u>624,137.85</u>
TOTAL ASSETS		<u>\$ 941,542.40</u>	<u>\$ 624,976.69</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due State of New Jersey		\$ 18.00	\$ 18.00
Due Current Fund	A		24.91
Reserve for Animal Control Expenditures	B-6	3,057.93	795.93
		<u>3,075.93</u>	<u>838.84</u>
Other Trust Funds:			
Due Current Fund	A	20,502.27	103,761.77
Due General Capital Fund	C		100.00
Developers' Deposits		69,308.56	67,630.57
Escrow Deposits		592.00	592.00
Construction Deposits		400.00	400.00
Road Opening Deposits		632.50	632.50
Performance Bonds		7,017.68	21,381.92
Maintenance Bonds		5,880.65	5,880.65
Sewer Connection Fees		10,616.58	10,616.58
Reserve for:			
Housing Trust		316,457.02	315,749.29
Municipal Court:			
P.O.A.A. - Late Parking Fees		1,378.00	1,372.00
Public Defender Fees		1,986.50	1,986.50
Municipal Open Space		42,176.29	25,165.42
Library State Aid		1,193.35	1,662.95
Recreation		23,401.84	22,774.45
Bridget Smith House		68.00	68.00
Recycling		10,071.20	6,363.36
Sidewalk Improvements		18,487.00	18,487.00
Tax Sale Premiums		403,900.00	
State Unemployment Insurance		4,397.03	19,512.89
		<u>938,466.47</u>	<u>624,137.85</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 941,542.40</u>	<u>\$ 624,976.69</u>

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

TOWNSHIP OF MINE HILL
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2009

B-1

NOT APPLICABLE

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

TOWNSHIP OF MINE HILL
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

B-2

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

B-3

NOT APPLICABLE

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

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
GENERAL CAPITAL FUND

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

		December 31,	
	<u>Ref.</u>	2009	2008
<u>ASSETS</u>			
Cash and Cash Equivalents		\$ 323,339.69	\$ 164,808.55
Cash - Attorney's Escrow		110,310.82	105,600.00
	C-2	433,650.51	270,408.55
Due Current Fund	A		21,887.03
Due Other Trust Funds	B		100.00
Grants Receivable:			
NJ Department of Transportation		112,500.00	112,500.00
Community Development Block Grant		155,319.81	75,319.81
Deferred Charges to Future Taxation:			
Funded		1,126,534.81	1,453,883.52
Unfunded	C-4	3,246,750.00	3,252,100.00
TOTAL ASSETS		<u>\$ 5,074,755.13</u>	<u>\$ 5,186,198.91</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 664,000.00	\$ 889,000.00
Bond Anticipation Notes Payable	C-7	2,812,350.00	2,253,000.00
Lease Purchase Agreement Payable	C-9	462,534.81	564,883.52
Due to Ferromonte Historical Society		1,151.68	1,151.68
Due to Seller for Acquisition of Property		4,710.82	
Improvement Authorizations:			
Funded	C-5	79,077.27	11,987.27
Unfunded	C-5	710,300.83	1,051,203.27
Capital Improvement Fund	C-6	32,186.83	49,786.83
Due Current Fund	A	44,506.55	
Due Sewer Utility Operating Fund	E	195,000.00	
Reserve for:			
Green Acres		50,000.00	50,000.00
Sidewalk Improvements		13,730.00	13,730.00
Park Development		1,563.32	1,563.32
Reserve to Pay Debt Service			296,250.00
Fund Balance	C-1	3,643.02	3,643.02
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 5,074,755.13</u>	<u>\$ 5,186,198.91</u>

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

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

C-1

	<u>Ref.</u>	
Balance December 31, 2008	C	<u>\$ 3,643.02</u>
Balance December 31, 2009	C	<u><u>\$ 3,643.02</u></u>

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

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
WATER UTILITY FUND

TOWNSHIP OF MINE HILL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

D
1 of 2

		December 31,	
	Ref.	2009	2008
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 177,779.41	\$ 122,095.73
Change Fund		200.00	200.00
		<u>177,979.41</u>	<u>122,295.73</u>
Due Current Fund	A		22,911.75
Due Water Utility Capital Fund	D		518.74
Due Sewer Utility Operating Fund	E		6,615.76
Due Special Garbage District	H		5,000.00
		<u>177,979.41</u>	<u>157,341.98</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	<u>46,618.74</u>	<u>40,064.06</u>
Total Operating Fund		<u>224,598.15</u>	<u>197,406.04</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	40,837.08	39,355.82
Developer Contribution Receivable		367.00	367.00
Fixed Capital	D-7	2,209,435.27	2,209,435.27
Fixed Capital Authorized and Uncompleted	D-8	<u>583,000.00</u>	<u>583,000.00</u>
Total Capital Fund		<u>2,833,639.35</u>	<u>2,832,158.09</u>
TOTAL ASSETS		<u>\$ 3,058,237.50</u>	<u>\$ 3,029,564.13</u>

TOWNSHIP OF MINE HILL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

D
2 of 2

		December 31,	
	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 38,862.74	\$ 58,923.36
Encumbered	D-3;D-9	42,431.40	22,210.00
		<u>81,294.14</u>	<u>81,133.36</u>
Due Payroll Fund		382.61	382.61
Accrued Interest on:			
Bonds		2,681.16	3,512.41
Water Rent Overpayments		4,306.25	2,548.06
		<u>88,664.16</u>	<u>87,576.44</u>
Reserve for Receivables	D	46,618.74	40,064.06
Fund Balance	D-1	89,315.25	69,765.54
		<u>224,598.15</u>	<u>197,406.04</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds Payable	D-15	283,000.00	378,000.00
Improvement Authorizations:			
Funded	D-10	32,185.48	32,185.48
Unfunded	D-10	2,931.58	2,931.58
Capital Improvement Fund	D-11	6,110.37	4,110.37
Due Water Utility Operating Fund	D		518.74
Reserve for Amortization	D-12	2,351,735.27	2,256,735.27
Deferred Reserve for Amortization	D-13	148,000.00	148,000.00
Fund Balance	D-1A	9,676.65	9,676.65
		<u>2,833,639.35</u>	<u>2,832,158.09</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 3,058,237.50</u>	<u>\$ 3,029,564.13</u>

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

TOWNSHIP OF MINE HILL
WATER UTILITY OPERATING FUND

D-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

		Year Ended December 31,	
	Ref.	2009	2008
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized			\$ 13,788.00
Rents		\$ 506,724.24	541,262.48
Miscellaneous		3,934.32	5,753.95
Fire Hydrant Service		20,000.00	20,000.00
Connection Fees		459.26	2,349.95
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		49,431.14	47,451.63
Total Income		580,548.96	630,606.01
<u>Expenditures</u>			
Operating		440,788.00	438,634.00
Capital Improvements		2,000.00	2,000.00
Debt Service		106,211.25	108,207.07
Deferred Charges and Statutory Expenditures		12,000.00	12,000.00
Deficit in Operations in Prior Years			9,452.99
Total Expenditures		560,999.25	570,294.06
Excess in Revenue		19,549.71	60,311.95
<u>Fund Balance</u>			
Balance January 1		69,765.54	23,241.59
		89,315.25	83,553.54
Decreased by:			
Utilized by Water Operating Budget			13,788.00
Balance December 31	D	\$ 89,315.25	\$ 69,765.54

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

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE

D-1A

	<u>Ref.</u>	
Balance December 31, 2008	D	<u>\$ 9,676.65</u>
Balance December 31, 2009	D	<u><u>\$ 9,676.65</u></u>

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

TOWNSHIP OF MINE HILL
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

D-2

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Rents	\$ 534,000.00	\$ 506,724.24	\$ 27,275.76 *
Miscellaneous	5,000.00	3,934.32	1,065.68 *
Fire Hydrant Service	20,000.00	20,000.00	
Connection Fees	2,000.00	459.26	1,540.74 *
	<u>\$ 561,000.00</u>	<u>\$ 531,117.82</u>	<u>\$ 29,882.18 *</u>

Analysis of Water Rents

Collections	\$ 504,341.29	
Overpayments Applied	<u>2,382.95</u>	
		<u>\$ 506,724.24</u>

Analysis of Miscellaneous Revenue

Treasurer:

Interest on Investments:

Collected/Received by Treasurer	\$ 860.52
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Collector:

Interest on Delinquent Rents	\$ 2,416.36	
Fines	166.81	
Water On/Off Fees	450.63	
Miscellaneous Fees	<u>40.00</u>	
		<u>3,073.80</u>
		<u>\$ 3,934.32</u>

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

D-3

D-3

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

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
SEWER UTILITY FUND

TOWNSHIP OF MINE HILL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

E
1 of 2

		December 31,	
		2009	2008
<u>ASSETS</u>			
Operating Fund:			
Treasurer:			
Cash and Cash Equivalents		\$ 117,145.88	\$ 99,388.16
Investments			126,253.26
	E-4	117,145.88	225,641.42
Due Sewer Utility Capital Fund	E	5,328.25	3,136.44
		122,474.13	228,777.86
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	46,336.02	28,588.85
Deferred Charges:			
Operating Deficit	E-1	3,562.63	
Total Operating Fund		172,372.78	257,366.71
Capital Fund:			
Cash and Cash Equivalents	E-4	45,106.10	43,475.98
Due General Capital Fund	C	195,000.00	
Community Development Block Grant Receivable		3,527.50	3,527.50
Fixed Capital	E-7	2,089,805.00	2,089,805.00
Fixed Capital Authorized and Uncompleted	E-8	950,000.00	950,000.00
Total Capital Fund		3,283,438.60	3,086,808.48
TOTAL ASSETS		\$ 3,455,811.38	\$ 3,344,175.19

TOWNSHIP OF MINE HILL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

E
2 of 2

		December 31,	
	Ref.	2009	2008
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 1,815.96	\$ 4,310.88
Encumbered	E-3;E-9	565.00	550.00
		2,380.96	4,860.88
Due Current Fund	A		24,019.00
Due Water Utility Operating Fund	D		6,615.76
Due Payroll Fund			1,480.00
Accrued Interest on:			
Bonds		12,518.04	12,780.54
Notes		5,328.75	2,766.56
NJ Environmental Infrastructure Trust (NJEIT) Loan		11,505.56	12,666.67
Prepaid Sewer Rents		4,492.09	3,777.09
		36,225.40	68,966.50
Reserve for Receivables	E	46,336.02	28,588.85
Fund Balance	E-1	89,811.36	159,811.36
Total Operating Fund		172,372.78	257,366.71
Capital Fund:			
Serial Bonds Payable	E-15	1,056,000.00	1,086,000.00
NJ Environmental Infrastructure Trust (NJEIT) Loans Payable	E-16	689,238.17	794,578.61
Bond Anticipation Notes Payable	E-14	420,000.00	225,000.00
Improvement Authorizations:			
Funded	E-10	14,439.72	14,439.72
Unfunded	E-10	211,848.13	214,409.82
Capital Improvement Fund	E-11	12,017.50	10,017.50
Due Sewer Utility Operating Fund	E	5,328.25	3,136.44
Reserve for Amortization	E-12	787,066.83	651,726.39
Deferred Reserve for Amortization	E-13	87,500.00	87,500.00
Total Capital Fund		3,283,438.60	3,086,808.48
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 3,455,811.38	\$ 3,344,175.19

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

TOWNSHIP OF MINE HILL

E-1

SEWER UTILITY OPERATING FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

		Year Ended December 31,	
	Ref.	2009	2008
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 70,000.00	\$ 70,000.00
Rents		249,089.23	254,700.15
Miscellaneous		17,300.38	47,596.64
NJ Environmental Infrastructure Trust - Savings Credits		29,059.59	16,490.61
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		2,984.67	2,014.75
Total Income		368,433.87	390,802.15
<u>Expenditures</u>			
Operating		154,252.00	153,759.00
Capital Improvements		2,000.00	2,000.00
Debt Service		212,844.50	204,707.66
Deferred Charges and Statutory Expenditures		2,900.00	2,900.00
Deficit in Operations in Prior Years			1,977.98
Total Expenditures		371,996.50	365,344.64
Excess in Revenue		(3,562.63)	25,457.51
Operating Deficit to be Raised in Budget of Succeeding Year		\$ 3,562.63	
Statutory Excess to Fund Balance			25,457.51
<u>Fund Balance</u>			
Balance January 1		159,811.36	204,353.85
		159,811.36	229,811.36
Decreased by:			
Utilized as Anticipated Revenue		70,000.00	70,000.00
Balance December 31	E	\$ 89,811.36	\$ 159,811.36

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

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2009

E-1A

NOT APPLICABLE

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

TOWNSHIP OF MINE HILL
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

E-2

	Anticipated	Realized	Excess or Deficit*
Operating Surplus Anticipated	\$ 70,000.00	\$ 70,000.00	
Rents	250,000.00	249,089.23	\$ 910.77 *
Miscellaneous	37,000.00	17,300.38	19,699.62 *
NJ Environmental Infrastructure Trust - Savings Credits	15,000.00	29,059.59	14,059.59
	<u>\$ 372,000.00</u>	<u>\$ 365,449.20</u>	<u>\$ 6,550.80 *</u>

Analysis of Sewer Rents

Collections	\$ 245,361.65	
Prepaid Sewer Rents Applied	<u>3,727.58</u>	
		<u>\$ 249,089.23</u>

Analysis of Miscellaneous Revenue

Treasurer:		
Interest on Investments:		
Collected/Received by Treasurer		\$ 3,949.69
Collector:		
Connection Fees	\$ 11,211.00	
Interest on Delinquent Rents	2,079.93	
Miscellaneous Fees	<u>59.76</u>	
		<u>13,350.69</u>
		<u>\$ 17,300.38</u>

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

TOWNSHIP OF MINE HILL
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 32,000.00	\$ 32,000.00	\$ 30,732.88	\$ 1,267.12	
Other Expenses	122,252.00	122,252.00	122,244.00	8.00	
Capital Improvements:					
Capital Improvement Fund	2,000.00	2,000.00	2,000.00		
Debt Service:					
Payment of Bond Principal	30,000.00	30,000.00	30,000.00		
Interest on Bonds	43,560.00	43,560.00	43,556.50		\$ 3.50
Interest on Notes	5,108.00	5,108.00	5,108.00		
NJ Environmental Infrastructure Loan - Principal and Interest	134,180.00	134,180.00	134,180.00		
Statutory Expenditures:					
Contribution to Social Security System (O.A.S.I.)	2,900.00	2,900.00	2,359.16	540.84	
	<u>\$ 372,000.00</u>	<u>\$ 372,000.00</u>	<u>\$ 370,180.54</u>	<u>\$ 1,815.96</u>	<u>\$ 3.50</u>
				E	
Cash Disbursed			\$ 293,052.56		
Accrued Interest on:					
Bonds			43,556.50		
Notes			5,108.00		
NJ Environmental Infrastructure Loan			27,898.48		
Encumbrances Payable		E	565.00		
			<u>\$ 370,180.54</u>		

Ref.

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

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
SPECIAL GARBAGE DISTRICT FUND

TOWNSHIP OF MINE HILL
SPECIAL GARBAGE DISTRICT FUND
COMPARATIVE BALANCE SHEET

H

		December 31,	
	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	H-4	\$ 68,584.79	\$ 54,617.77
Due Current Fund	A		223.78
TOTAL ASSETS		<u>\$ 68,584.79</u>	<u>\$ 54,841.55</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	H-3;H-6	\$ 22,874.92	\$ 6,811.63
Due Water Utility Operating Fund	D		5,000.00
		<u>22,874.92</u>	<u>11,811.63</u>
Fund Balance	H-1	<u>45,709.87</u>	<u>43,029.92</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 68,584.79</u>	<u>\$ 54,841.55</u>

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

TOWNSHIP OF MINE HILL

H-1

SPECIAL GARBAGE DISTRICT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

		Year Ended December 31,	
	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated		\$ 8,000.00	\$ 8,000.00
District Tax		385,192.10	367,398.25
Nonbudget Revenue		176.22	460.85
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		2,311.63	4,017.18
		<u>395,679.95</u>	<u>379,876.28</u>
 <u>Expenditures</u>			
Budget Expenditures:			
Operating		382,000.00	372,000.00
Statutory Expenditures		3,000.00	3,000.00
		<u>385,000.00</u>	<u>375,000.00</u>
Total Expenditures		<u>385,000.00</u>	<u>375,000.00</u>
Excess in Revenue/Statutory Excess to Fund Balance		10,679.95	4,876.28
 <u>Fund Balance</u>			
Balance January 1		43,029.92	46,153.64
		<u>53,709.87</u>	<u>51,029.92</u>
Decreased by:			
Utilized as Anticipated Revenue		8,000.00	8,000.00
		<u>8,000.00</u>	<u>8,000.00</u>
Balance December 31	H	<u>\$ 45,709.87</u>	<u>\$ 43,029.92</u>

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

TOWNSHIP OF MINE HILL
SPECIAL GARBAGE DISTRICT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

H-2

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Operating Surplus Anticipated	\$ 8,000.00	\$ 8,000.00	
Special District Tax	<u>377,000.00</u>	<u>385,192.10</u>	<u>\$ 8,192.10</u>
Budget Totals	385,000.00	393,192.10	8,192.10
Nonbudget Revenue	<u> </u>	<u>176.22</u>	<u>176.22</u>
	<u>\$ 385,000.00</u>	<u>\$ 393,368.32</u>	<u>\$ 8,368.32</u>

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

TOWNSHIP OF MINE HILL
SPECIAL GARBAGE DISTRICT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

H-3

	<u>Appropriations</u>		<u>Expended by</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 36,000.00	\$ 36,000.00	\$ 35,999.75	\$ 0.25
Other Expenses	24,000.00	24,000.00	1,295.69	22,704.31
Contractual Services	322,000.00	322,000.00	322,000.00	
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	3,000.00	3,000.00	2,829.64	170.36
	<u>\$ 385,000.00</u>	<u>\$ 385,000.00</u>	<u>\$ 362,125.08</u>	<u>\$ 22,874.92</u>

Ref.

H

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

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

TOWNSHIP OF MINE HILL
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
(Unaudited)

I

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Land	\$ 12,580,500.00	\$ 12,580,500.00
Buildings and Improvements	636,021.00	636,021.00
Equipment	<u>1,871,485.00</u>	<u>1,958,999.00</u>
TOTAL ASSETS	<u>\$ 15,088,006.00</u>	<u>\$ 15,175,520.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 15,088,006.00</u>	<u>\$ 15,175,520.00</u>
TOTAL RESERVES	<u>\$ 15,088,006.00</u>	<u>\$ 15,175,520.00</u>

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Description of Funds

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

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

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

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

B. Description of Funds (Cont'd)

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

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

Special Garbage District Fund - Collection of special district taxes for the cost of providing garbage collection.

General Fixed Asset Account Group (Unaudited) – Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E - “Other significant accounting policies”.

C. Basis of Accounting

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

The accounting policies of the Township of Mine Hill conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

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

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

C. Basis of Accounting (Cont'd)

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

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Water and Sewer Utility Capital Funds would be depreciated.

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

- D. Deferred Charges to Future Taxation – The Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded deferred charges represent improvement authorizations where permanent financing has been obtained. Unfunded deferred charges represent improvement authorizations where no or temporary financing has been obtained. A municipality can permanently finance unfunded deferred charges through budget appropriation, grant funds, or by issuing bonds, loans or capital lease purchase agreements.

- E. Other significant accounting policies include:

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

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

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

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

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

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

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

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

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

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

General Fixed Assets (Unaudited)

General fixed assets are recorded at estimated historical cost except for land which is recorded at 1992 assessed values, and buildings which are recorded at 1992 replacement values. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Utility Capital Funds. The values recorded in the General Fixed Assets Account and the Current and Capital Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

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

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	December 31,		
	2009	2008	2007
<u>Issued:</u>			
General:			
Bonds, Notes and Leases	\$ 3,938,885	\$ 3,706,884	\$ 3,211,288
Water Utility:			
Bonds, Notes and Loans	283,000	378,000	472,582
Sewer Utility:			
Bonds, Notes and Loans	2,165,238	2,105,578	2,009,438
Total Issued	<u>6,387,123</u>	<u>6,190,462</u>	<u>5,693,308</u>
<u>Less:</u>			
Obligations Guaranteed by MCIA	462,535	564,884	
Reserve to Pay Debt Service		296,250	
	<u>5,924,588</u>	<u>5,329,328</u>	<u>5,693,308</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	445,900	999,100	940,250
Water Utility:			
Bonds and Notes	9,700	9,700	9,700
Sewer Utility:			
Bonds and Notes		195,000	420,000
Total Authorized but not Issued	<u>455,600</u>	<u>1,203,800</u>	<u>1,369,950</u>
Net Bonds, Notes, Loans and Leases Issued and Authorized but not Issued	<u>\$ 6,380,188</u>	<u>\$ 6,533,128</u>	<u>\$ 7,063,258</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates statutory net debt of .81%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 2,783,000	\$ 2,783,000	
Water Utility Debt	292,700		\$ 292,700
Sewer Utility Debt	2,165,238	2,074,292	90,946
General Debt	4,384,785	462,535	3,922,250
	<u>\$ 9,625,723</u>	<u>\$ 5,319,827</u>	<u>\$ 4,305,896</u>

Net Debt: \$4,305,896 divided by Average Equalized Valuations of \$530,159,118 of Real Property = .81%.

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

3-1/2% Average Equalized Valuation of Real Property	\$ 18,555,569
Net Debt	<u>4,305,896</u>
Remaining Borrowing Power	<u><u>\$ 14,249,673</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 531,118
Deductions:	
Operating and Maintenance Cost	\$ 452,788
Debt Service	<u>106,211</u>
Total Deductions	<u>558,999</u>
Deficit in Revenue	<u><u>\$ (27,881)</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 365,449
Deductions:	
Operating and Maintenance Cost	\$ 157,152
Debt Service	<u>212,844</u>
Total Deductions	<u>369,996</u>
Deficit in Revenue	<u><u>\$ (4,547)</u></u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

Summary of Municipal Debt Issued and Outstanding

	Balance 12/31/08	Additions	Retirements	Balance 12/31/09
Serial Bonds:				
General Capital	\$ 889,000		\$ 225,000	\$ 664,000
Water Utility Capital	378,000		95,000	283,000
Sewer Utility Capital	1,086,000		30,000	1,056,000
Bond Anticipation Notes:				
General Capital	2,253,000	\$ 2,812,350	2,253,000	2,812,350
Sewer Utility	225,000	420,000	225,000	420,000
Leases Payable:				
General Capital	564,884		102,349	462,535
Loans Payable:				
Sewer Utility Capital:				
NJEIT	794,578		105,340	689,238
Total	<u>\$ 6,190,462</u>	<u>\$ 3,232,350</u>	<u>\$ 3,035,689</u>	<u>\$ 6,387,123</u>
	Balance 12/31/07	Additions	Retirements	Balance 12/31/08
Serial Bonds:				
General Capital	\$ 1,158,000		\$ 269,000	\$ 889,000
Water Utility Capital	438,000		60,000	378,000
Sewer Utility Capital	1,116,000		30,000	1,086,000
Bond Anticipation Notes:				
General Capital	1,390,000	\$ 2,253,000	1,390,000	2,253,000
Sewer Utility		225,000		225,000
Leases Payable:				
General Capital	663,288		98,404	564,884
Loans Payable:				
Water Utility Capital:				
Water Supply	34,582		34,582	
Sewer Utility Capital:				
NJEIT	893,438		98,860	794,578
Total	<u>\$ 5,693,308</u>	<u>\$ 2,478,000</u>	<u>\$ 1,980,846</u>	<u>\$ 6,190,462</u>

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

The Township's debt issued and outstanding on December 31, 2009 is described as follows:

General Capital Bond Anticipation Notes

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
Various Capital Improvements	05/14/09	05/14/10	2.03%	<u>\$ 2,812,350</u>

General Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
	<u>Date</u>	<u>Amount</u>		
General Obligation	09/15/10	\$ 225,000	3.00%	
	09/15/11	220,000	3.25%	
	09/15/12	219,000	3.50%	<u>\$ 664,000</u>

General Capital Lease Purchase Agreement Payable

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
Purchase of a Fire Truck	08/01/05	08/01/15	3.69%	\$ 355,333
Purchase of Vehicles	09/15/06	09/15/11	4.34%	<u>107,202</u>
				<u>\$ 462,535</u>

Water Utility Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
	<u>Date</u>	<u>Amount</u>		
Water Utility Bonds	09/15/10	\$ 95,000	3.00%	
	09/15/11	95,000	3.25%	
	09/15/12	93,000	3.50%	<u>\$ 283,000</u>

Sewer Utility Capital Bond Anticipation Notes

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
Installation of Sanitary Sewer Lines	05/14/09	05/14/10	2.03%	<u>\$ 420,000</u>

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

Sewer Utility Capital Serial Bonds

Purpose	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2009
	Date	Amount		
Sewer Utility Refunding Bonds	09/15/10	\$ 15,000	3.000%	
	09/15/11	15,000	3.250%	
	09/15/12	15,000	3.500%	
	09/15/13	15,000	3.650%	
	09/15/14	15,000	3.800%	
	09/15/15	15,000	3.900%	
	09/15/16-17	15,000	4.000%	
	09/15/18-19	15,000	4.125%	
	09/15/20	15,000	4.200%	
	09/15/21	15,000	4.250%	
	09/15/22	15,000	4.300%	
	09/15/23	15,000	4.400%	\$ 210,000
Sewer Utility Bonds	09/15/10	25,000	3.000%	
	09/15/11	25,000	3.250%	
	09/15/12	25,000	3.500%	
	09/15/13	25,000	3.650%	
	09/15/14	25,000	3.800%	
	09/15/15	25,000	3.900%	
	09/15/16-17	25,000	4.000%	
	09/15/18	35,000	4.125%	
	09/15/19	115,000	4.125%	
	09/15/20	115,000	4.200%	
	09/15/21	125,000	4.250%	
	09/15/22	125,000	4.300%	
	09/15/23	131,000	4.400%	\$ 846,000
				<u>\$ 1,056,000</u>

Sewer Utility Capital NJ Environmental Infrastructure Loans

Purpose	Issue Date	Maturity Date	Interest Rate	Balance Dec. 31, 2009
Wastewater Treatment System Projects	08/20/98	08/01/17	4.00-5.00%	\$ 689,238
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$ 6,387,123</u>

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

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

Calendar Year	General		Water Utility		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 225,000	\$ 21,565	\$ 95,000	\$ 9,193	\$ 143,712	\$ 70,169	\$ 564,639
2011	220,000	14,815	95,000	6,343	150,044	66,219	552,421
2012	219,000	7,665	93,000	3,255	150,482	61,919	535,321
2013					105,000	57,269	162,269
2014					110,000	52,559	162,559
Thereafter:							
2015-2019					530,000	187,143	717,143
2020-2023					556,000	61,116	617,116
Total	<u>\$ 664,000</u>	<u>\$ 44,045</u>	<u>\$ 283,000</u>	<u>\$ 18,791</u>	<u>\$ 1,745,238</u>	<u>\$ 556,394</u>	<u>\$ 3,311,468</u>

NJ Environmental Infrastructure Trust Loans

On August 20, 1998, the Township of Mine Hill entered into two loan agreements with the State of New Jersey, acting by and through the NJ Environmental Infrastructure Trust Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the aggregate amount of \$1,804,557, which represents direct obligations of the Township. The loan agreements were obtained to finance a portion of the cost of wastewater treatment system projects.

The Township has borrowed or "drawn down" \$1,293,805 for these projects and the remaining \$510,752 of unspent proceeds are being applied to reduce the original principal and interest payments. Principal payments to the Fund commenced February 1, 2001, and will continue on a semiannual basis over 17 years at zero interest. Principal payments to the Trust commenced on August 1, 2001, and will continue on a semiannual basis over 17 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings on the debt service reserve fund (as defined in the bond resolution) will be transferred to such capitalized interest account. The Township will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account.

During the year ended December 31, 2009, principal of \$984 and interest of \$28,076 from project fund credits and the capitalized interest account were applied to the Trust portion of the loan by the NJ Environmental Infrastructure Trust.

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

Water Rehabilitation Loan

The Township has entered into a loan agreement with the NJ Department of Environmental Protection to rehabilitate its water supply and distribution system in the amount of \$487,364 which bears the rate of 3.5%. The Township is repaying \$465,276 which was borrowed or "drawn down" on the loan together with accrued interest from the date of receipt of the proceeds of \$22,088 which was capitalized. Principal payments commenced November 4, 2000, and will continue on a semiannual basis over 8 years.

Lease Purchase Agreement Payable

On September 15, 2006, the Township of Mine Hill entered into a lease purchase agreement with the Morris County Improvement Authority in the amount of \$251,250 with an interest rate of 4.34%, which represents a direct obligation of the Township. The lease purchase agreement was obtained to finance the purchase of vehicles. Principal payments commenced September 15, 2007 and will continue on an annual basis over 5 years.

On August 1, 2005, the Township of Mine Hill entered into a lease purchase agreement with the Morris County Improvement Authority in the amount of \$552,750 with an interest rate of 3.69%, which represents a direct obligation of the Township. The lease purchase agreement was obtained to finance the purchase of a fire truck. Principal payments commenced August 1, 2006 and will continue on an annual basis over 10 years.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2009.

<u>Calendar Year</u>	<u>Amount</u>
2010	\$ 124,217
2011	124,217
2012	67,101
2013	67,101
2014	67,101
2015	67,101
	<u>516,838</u>
Less: Amount Representing Interest	<u>(54,303)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 462,535</u>

Sewer Utility Refunding Bonds

The Sewer Utility Refunding Bonds represent permanent financing of the first two years of debt service payments for the Township's NJ Environmental Infrastructure Trust loan agreements due to the Township's Sewer Utility not being in full operation when debt service commenced.

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2009, are usually appropriated and included as anticipated revenue in the Current, Water and Sewer operating funds in the adopted budget for the succeeding year. Those amounts have not been determined as of the date of this report.

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the exceeding years. At December 31, 2009, the following deferred charge is shown on the balance sheet of the following fund:

	Balance Dec. 31, 2009	2010 Budget Appropriation	Balance to Succeeding Budgets
Sewer Utility Operating Fund:			
Operating Deficit	\$ 3,563	\$ 3,563	\$ -0-

The 2010 Budget Appropriation is not less than that required by statute.

Note 5: Local School District Taxes

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

The Township of Mine Hill has elected not to defer school taxes.

Note 6: Open Space Trust Fund

The Township established an Open Space Trust Fund during 2001 with an open space tax rate of ½ of one cent per \$100 of assessed property valuations. The Trust Fund is used to support costs associated with the acquisition of open space. The balance in the Open Space Trust Fund at December 31, 2009 and 2008 was \$42,176 and \$25,165, respectively.

Note 7: Pension Plans

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

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

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 7: Pension Plans (Cont'd)

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are based on percentages of 5.5% for PERS and 8.5% for PFRS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

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

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

Three-Year Trend for PERS			
Year Ending December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 69,993	100.00%	\$ 69,993
2008	65,685	80.00%	52,548
2007	45,853	60.00%	27,512

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

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

Three-Year Trend for PFRS			
Year Ending December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 12,789	100.00%	\$ 12,789
2008	12,272	100.00%	12,272
2007	14,780	80.00%	11,824

The Township elected not defer any of their pension costs for 2009.

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 8: Accrued Sick, Vacation and Compensatory Time

The Township policy allows the DPW employees to accrue sick and vacation time. The current cost of such unpaid compensation upon termination or separation from the Township would approximate \$13,590. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditure in the year in which it is used.

Note 9: Post-Retirement Medical Benefits

In addition to the pension benefits described in Note 7, the Township provides other post-retirement benefits to certain Township employees after retirement, substantially similar in nature to the health benefits provided to employees presently working. The coverage applies to the employees and dependents. In the event of an employee's death, coverage ceases. In order to be eligible for this benefit, the employee must have a minimum of twenty (20) years of full-time service with the Borough.

The Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961, under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

The Township adopted a resolution in accordance with the provisions of Chapter 88, P.L. 1974, as amended by Chapter 436, P.L. 1981, whereby employees are entitled to the following post-retirement medical benefits:

Upon retirement, full time employees with twenty-five (25) years in the State Pension Plan will receive full benefits (i.e., State of New Jersey Health Benefits Plan, prescription, dental, life insurance, vision and disability insurance plans) and reimbursement of Federal Medicare Program Part B premiums which will cover the retiring employee, their spouse and/or dependents.

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to:

State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43>.

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 9: Post-Retirement Medical Benefits (Cont'd)

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current, Water and Sewer operating budgets.

The Township's contributions to SHBP for the years ended December 31, 2009, 2008, and 2007 were \$48,137, \$44,283 and \$47,054, respectively, which equaled the required contributions for each year. The Township had 4 employees who met post-retirement eligibility requirements for health care benefits during 2009, 2008 and 2007.

Note 10: Selected Tax Information

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

Comparative Schedule of Tax Rate Information

	2009	2008	2007
<u>Tax Rate</u>	\$ 1.96	\$ 1.96	\$ 1.85
<u>Apportionment of Tax Rate</u>			
Municipal	0.57	0.54	0.44
County	0.23	0.24	0.24
Local School	1.09	1.11	1.10
Special District	0.07	0.07	0.07
<u>Assessed Valuations</u>			
2009	\$ 524,649,997		
2008		\$ 523,991,983	
2007			\$ 536,052,138

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 10: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies.

A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2009	\$ 10,331,060	\$ 10,032,209	97.10%
2008	10,276,132	9,982,277	97.14%
2007	9,939,083	9,457,155	95.15%

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

Note 11: Deferred Compensation Plan

The Township offers its employees deferred compensation plans (the "plans") created in accordance with Section 457 of the Internal Revenue Code. The plans, which are administered by The Variable Annuity Life Insurance Company and Equitable, are available to all Township employees and permit participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

Note 12: Cash and Cash Equivalents and Investments

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

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

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

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 12: Cash and Cash Equivalents and Investments (Cont'd)

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

Deposits:

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

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

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

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

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 12: Cash and Cash Equivalents and Investments (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2009, cash and cash equivalents and investments of the Township of Mine Hill consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Attorney's Escrow</u>	<u>Total</u>
Current	\$ 250	\$ 877,539		\$ 877,789
Animal Control		3,076		3,076
Other Trust		938,466		938,466
General Capital		323,340	\$ 110,311	433,651
Water Utility Operating	200	177,779		177,979
Water Utility Capital		40,837		40,837
Sewer Utility Operating		117,146		117,146
Sewer Utility Capital		45,106		45,106
Special Garbage District		68,585		68,585
	<u>\$ 450</u>	<u>\$ 2,591,874</u>	<u>\$ 110,311</u>	<u>\$ 2,702,635</u>

During the period ended December 31, 2009, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2009, was \$2,702,635 and the bank balance was \$2,701,490. The \$110,311 in the Attorney's Escrow is uninsured and/or unregistered.

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 13: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2009:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 65,009	
Other Trust Funds		\$ 20,502
General Capital Fund		239,507
Sewer Utility Operating Fund	5,328	
Sewer Utility Capital Fund	<u>195,000</u>	<u>5,328</u>
	<u>\$ 265,337</u>	<u>\$ 265,337</u>

The Current Fund interfund receivable is comprised primarily of an interfund advance due from the Other Trust Fund. The General Capital Fund interfund payable is comprised of an interfund advance from Current Fund and bond anticipation note proceeds due to the Sewer Utility Capital Fund. The Sewer Utility Operating Fund interfund receivable is primarily due to expenditures on behalf of the Sewer Utility Capital Fund and interest earnings in the Capital Fund due to the Operating Fund.

Note 14: Risk Management

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

Property and Liability

The Township of Mine Hill is a member of the New Jersey Intergovernmental Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against general liability, property and workers' compensation in order to keep local property taxes at a minimum.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

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

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 14: Risk Management (Cont'd)

The December 31, 2009 audit report of the New Jersey Intergovernmental Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2008 is as follows:

	Property and Liability	Workers' Compensation
Total Assets	\$ 18,397,913	\$ 11,388,599
Net Assets/(Deficit)	\$ 2,206,845	\$ (4,181,801)
Total Revenue	\$ 8,033,460	\$ 6,614,688
Total Expenses	\$ 8,441,265	\$ 8,064,069
Change in Net Assets for the Year Ended December 31	\$ (407,805)	\$ (1,449,381)
Net Assets Distribution to Participating Members	\$ -0-	\$ -0-

Financial statements for the Fund are available at the Office of the Executive Director:

New Jersey Intergovernmental Insurance Fund
c/o Polaris Galaxy Insurance, LLC
777 Terrace Avenue; Suite 309
Hasbrouck Heights, New Jersey 07604
(201) 727-1720

New Jersey Unemployment Compensation Insurance

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

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

Year	Township Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2009	\$ 2,000	\$ 1,375	\$ 32	\$ 18,523	\$ 4,397
2008	2,500	-0-	199	-0-	19,513
2007	-0-	-0-	763	1,617	16,814

TOWNSHIP OF MINE HILL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 15: Fixed Assets (Unaudited)

The following schedule is a summarization of general fixed assets for the year ended December 31, 2009:

	Balance Dec. 31, 2008	Additions	Deletions	Balance Dec. 31, 2009
Land	\$ 12,580,500			\$ 12,580,500
Buildings and Improvements	636,021			636,021
Equipment	1,958,999	\$ 27,486	\$ 115,000	1,871,485
	<u>\$ 15,175,520</u>	<u>\$ 27,486</u>	<u>\$ 115,000</u>	<u>\$ 15,088,006</u>

Note 16: Economic Dependency

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

Note 17: Contingencies

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution would not have a material adverse effect on their financial position.

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

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve for pending tax appeals on the Current Fund balance sheet at December 31, 2009 and 2008 in the amount of \$75,000 which it feels is sufficient for any such claims.

Note 18: Open Space Trust Fund

The Township created an Open Space Trust Fund during 2001 with a tax levy of \$.005 per \$100 of assessed valuation. The funds collected are used to acquire and maintain open space property in the Township. The balance in the Open Space Trust Fund was \$42,176.29 and \$25,165.42 as of December 31, 2009 and 2008, respectively.

TOWNSHIP OF MINE HILL
SUPPLEMENTARY DATA

TOWNSHIP OF MINE HILL
SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule 1

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Richard E. Leary	Mayor		
Marc Sovelove	Council President		
Steve Cicchetti	Council Vice-President		
Cynthia L. Collins	Councilwoman		
Michael Warholak	Councilman		
Kristine Kanzenbach	Councilwoman (from 01/28/09)		
David J. Gilbride	Township Administrator (till 01/30/09)		
Stephen S. Welsh	Township Administrator (from 01/22/09)		
Lauren Baker	Treasurer	\$ 50,000	Western Surety Company
Charles J. Wood, Jr.	Chief Financial Officer	25,000	Western Surety Company
Patricia T. Korpos	Township Clerk; Assessment Search Officer; Registrar of Vital Statistics; Water Secretary	10,000	Western Surety Company
Jeannette Sevret	Tax and Utility Collector; Tax Search Officer; Deputy Registrar	200,000	Western Surety Company
Joe Ferraris	Tax Assessor		
Stephen N. Severud	Township Attorney		

There was a Faithful Performance Position Bond in the amount of \$25,000 with Western Surety Company covering those employees who were not separately bonded. All of the bonds were examined and properly executed.

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
CURRENT FUND

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF CASH - TREASURER

A-4

1 of 2

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 1,055,850.00
Increased by Receipts:		
Tax Collector		\$ 10,471,846.10
Revenue Accounts Receivable		663,425.98
Miscellaneous Revenue Not Anticipated		22,995.93
Interest on Investments and Deposits		12,833.09
Due Animal Control Fund - Interest Income		
Interfund Returned		24.91
Due Other Trust Funds:		
Interfund Returned		106,261.77
Due General Capital Fund:		
Interfund Returned		20,982.84
Due Sewer Utility Operating Fund:		
Interfund Returned		24,019.00
Grant Funds:		
Grants Receivable		21,379.16
Due State of New Jersey:		
Marriage License Fees		675.00
Senior Citizens' and Veterans' Deductions		59,061.64
Reserve for Sale of Municipal Assets		1,000.00
Petty Cash Returned		300.00
Appropriation Refunds		7,757.91
		<hr/>
		11,412,563.33
		<hr/>
		12,468,413.33

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF CASH - TREASURER
(Continued)

A-4
2 of 2

	<u>Ref.</u>	
Decreased by Disbursements:		
2009 Appropriation Expenditures	\$ 3,465,286.18	
2008 Appropriation Reserve Expenditures	159,550.38	
Local School Taxes	5,727,711.00	
County Taxes	1,224,674.59	
Due Other Trust Funds:		
Local Open Space Taxes	26,015.23	
Interfund Returned	2,000.00	
Premiums Received at Tax Sale	21,000.00	
Due General Capital Fund:		
Interfund Advanced	108,989.39	
Interfund Returned	21,887.03	
Due Water Utility Operating Fund:		
Interfund Returned	22,911.75	
Due Special Garbage District Fund:		
Interfund Returned	223.78	
Special Garbage District Taxes	385,192.10	
Due State of New Jersey:		
Marriage License Fees	600.00	
Appropriated Grant Reserves:		
Current Year Expenditures	80,569.04	
Prior Year Encumbrances	38.64	
Third Party Tax Title Lien Redemptions	126,860.96	
Refund of:		
Tax Overpayments	5,388.58	
Premiums Received at Tax Sale	210,100.00	
Prior Year Revenue - Taxes	1,875.66	
		<u>\$ 11,590,874.31</u>
Balance December 31, 2009	A	<u>\$ 877,539.02</u>

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2009

A-5

Increased by Receipts:

Taxes Receivable	\$ 10,202,669.49	
Interest and Costs on Taxes	63,569.66	
2010 Prepaid Taxes	45,203.20	
Tax Overpayments	16,105.20	
Third Party Tax Title Liens	142,624.72	
Miscellaneous Revenue Not Anticipated:		
Tax Search Fees	70.00	
Other Miscellaneous Revenue	<u>1,603.83</u>	
		\$ 10,471,846.10

Decreased by:

Payments to Municipal Treasurer	<u><u>\$ 10,471,846.10</u></u>
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SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2009

A-6

NOT APPLICABLE

TOWNSHIP OF MINE HILL

A-7

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2008	2009 Levy	Collections		Overpayments Applied	NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2009
2007	\$ 6,392.44			\$ 6,392.21			\$ 0.23		
2008	268,453.43			265,793.74				\$ 2,364.70	\$ 294.99
	274,845.87			272,185.95			0.23	2,364.70	294.99
2009		\$ 10,331,059.67	\$ 42,342.49	9,930,483.54	\$ 321.27	\$ 59,061.64	15,124.01	17,519.15	266,207.57
	<u>\$ 274,845.87</u>	<u>\$ 10,331,059.67</u>	<u>\$ 42,342.49</u>	<u>\$ 10,202,669.49</u>	<u>\$ 321.27</u>	<u>\$ 59,061.64</u>	<u>\$ 15,124.24</u>	<u>\$ 19,883.85</u>	<u>\$ 266,502.56</u>

Ref. A

A

Analysis of 2009 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 10,325,111.85	
Added and Omitted Taxes	<u>5,947.82</u>	
		<u>\$ 10,331,059.67</u>

Tax Levy:

Local School District Taxes	\$ 5,727,711.00	
Special Garbage District Taxes	385,192.10	
Local Open Space Taxes	26,015.23	

County Taxes:

General Tax	\$ 1,223,963.49	
Due County for Added and Omitted Taxes	<u>711.10</u>	
		<u>1,224,674.59</u>
		<u>7,363,592.92</u>

Local Tax for Municipal Purposes Levied	2,957,183.57	
Add: Additional Tax Levied	<u>10,283.18</u>	
		<u>2,967,466.75</u>

\$ 10,331,059.67

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-8

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 263,042.09
Increased by:		
Transfer from Taxes Receivable		\$ 19,883.85
Interest and Costs Accrued at Tax Sale		<u>457.92</u>
		<u>20,341.77</u>
Balance December 31, 2009	A	<u><u>\$ 283,383.86</u></u>

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2008	Accrued In 2009	Collected by Treasurer	Balance Dec. 31, 2009
Clerk:				
Alcoholic Beverage Licenses		\$ 5,800.00	\$ 5,800.00	
Municipal Court:				
Fines and Costs	\$ 6,601.74	97,579.93	99,044.24	\$ 5,137.43
Beach Concession Fees		15,098.00	15,098.00	
Consolidated Municipal Property Tax Relief Act		83,455.00	83,455.00	
Energy Receipts Tax		272,728.00	272,728.00	
Uniform Construction Code Fees	7,275.00	30,005.00	35,000.00	2,280.00
Cable TV Franchise Fee		29,258.00	29,258.00	
Cell Tower Leases		83,929.62	83,929.62	
Interlocal Dispatch Contribution	3,591.50	7,543.01	7,543.01	3,591.50
Interlocal Municipal Court		25,038.26	25,038.26	
Uniform Fire Safety Fees		6,531.85	6,531.85	
	<u>\$ 17,468.24</u>	<u>\$ 656,966.67</u>	<u>\$ 663,425.98</u>	<u>\$ 11,008.93</u>
<u>Ref.</u>	A			A

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF GRANTS RECEIVABLE

A-10

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Accrued in</u> <u>2009</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Clean Communities Program		\$ 6,427.91	\$ 6,427.91	
Highlands Council - Initial Assessment Grant		15,000.00	14,951.25	\$ 48.75
Highlands Council - Plan Conformance Grant		50,000.00		50,000.00
NJ Transportation Trust Fund Authority Act		150,000.00		150,000.00
Black River Water Quality Study	\$ 10,000.00			10,000.00
	<u>\$ 10,000.00</u>	<u>\$ 221,427.91</u>	<u>\$ 21,379.16</u>	<u>\$ 210,048.75</u>
<u>Ref.</u>	A			A

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

A-11
1 of 4

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 1,110.78			
Other Expenses	901.20	\$ 2,011.98	\$ 1,025.71	\$ 986.27
Mayor and Council:				
Salaries and Wages	3,177.52	177.52		177.52
Municipal Clerk:				
Salaries and Wages	6,088.70	88.70		88.70
Other Expenses	2,659.57	2,659.57	1,435.21	1,224.36
Financial Administration:				
Salaries and Wages	2,079.75	429.75		429.75
Other Expenses	3,915.28	2,215.28	968.20	1,247.08
Revenue Administration (Tax Collection):				
Salaries and Wages	2,313.90	313.90		313.90
Other Expenses	421.77	421.77	103.46	318.31
Tax Assessment Administration:				
Salaries and Wages	275.92	275.92		275.92
Other Expenses	92.10	92.10		92.10
Legal Services and Costs:				
Other Expenses	7,210.66	71,821.66	71,821.29	0.37
Municipal Prosecutor:				
Salaries and Wages	1,160.00	1,160.00		1,160.00
Engineering Services and Costs:				
Other Expenses	7,814.57	14.57		14.57
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wages	167.74	167.74		167.74
Other Expenses	8.90	8.90		8.90
Board of Adjustment:				
Salaries and Wages	135.06	135.06		135.06
Other Expenses	1,162.38	1,162.38		1,162.38
Zoning Officer:				
Salaries and Wages	1,045.00	1,045.00		1,045.00
Other Expenses	500.00	285.00		285.00
Environmental Commission (RS 40:56-1 et seq.):				
Other Expenses	600.00	600.00		600.00
Insurance:				
Surety Bonds	74.71	74.71		74.71
Worker's Compensation	26,041.00	26,041.00	25,959.00	82.00
Group Insurance Plan for Employees	10,546.25	1,046.25	987.98	58.27

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

A-11

2 of 4

(Continued)

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY:				
Police:				
Salaries and Wages	\$ 1,719.41	\$ 1,719.41		\$ 1,719.41
Municipal Court:				
Other Expenses	10,751.18	490.18	\$ 136.75	353.43
Public Defender (PL 1997, Chapter 256):				
Salaries and Wages	7.38	7.38		7.38
Aid to Volunteer Fire Company	5,229.70	13,229.70	13,229.70	
First Aid Organization Contribution	15,000.00	15,000.00	15,000.00	
Emergency Management Services:				
Other Expenses	50.00	265.00	260.98	4.02
Radio Dispatching	0.41	0.41		0.41
Uniform Fire Safety Bureau - Fire Official:				
Salaries and Wages	1,166.75	1,166.75		1,166.75
Other Expenses	400.00	400.00		400.00
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries and Wages	37,138.20	138.20		138.20
Other Expenses	15,129.03	20,129.03	17,165.55	2,963.48
RECREATION AND EDUCATION:				
Board of Recreation Commissioners				
- (NJSA 40:12-1 et seq.):				
Salaries and Wages	74.00	74.00		74.00
Other Expenses	5,359.09	5,359.09		5,359.09
Beach:				
Salaries and Wages	301.27	301.27		301.27
Other Expenses	388.07	388.07		388.07
Celebration of Public Events, Anniversary				
or Holiday:				
Other Expenses	2,444.50	2,444.50	374.49	2,070.01
HEALTH AND WELFARE:				
Animal Control:				
Other Expenses	238.52	238.52	45.00	193.52
Administration of Public Assistance:				
Salaries and Wages	100.00	100.00		100.00
Other Expenses	100.00	100.00		100.00
Senior Citizen and Disabled Resident				
Transportation:				
Salaries and Wages	987.17	987.17		987.17

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

A-11
3 of 4

(Continued)

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
HEALTH AND WELFARE:				
Mandated Inoculations (NJSA 40A:4-45.3cc):				
Hepatitis B Vaccine	\$ 500.00	\$ 500.00		\$ 500.00
NJ Public Employees OSHA (NJSA 40A:4-45.3u):				
Other Expenses	300.00	300.00		300.00
State Uniform Construction Code				
- (NJSA 52:27D-120 et seq.):				
Construction Official:				
Salaries and Wages	414.81	414.81		414.81
Other Expenses	2,275.10	2,275.10		2,275.10
Subcode Officials:				
Fire Subcode Official:				
Salaries and Wages	2,865.45	2,865.45		2,865.45
Plumbing Subcode Official:				
Salaries and Wages	146.50	146.50		146.50
Electrical Subcode Official:				
Salaries and Wages	313.85	313.85		313.85
Smoke Detector Inspection:				
Salaries and Wages	2,500.00	2,500.00		2,500.00
Building Subcode Official:				
Salaries and Wages	25.80	25.80		25.80
UNCLASSIFIED:				
Utilities:				
Gasoline	6,869.74	6,869.74		6,869.74
Electricity	5,026.54	4,976.54	\$ 1,154.50	3,822.04
Telephone	1,917.76	1,917.76	926.20	991.56
Heating Fuel	6,400.46	6,400.46	3,654.73	2,745.73
Street Lighting	4,361.78	4,411.78	4,408.19	3.59
Sewer Fees	128.79	128.79		128.79
Water Fees	306.90	1,606.90	893.44	713.46
Municipal Services Act:				
Other Expenses	500.00	500.00		500.00
Statutory Expenditures:				
Contribution to:				
Social Security System (OASI)	3,036.79	3,036.79		3,036.79
Police and Fireman's Retirement				
System of N.J.	25.26	25.26		25.26
Unemployment Insurance	2,000.00	2,000.00		2,000.00

TOWNSHIP OF MINE HILL
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

A-11

4 of 4

(Continued)

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
Maintenance of Privately-Owned Library:				
Other Expenses	\$ 1,250.00	\$ 1,250.00		\$ 1,250.00
Pension (PL 2003, Chapter 108):				
Public Employees' Retirement System	204.33	204.33		204.33
Interlocal Municipal Service Agreements:				
Board of Health:				
Other Expenses	793.00	793.00		793.00
Municipal Court - Borough of Wharton:				
Salaries and Wages	763.49	763.49		763.49
Other Expenses	19,500.00	19,500.00		19,500.00
	<u>\$ 238,513.79</u>	<u>\$ 238,513.79</u>	<u>\$ 159,550.38</u>	<u>\$ 78,963.41</u>

Ref.

Analysis of Balance December 31, 2008:

Unencumbered	A	\$ 169,207.46
Encumbered	A	<u>69,306.33</u>
		<u>\$ 238,513.79</u>

TOWNSHIP OF MINE HILL

A-12

CURRENT FUND

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

YEAR ENDED DECEMBER 31, 2009

Increased by:

Levy - Calendar Year 2009

\$ 5,727,711.00

Decreased by:

Payments to Local School District

\$ 5,727,711.00

TOWNSHIP OF MINE HILL

A-13

CURRENT FUNDSCHEDULE OF RESERVE FOR GRANT FUNDS - APPROPRIATED

	Balance Dec. 31, 2008	Transfer from 2009 Budget Appropriations	Expended	Balance Dec. 31, 2009
Clean Communities Program	\$ 1,779.06	\$ 11,445.20	\$ 4,332.69	\$ 8,891.57
Stormwater Management Grant		6,822.00	500.00	6,322.00
Highlands Council - Initial Assessment Grant		15,000.00	14,951.25	48.75
Highlands Council - Plan Conformance Grant		50,000.00	25,353.75	24,646.25
NJ Transportation Trust Fund Authority Act		150,000.00	94,466.03	55,533.97
	<u>\$ 1,779.06</u>	<u>\$ 233,267.20</u>	<u>\$ 139,603.72</u>	<u>\$ 95,442.54</u>

Ref.

A

A

Cash Disbursed

\$ 80,569.04

Encumbered

A

59,034.68

\$ 139,603.72

TOWNSHIP OF MINE HILL

A-14

CURRENT FUNDSCHEDULE OF RESERVE FOR GRANT FUNDS - UNAPPROPRIATED

	Balance Dec. 31, 2008	Grants Receivable	Transfer to 2009 Budget Revenue	Balance Dec. 31, 2009
Clean Communities Program	\$ 5,017.29	6,427.91	\$ 11,445.20	
Stormwater Management Grant	6,822.00		6,822.00	
Highlands Council - Initial Assessment Grant		\$ 15,000.00	15,000.00	
Highlands Council - Plan Conformance Grant		50,000.00	50,000.00	
NJ Transportation Trust Fund Authority Act		150,000.00	150,000.00	
	<u>\$ 11,839.29</u>	<u>\$ 221,427.91</u>	<u>\$ 233,267.20</u>	<u>\$ - 0 -</u>
<u>Ref.</u>	A			A

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
TRUST FUNDS

TOWNSHIP OF MINE HILL
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

B-4

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2008	B	\$ 838.84	\$ 624,137.85
Increased by Receipts:			
Animal Control License Fees:			
Municipal		\$ 3,834.00	
Due State of New Jersey		645.60	
Due Current Fund:			
Interest on Deposits		694.75	\$ 976.79
Developers' Deposits and Interest			26,787.03
Housing Trust Deposits and Interest			2,115.23
Municipal Court:			
P.O.A.A. Late Parking Fees			6.00
Municipal Open Space:			
Interest on Deposits			122.64
Municipal Open Space Tax Levy			26,015.23
Library Deposits			1,379.05
Recreation Fees			20,802.69
Recycling Deposits			3,999.41
Tax Sale Premiums			425,400.00
Unemployment Insurance:			
Township Contributions			2,000.00
Employee Contributions			1,375.16
Interest on Deposits			32.01
		<u>5,174.35</u>	<u>511,011.24</u>
		6,013.19	1,135,149.09
Decreased by Disbursements:			
Administrative Expenditures		1,572.00	
Due State of New Jersey		645.60	
Due Current Fund:			
Interest on Deposits		694.75	974.52
Interfund Returned		24.91	104,261.77
Due General Capital Fund:			
Interfund Returned			100.00
Developers' Deposits and Interest			25,109.04
Housing Trust Expenditures			1,407.50
Performance Bond Deposits			14,364.24
Municipal Open Space			9,127.00
Library Expenditures			1,848.65
Recreation Expenditures			20,175.30
Recycling Expenditures			291.57
Tax Sale Premiums			500.00
Unemployment Insurance Expenditures			18,523.03
		<u>2,937.26</u>	<u>196,682.62</u>
Balance December 31, 2009	B	<u>\$ 3,075.93</u>	<u>\$ 938,466.47</u>

TOWNSHIP OF MINE HILL
ANIMAL CONTROL FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2009

B-4A

NOT APPLICABLE

TOWNSHIP OF MINE HILL
ASSESSMENT TRUST FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2009

B-5

NOT APPLICABLE

TOWNSHIP OF MINE HILL
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

B-6

	<u>Ref.</u>		
Balance December 31, 2008	B	\$	795.93
Increased by:			
Animal Control Fees:			
Dog Licenses		\$	2,647.00
Cat Licenses			980.00
			<u>3,627.00</u>
Late Fees and Penalties			207.00
			<u>3,834.00</u>
			<u>4,629.93</u>
Decreased by:			
Animal Control Expenditures			<u>1,572.00</u>
Balance December 31, 2009	B	\$	<u><u>3,057.93</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2007	\$ 3,804.00
2008	<u>4,073.00</u>
Maximum Allowable Reserve	<u><u>\$ 7,877.00</u></u>

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
GENERAL CAPITAL FUND

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
SCHEDULE OF CASH

C-2

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 270,408.55
Increased by Receipts:		
Due Current Fund:		
Interest Earned	\$ 2,944.88	
Interfund Advanced	21,887.03	
Interfund Returned	108,989.39	
Due Other Trust Fund:		
Interfund Returned	100.00	
Due Sewer Utility Capital Fund:		
Interfund Returned	225,000.00	
Interfund Advanced	195,000.00	
Due Seller for Acquisition of Property - Interest Earnings	4,710.82	
Bond Anticipation Notes Issued	876,100.00	
		<u>1,434,732.12</u>
		1,705,140.67
Decreased by:		
Improvement Authorizations	705,812.44	
Due Current Fund:		
Interest Earned	2,944.88	
Interfund Returned	20,982.84	
Bond Anticipation Notes Payable	43,500.00	
Bond Anticipation Notes Payable - Reserve to Pay Debt Service	296,250.00	
Due Sewer Utility Capital Fund:		
Interfund Advanced	225,000.00	
		<u>1,294,490.16</u>
Balance December 31, 2009	C	<u>\$ 410,650.51</u>

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
ANALYSIS OF CASH

C-3

	Balance (Deficit) Dec. 31, 2008	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2009
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Capital Fund Balance	\$ 3,643.02								\$ 3,643.02
Capital Improvement Fund	49,786.83						\$ 17,600.00		32,186.83
Grants Receivable:									
NJ Department of Transportation	(112,500.00)								(112,500.00)
Community Development Block Grant	(75,319.81)						80,000.00		(155,319.81)
Green Acres	50,000.00								50,000.00
Due Current Fund	(21,887.03)		\$ 133,821.30		\$ 43,500.00	\$ 23,927.72			44,506.55
Due Sewer Utility Capital Fund			420,000.00			225,000.00			195,000.00
Due Other Trust Fund	(100.00)		100.00						
Due Ferromonte Historical Society	1,151.68								1,151.68
Due Seller for Acquisition of Property			4,710.82						4,710.82
Reserve for Sidewalk Improvements	13,730.00								13,730.00
Reserve for Park Development	1,563.32								1,563.32
Reserve to Pay Debt Service	296,250.00				284,750.00				11,500.00
Improvement Description									
Various General Improvements	834.28								834.28
Reconstruction of Indian Falls -									
Hurd Street, Sections II, III and IV	5,150.64			\$ 57.50					5,093.14
Purchase of Various Equipment	6,002.35								6,002.35
Improvements to Randall Avenue	21,374.97								21,374.97
Various Capital Improvements	(2,328.94)								(2,328.94)
Various Capital Improvements	254,180.29			67,043.02					187,137.27
Various Capital Improvements	(99,822.74)	\$250,000.00		21,030.00					129,147.26
Acquisition of Property	5,600.00								5,600.00
Various Capital Improvements	10,578.56			5,703.75					4,874.81
Repairs and Installation to School									
Traffic Speed Limit Lights	(2,798.83)	7,600.00		600.00					4,201.17
Improvements and Reconstruction to a									
Portion of Iron Mountain Road	(134,680.04)	630,000.00		494,861.96					458.00
Improvements to Beach Facilities				17,952.50			\$ 85,100.00		67,147.50
Improvements to Various Roads				98,563.71				12,500.00	(86,063.71)
	\$ 270,408.55	\$887,600.00	\$ 558,632.12	\$ 705,812.44	\$328,250.00	\$ 248,927.72	\$ 97,600.00	\$ 97,600.00	\$ 433,650.51

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND

C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. Date	Improvement Description	Balance Dec. 31, 2008	2009 Improvement Authorizations	Notes Paid by Reserve to Pay Debt Service	Notes Paid by Budget Appropriation	Balance Dec. 31, 2009	Analysis of Balance December 31, 2009		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
09/04/03	Various Capital Improvements	\$ 124,600.00			\$ 17,000.00	\$ 107,600.00	\$ 107,600.00		
10/16/03	Improvements to Randall Avenue	78,250.00		\$ 24,250.00	6,500.00	47,500.00	47,500.00		
12/16/04	Various Capital Improvements	20,900.00			1,500.00	19,400.00	19,400.00		
10/20/05	Various Capital Improvements	545,750.00		147,000.00	18,500.00	380,250.00	380,250.00		
06/22/06	Various Capital Improvements	250,000.00				250,000.00	250,000.00		
02/01/07	Acquisition of Property	930,000.00				930,000.00	830,000.00		\$ 100,000.00
07/12/07	Various Capital Improvements	665,000.00		125,000.00		540,000.00	540,000.00		
07/17/08	Repairs and Installation to School Traffic Speed Limit Lights	7,600.00				7,600.00	7,600.00		
03/06/08; 07/17/08	Improvements and Reconstruction of a Portion of Iron Mountain Road	630,000.00				630,000.00	630,000.00		
06/17/09	Improvements to Beach Facilities		\$ 96,900.00			96,900.00			96,900.00
08/20/09	Improvements to Various Roads		237,500.00			237,500.00		\$ 86,063.71	151,436.29
		<u>\$ 3,252,100.00</u>	<u>\$ 334,400.00</u>	<u>\$ 296,250.00</u>	<u>\$ 43,500.00</u>	<u>\$ 3,246,750.00</u>	<u>\$ 2,812,350.00</u>	<u>\$ 86,063.71</u>	<u>\$ 348,336.29</u>

Ref.

C

C

Improvement Authorizations - Unfunded

\$ 710,300.83

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance Dated 10/16/03 - Improvements to Randall Avenue	\$ 21,374.97
Ordinance Dated 12/16/04 - Various Capital Improvements	9,171.06
Ordinance Dated 10/20/05 - Various Capital Improvements	187,137.27
Ordinance Dated 06/22/06 - Various Capital Improvements	129,147.26
Ordinance Dated 02/01/07 - Acquisition of Property	5,600.00
Ordinance Dated 07/12/07 - Various Capital Improvements	4,874.81
Ordinance Dated 07/17/08 - Improve/Reconstruct a Portion of Iron Mountain Road	458.00
Ordinance Dated 07/17/08 - School Traffic Speed Limit Lights	4,201.17

361,964.54

\$ 348,336.29

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec. 31, 2008		2009 Authorizations			Paid or Charged	Balance Dec. 31, 2009	
	Date	Amount	Funded	Unfunded	Capital Improvement Fund	Community Development Block Grants	Deferred Charges to Future Taxation - Unfunded		Funded	Unfunded
Various General Improvements	05/01/97	\$ 275,000.00	\$ 834.28						\$ 834.28	
Reconstruction of Indian Falls - Hurd Street, Sections II, III & IV	07/19/01	130,000.00	5,150.64					\$ 57.50	5,093.14	
Purchase of Various Equipment	01/03/02	26,000.00	6,002.35						6,002.35	
Improvements to Randall Avenue	10/16/03	210,000.00		\$ 21,374.97						\$ 21,374.97
Various Capital Improvements	12/16/04	658,000.00		9,171.06						9,171.06
Various Capital Improvements	10/20/05	844,662.00		254,180.29				67,043.02		187,137.27
Various Capital Improvements	06/22/06	590,000.00		150,177.26				21,030.00		129,147.26
Acquisition of Property	02/01/07	12,480,000.00		105,600.00						105,600.00
Various Capital Improvements	07/12/07	780,000.00		10,578.56				5,703.75		4,874.81
Repairs and Installation to School Traffic Speed Limit Lights	07/17/08	20,000.00		4,801.17				600.00		4,201.17
Improvements and Reconstruction to a Portion of Iron Mountain Road	03/06/08; 07/17/08	805,000.00		495,319.96				494,861.96		458.00
Improvements to Beach Facilities	06/17/09	182,000.00			\$ 5,100.00	\$ 80,000.00	\$ 96,900.00	17,952.50	67,147.50	96,900.00
Improvements to Various Roads	08/20/09	250,000.00			12,500.00		237,500.00	98,563.71		151,436.29
			<u>\$ 11,987.27</u>	<u>\$1,051,203.27</u>	<u>\$ 17,600.00</u>	<u>\$ 80,000.00</u>	<u>\$ 334,400.00</u>	<u>\$ 705,812.44</u>	<u>\$ 79,077.27</u>	<u>\$ 710,300.83</u>
	<u>Ref.</u>		<u>C</u>	<u>C</u>					<u>C</u>	<u>C</u>

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 49,786.83
Decreased by:		
Appropriated to Finance:		
Appropriated to Finance Improvement Authorizations		<u>17,600.00</u>
Balance December 31, 2009	C	<u><u>\$ 32,186.83</u></u>

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

C-7
1 of 2

Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2008	Issued	Matured	Balance Dec. 31, 2009
	Original Note	Issue	Maturity					
Various Capital Improvements	07/07/05	06/10/08	06/10/09	2.50%	\$ 124,600.00		\$ 124,600.00	
	07/07/05	05/14/09	05/14/10	2.03%		\$ 107,600.00		\$ 107,600.00
Improvements to Randall Avenue	07/07/05	05/15/08	05/14/09	2.27%	24,250.00		24,250.00	
	07/07/05	06/10/08	06/10/09	2.50%	54,000.00		54,000.00	
	07/07/05	05/14/09	05/14/10	2.03%		47,500.00		47,500.00
Various Capital Improvements	07/07/05	06/10/08	06/10/09	2.50%	9,400.00		9,400.00	
	07/07/05	05/14/09	05/14/10	2.03%		19,400.00		19,400.00
Various Capital Improvements	07/07/06	05/15/08	05/14/09	2.27%	185,750.00		185,750.00	
	07/07/06	06/10/08	06/10/09	2.50%	360,000.00		360,000.00	
	07/07/06	05/14/09	05/14/10	2.03%		380,250.00		380,250.00
Acquisition of Property	06/12/07	06/10/08	06/10/09	2.50%	830,000.00		830,000.00	
	06/12/07	05/14/09	05/14/10	2.03%		830,000.00		830,000.00
Various Capital Improvements	05/15/08	05/15/08	05/14/09	2.27%	665,000.00		665,000.00	
	05/15/08	05/14/09	05/14/10	2.03%		540,000.00		540,000.00
Various Capital Improvements	05/14/09	05/14/09	05/14/10	2.03%		250,000.00		250,000.00

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

C-7
2 of 2

Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2008	Issued	Matured	Balance Dec. 31, 2009
	Original Note	Issue	Maturity					
Repairs and Installation to School Traffic Speed Limit Lights	05/14/09	05/14/09	05/14/10	2.03%		\$ 7,600.00		\$ 7,600.00
Improvements and Reconstruction to a Portion of Iron Mountain Road	05/14/09	05/14/09	05/14/10	2.03%		630,000.00		630,000.00
					<u>\$ 2,253,000.00</u>	<u>\$ 2,812,350.00</u>	<u>\$ 2,253,000.00</u>	<u>\$ 2,812,350.00</u>
				<u>Ref.</u>	C			C
			Issued for Cash			\$ 899,100.00		
			Paid by Budget Appropriation				\$ 43,500.00	
			Reserve to Pay Debt Service				296,250.00	
			Renewals			1,913,250.00	1,913,250.00	
						<u>\$ 2,812,350.00</u>	<u>\$ 2,253,000.00</u>	

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-8

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2008	Matured	Balance Dec. 31, 2009
			Outstanding Dec. 31, 2009 Date	Amount				
General Improvements	10/01/03	\$ 1,174,000.00	9/15/10	\$ 225,000.00	3.00%			
			9/15/11	220,000.00	3.25%			
			9/15/12	219,000.00	3.50%	\$ 889,000.00	\$ 225,000.00	\$ 664,000.00
						\$ 889,000.00	\$ 225,000.00	\$ 664,000.00
						<u>\$ 889,000.00</u>	<u>\$ 225,000.00</u>	<u>\$ 664,000.00</u>
					<u>Ref.</u>	C		C

TOWNSHIP OF MINE HILL
GENERAL CAPITAL FUND
SCHEDULE OF MORRIS COUNTY IMPROVEMENT AUTHORITY
LEASE PURCHASE AGREEMENTS PAYABLE

C-9

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 564,883.52
Decreased by:		
Principal Matured		<u>102,348.71</u>
Balance December 31, 2009	C	<u><u>\$ 462,534.81</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2009

Lease Purchase Agreement #1

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 355,332.88
5	08/01/10	\$ 53,989.67	\$ 13,111.79	301,343.21
6	08/01/11	55,981.89	11,119.57	245,361.32
7	08/01/12	58,047.62	9,053.84	187,313.70
8	08/01/13	60,189.59	6,911.87	127,124.11
9	08/01/14	62,410.58	4,690.88	64,713.53
10	08/01/15	64,713.53	2,387.93	
		<u>\$ 355,332.88</u>	<u>\$ 62,308.99</u>	

Lease Purchase Agreement #2

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 107,201.93
4	08/01/10	\$ 52,462.53	\$ 4,652.56	54,739.40
5	09/15/11	54,739.40	2,375.69	
		<u>\$ 107,201.93</u>	<u>\$ 7,028.25</u>	

TOWNSHIP OF MINE HILL

C-10

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. Date	Improvement Description	Balance Dec. 31, 2008	2009 Improvement Authorizations	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Notes Paid by Budget/ Reserve to Pay Debt Service	Balance Dec. 31, 2009
09/04/03	Various Capital Improvements			\$ 107,600.00	\$ 124,600.00	\$ 17,000.00	
10/16/03	Improvements to Randall Avenue			47,500.00	78,250.00	30,750.00	
12/16/04	Various Capital Improvements	\$ 11,500.00		19,400.00	9,400.00	1,500.00	
10/20/05	Various Capital Improvements			380,250.00	545,750.00	165,500.00	
06/22/06	Various Capital Improvements	250,000.00		250,000.00			
02/01/07	Acquisition of Property	100,000.00		830,000.00	830,000.00		\$ 100,000.00
07/12/07	Various Capital Improvements			540,000.00	665,000.00	125,000.00	
07/17/08	Repairs and Installation to School Traffic Speed Limit Lights	7,600.00		7,600.00			
03/06/08	Improvements and Reconstruction						
07/17/08	to a Portion of Iron Mountain Road	630,000.00		630,000.00			
06/17/09	Improvements to Beach Facilities		\$ 96,900.00				96,900.00
08/20/09	Improvements to Various Roads		237,500.00				237,500.00
		<u>\$ 999,100.00</u>	<u>\$ 334,400.00</u>	<u>\$ 2,812,350.00</u>	<u>\$ 2,253,000.00</u>	<u>\$ 339,750.00</u>	<u>\$ 434,400.00</u>

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
WATER UTILITY FUND

TOWNSHIP OF MINE HILL
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER

D-4

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2008	D	\$ 122,095.73	\$ 39,355.82
Increased by Receipts:			
Water Utility Collector		\$ 512,015.49	
Fire Hydrant Service		20,000.00	
Interest on Investments		656.77	
Due Current Fund:			
Prior Year Interfund Returned		22,911.75	
Due Water Utility Operating Fund:			
Interest Income		203.75	\$ 203.75
Interfund Returned		518.74	
Due Sewer Utility Operating Fund:			
Prior Year Interfund Returned		6,615.76	
Due Special District Fund:			
Prior Year Interfund Returned		5,000.00	
Budget Appropriations:			
Capital Improvement Fund			2,000.00
		<u>567,922.26</u>	<u>2,203.75</u>
		690,017.99	41,559.57
Decreased by Disbursements:			
2009 Budget Appropriations		468,493.86	
2008 Appropriation Reserves		31,702.22	
Accrued Interest on:			
Bonds		12,042.50	
Due Sewer Utility Operating Fund:			
Interest Income			203.75
Interfund Returned			518.74
		<u>512,238.58</u>	<u>722.49</u>
Balance December 31, 2009	D	<u>\$ 177,779.41</u>	<u>\$ 40,837.08</u>

TOWNSHIP OF MINE HILL
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2009

D-4A

Increased by Receipts:

Consumer Accounts Receivable:

Water Rents	\$ 504,341.29	
Connection Fees	459.26	
Interest on Delinquent Rents	2,416.36	
Fines	166.81	
Water On/Off Fees	450.63	
Miscellaneous Fees	40.00	
Total Consumer Accounts Receivable		\$ 507,874.35

Water Rent Overpayments

4,141.14
<u>512,015.49</u>

Decreased by Disbursements:

Paid to Treasurer	<u>\$ 512,015.49</u>
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TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

D-5

	Balance (Deficit) Dec. 31, 2008	Receipts		Disbursements	Balance (Deficit) Dec. 31, 2009
		Budget Appropriation	Miscellaneous	Miscellaneous	
Capital Fund Balance	\$ 9,676.65				\$ 9,676.65
Capital Improvement Fund	4,110.37	\$ 2,000.00			6,110.37
Developer Contribution Receivable	(367.00)				(367.00)
Due Water Utility Operating Fund	518.74		\$ 203.75	\$ 722.49	
<u>Improvement Authorizations</u>					
Installation and Construction of Water Mains in Hurd Street, Section IV and on Indian Falls Road	20.00				20.00
Water System Infrastructure Improvements	30,938.88				30,938.88
Water Main Extension on Hurd Street	1,226.60				1,226.60
Water Main Replacement	(6,768.42)				(6,768.42)
	<u>\$ 39,355.82</u>	<u>\$ 2,000.00</u>	<u>\$ 203.75</u>	<u>\$ 722.49</u>	<u>\$ 40,837.08</u>

TOWNSHIP OF MINE HILL
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 40,064.06
Increased by:		
Water Rents, Fees and Other Charges Levied		<u>516,811.98</u>
		556,876.04
Decreased by:		
Collections	\$ 507,874.35	
Overpayments Applied	<u>2,382.95</u>	
		<u>510,257.30</u>
Balance December 31, 2009	D	<u><u>\$ 46,618.74</u></u>

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

D-7

	<u>Ref.</u>	
Balance December 31, 2008	D	<u>\$ 2,209,435.27</u>
Balance December 31, 2009	D	<u><u>\$ 2,209,435.27</u></u>

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-8

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2008</u>	<u>Dec. 31, 2009</u>
Installation and Construction of Water Mains in Hurd Street, Section IV and on Indian Falls Road	07/01/99	\$158,000.00	\$ 158,000.00	\$ 158,000.00
Water System Infrastructure Improvements	10/03/02	165,000.00	165,000.00	165,000.00
Water Main Extension on Hurd Street	07/10/03	210,000.00	210,000.00	210,000.00
Water Main Replacement	12/16/04	50,000.00	<u>50,000.00</u>	<u>50,000.00</u>
			<u>\$ 583,000.00</u>	<u>\$ 583,000.00</u>
		<u>Ref.</u>	D	D

TOWNSHIP OF MINE HILL
WATER UTILITY OPERATING FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

D-9

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 26,419.29	\$ 26,419.29		\$ 26,419.29
Other Expenses	50,026.15	50,026.15	\$ 31,702.22	18,323.93
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	4,687.92	4,687.92		4,687.92
	<u>\$ 81,133.36</u>	<u>\$ 81,133.36</u>	<u>\$ 31,702.22</u>	<u>\$ 49,431.14</u>

Ref.

Balance December 31, 2008:

Appropriation Reserves:		
Unencumbered	D	\$ 58,923.36
Encumbered	D	22,210.00
		<u>\$ 81,133.36</u>

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

Improvement Description	Ordinance		Balance Dec. 31, 2008		Paid or Charged	Balance Dec. 31, 2009	
	Date	Amount	Funded	Unfunded		Funded	Unfunded
Installation and Construction of Water Mains in Hurd Street, Section IV and on Indian Falls Road	07/01/99	\$158,000.00	\$ 20.00			\$ 20.00	
Water System Infrastructure Improvements	10/03/02	165,000.00	30,938.88			30,938.88	
Water Main Extension on Hurd Street	07/10/03	210,000.00	1,226.60	\$ 200.00		1,226.60	\$ 200.00
Water Main Replacement	12/16/04	50,000.00		2,731.58			2,731.58
			<u>\$ 32,185.48</u>	<u>\$2,931.58</u>	<u>\$ -0-</u>	<u>\$ 32,185.48</u>	<u>\$ 2,931.58</u>
		<u>Ref.</u>	D	D		D	D

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-11

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 4,110.37
Increased by:		
2009 Budget Appropriation		<u>2,000.00</u>
Balance December 31, 2009	D	<u><u>\$ 6,110.37</u></u>

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

D-12

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 2,256,735.27
Increased by:		
Paid by Water Utility Operating Budget:		
Serial Bonds		<u>95,000.00</u>
Balance December 31, 2009	D	<u>\$ 2,351,735.27</u>

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

D-13

<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2008</u>	<u>Balance Dec. 31, 2009</u>
Installation and Construction of Water Mains in Hurd Street Section IV and on Indian Falls Road	07/01/99	\$ 3,750.00	\$ 3,750.00
Water System Infrastructure Improvements	10/03/02	93,250.00	93,250.00
Water Main Extension on Hurd Street	07/10/03	10,500.00	10,500.00
Water Main Replacement	12/16/04	<u>40,500.00</u>	<u>40,500.00</u>
		<u>\$ 148,000.00</u>	<u>\$ 148,000.00</u>
	<u>Ref.</u>	D	D

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2009

D-14

NOT APPLICABLE

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

D-15

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Int. Rate	Balance Dec. 31, 2008	Matured	Balance Dec. 31, 2009
			Outstanding					
			December 31, 2009					
			Date	Amount				
Water Utility Bonds	10/01/03	\$ 518,000.00	9/15/10	\$ 95,000.00	3.00%			
			9/15/11	95,000.00	3.25%			
			9/15/12	93,000.00	3.50%	\$ 378,000.00	\$ 95,000.00	\$ 283,000.00
						\$ 378,000.00	\$ 95,000.00	\$ 283,000.00
					Ref.	D		D

TOWNSHIP OF MINE HILL
WATER UTILITY CAPITAL FUND
SCHEDULE OF NJ WATER SUPPLY REHABILITATION LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

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

D-17

<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2008</u>	<u>Balance Dec. 31, 2009</u>
07/10/03	Water Main Extension on Hurd Street	\$ 200.00	\$ 200.00
12/16/04	Water Main Replacement	<u>9,500.00</u>	<u>9,500.00</u>
		<u>\$ 9,700.00</u>	<u>\$ 9,700.00</u>

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
SEWER UTILITY FUND

TOWNSHIP OF MINE HILL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER

E-4

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2008	E	\$225,641.42	\$43,475.98
Increased by Receipts:			
Sewer Utility Collector		\$263,154.92	
Interest on Investments		3,722.85	
NJ Environmental Infrastructure Trust -			
Savings Credits		29,059.59	
Budget Appropriation:			
Capital Improvement Fund			\$ 2,000.00
Due Current Fund:			
Interfund Advanced		35,981.00	
Due Sewer Utility Operating Fund:			
Interest Income		226.84	226.84
Interfund Returned		369.88	
		<u>332,515.08</u>	<u>2,226.84</u>
		558,156.50	45,702.82
Decreased by Disbursements:			
2009 Budget Appropriations		293,052.56	
2008 Appropriation Reserves		1,876.21	
Accrued Interest on:			
Bonds		43,819.00	
Bond Anticipation Notes		5,107.50	
NJ Environmental Infrastructure Loan		29,059.59	
Due Current Fund:			
Prior Year Interfund Returned		24,019.00	
Current Year Interfund Returned		35,981.00	
Due Water Utility Operating Fund:			
Prior Year Interfund Returned		6,615.76	
Due Sewer Utility Operating Fund:			
Interest Income			226.84
Interfund Returned			369.88
Due Payroll Agency Fund:			
Prior Year Interfund Returned		<u>1,480.00</u>	
		<u>441,010.62</u>	<u>596.72</u>
Balance December 31, 2009	E	<u>\$117,145.88</u>	<u>\$45,106.10</u>

TOWNSHIP OF MINE HILL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2009

E-4A

Increased by Receipts:

Consumer Accounts Receivable:

Sewer Rents	\$ 245,361.65
Connection Fees	11,211.00
Interest on Delinquent Rents	2,079.93
Miscellaneous Fees	<u>59.76</u>

Total Consumer Accounts Receivable		\$ 258,712.34
------------------------------------	--	---------------

Prepaid Sewer Rents

	<u>4,442.58</u>
	263,154.92

Decreased by Disbursements:

Paid to Treasurer

	<u><u>\$ 263,154.92</u></u>
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TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2008	<u>Receipts</u>		<u>Disbursements</u>	<u>Transfers</u>		Balance (Deficit) Dec. 31, 2009
		Budget Appropriation	Miscellaneous	Miscellaneous	From	To	
Capital Improvement Fund	\$ 10,017.50	\$ 2,000.00					\$ 12,017.50
Grants Receivable:							
Community Development	(3,527.50)						(3,527.50)
Due Sewer Utility Operating Fund	3,136.44		\$ 226.84	\$ 596.72		\$ 2,561.69	5,328.25
<u>Improvement Authorizations</u>							
Refunding Bond Ordinance	8,392.45						8,392.45
Installation of Sanitary Sewer System	6,047.27						6,047.27
Installation of Sanitary Sewer Lines	19,409.82				\$ 2,561.69		16,848.13
	<u>\$ 43,475.98</u>	<u>\$ 2,000.00</u>	<u>\$ 226.84</u>	<u>\$ 596.72</u>	<u>\$ 2,561.69</u>	<u>\$ 2,561.69</u>	<u>\$ 45,106.10</u>

TOWNSHIP OF MINE HILL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

E-6

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 28,588.85
Increased by:		
Sewer Rents, Fees and Other Charges Levied		<u>280,187.09</u>
		308,775.94
Decreased by:		
Collections	\$ 258,712.34	
Prepaid Sewer Rents Applied	<u>3,727.58</u>	
		<u>262,439.92</u>
Balance December 31, 2009	E	<u><u>\$ 46,336.02</u></u>

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

E-7

	<u>Ref.</u>	
Balance December 31, 2008	E	<u>\$ 2,089,805.00</u>
Balance December 31, 2009	E	<u><u>\$ 2,089,805.00</u></u>

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND

E-8

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance		Balance	Balance
	Date	Amount	Dec. 31, 2008	Dec. 31, 2009
Refunding Bond Ordinance	12/20/00	\$300,000.00	\$ 300,000.00	\$ 300,000.00
Installation of Sanitary Sewer System	07/19/01	150,000.00	150,000.00	150,000.00
Installation of Sanitary Sewer Lines	10/20/05	500,000.00	500,000.00	500,000.00
			<u>\$ 950,000.00</u>	<u>\$ 950,000.00</u>
		<u>Ref.</u>	E	E

TOWNSHIP OF MINE HILL
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

E-9

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 2,814.08	\$ 2,814.08		\$ 2,814.08
Other Expenses	1,378.40	1,378.40	\$ 1,350.00	28.40
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	668.40	668.40	526.21	142.19
	<u>\$ 4,860.88</u>	<u>\$ 4,860.88</u>	<u>\$ 1,876.21</u>	<u>\$ 2,984.67</u>

Ref.

Balance December 31, 2008:

Appropriation Reserves:		
Unencumbered	E	\$ 4,310.88
Encumbered	E	<u>550.00</u>
		<u>\$ 4,860.88</u>

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

E-10

Improvement Description	Ordinance		Balance Dec. 31, 2008		Paid or Charged	Balance Dec. 31, 2009	
	Date	Amount	Funded	Unfunded		Funded	Unfunded
Refunding Bond Ordinance	12/20/00	\$ 300,000.00	\$ 8,392.45			\$ 8,392.45	
Installation of Sanitary Sewer System	07/19/01	150,000.00	6,047.27			6,047.27	
Installation of Sanitary Sewer Lines	10/20/05	500,000.00		\$ 214,409.82	\$ 2,561.69		\$ 211,848.13
			<u>\$ 14,439.72</u>	<u>\$ 214,409.82</u>	<u>\$ 2,561.69</u>	<u>\$ 14,439.72</u>	<u>\$ 211,848.13</u>
		<u>Ref.</u>	E	E		E	E
Due to Sewer Utility Operating Fund					<u>\$ 2,561.69</u>		

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

E-11

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 10,017.50
Increased by:		
2009 Budget Appropriation		<u>2,000.00</u>
Balance December 31, 2009	E	<u>\$ 12,017.50</u>

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

E-12

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 651,726.39
Increased by:		
Paid by Sewer Utility Operating Budget:		
Serial Bonds		\$ 30,000.00
NJ Environmental Infrastructure Loans		<u>105,340.44</u>
		<u>135,340.44</u>
Balance December 31, 2009	E	<u>\$ 787,066.83</u>

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

E-13

<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2008</u>	<u>Balance Dec. 31, 2009</u>
Installation of Sanitary Sewer System	07/19/01	\$ 7,500.00	\$ 7,500.00
Installation of Sanitary Sewer Lines	10/20/05	<u>80,000.00</u>	<u>80,000.00</u>
		<u>\$ 87,500.00</u>	<u>\$ 87,500.00</u>
	<u>Ref.</u>	E	E

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Ord. Date	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2008	Issued	Matured	Balance Dec. 31, 2009
			Original Note	Issue	Maturity					
09-05	10/20/05	Installation of Sanitary Sewer Lines	05/15/08	05/14/09	05/14/10	2.03%		\$ 420,000.00		\$ 420,000.00
			05/15/08	05/15/08	05/14/09	2.27%	\$ 225,000.00		\$ 225,000.00	
							<u>\$ 225,000.00</u>	<u>\$ 420,000.00</u>	<u>\$ 225,000.00</u>	<u>\$ 420,000.00</u>
							E			E
		Issued for Cash - Due from General Capital Fund						\$ 195,000.00		
		Renewals						<u>225,000.00</u>	<u>\$ 225,000.00</u>	
								<u>\$ 420,000.00</u>	<u>\$ 225,000.00</u>	

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

E-15

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Int. Rate	Balance Dec. 31, 2008	Matured	Balance Dec. 31, 2009
			Date	Amount				
Sewer Utility Bonds	10/01/03	\$921,000.00	9/15/10	25,000.00	3.000%			
			9/15/11	25,000.00	3.250%			
			9/15/12	25,000.00	3.500%			
			9/15/13	25,000.00	3.650%			
			9/15/14	25,000.00	3.800%			
			9/15/15	25,000.00	3.900%			
			9/15/16-17	25,000.00	4.000%			
			9/15/18	35,000.00	4.125%			
			9/15/19	115,000.00	4.125%			
			9/15/20	115,000.00	4.200%			
			9/15/21	125,000.00	4.250%			
			9/15/22	125,000.00	4.300%			
			9/15/23	131,000.00	4.400%	\$ 861,000.00	\$ 15,000.00	\$ 846,000.00
Sewer Utility Refunding Bonds	10/01/03	300,000.00	9/15/10	15,000.00	3.000%			
			9/15/11	15,000.00	3.250%			
			9/15/12	15,000.00	3.500%			
			9/15/13	15,000.00	3.650%			
			9/15/14	15,000.00	3.800%			
			9/15/15	15,000.00	3.900%			
			9/15/16-17	15,000.00	4.000%			
			9/15/18-19	15,000.00	4.125%			
			9/15/20	15,000.00	4.200%			
			9/15/21	15,000.00	4.250%			
			9/15/22	15,000.00	4.300%			
			9/15/23	15,000.00	4.400%	225,000.00	15,000.00	210,000.00
						<u>\$ 1,086,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 1,056,000.00</u>
					<u>Ref.</u>	E		E

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE

E-16

1 of 2

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 794,578.61
Decreased by:		
Principal Matured		<u>105,340.44</u>
Balance December 31, 2009	E	<u>\$ 689,238.17</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2009
Trust Loan - 1997 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
24	02/01/10		\$ 13,625.00	\$ 545,000.00
25	08/01/10	\$ 55,000.00	13,625.00	490,000.00
26	02/01/11		12,250.00	490,000.00
27	08/01/11	60,000.00	12,250.00	430,000.00
28	02/01/12		10,750.00	430,000.00
29	08/01/12	65,000.00	10,750.00	365,000.00
30	02/01/13		9,125.00	365,000.00
31	08/01/13	65,000.00	9,125.00	300,000.00
32	02/01/14		7,500.00	300,000.00
33	08/01/14	70,000.00	7,500.00	230,000.00
34	02/01/15		5,750.00	230,000.00
35	08/01/15	75,000.00	5,750.00	155,000.00
36	02/01/16		3,875.00	155,000.00
37	08/01/16	75,000.00	3,875.00	80,000.00
38	02/01/17		2,000.00	80,000.00
39	08/01/17	80,000.00	2,000.00	
		<u>\$ 545,000.00</u>	<u>\$ 129,750.00</u>	

TOWNSHIP OF MINE HILL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE
 (Continued)

E-16

2 of 2

Schedule of Principal Payments Outstanding December 31, 2009
Fund Loan - 1997 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 144,238.17
19	02/01/10	\$ 8,069.28	136,168.89
20	08/01/10	40,642.50	95,526.39
21	02/01/11	7,254.94	88,271.45
22	08/01/11	42,789.37	45,482.08
23	02/01/12	6,366.58	39,115.50
24	08/01/12	39,115.50	
		<u>\$ 144,238.17</u>	

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

E-17

<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2008</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2009</u>
10/20/05	Installation of Sanitary Sewer Lines	<u>\$ 195,000.00</u>	<u>\$ 195,000.00</u>	<u>\$ -0-</u>
		<u><u>\$ 195,000.00</u></u>	<u><u>\$ 195,000.00</u></u>	<u><u>\$ -0-</u></u>

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
2009
SPECIAL GARBAGE DISTRICT FUND

TOWNSHIP OF MINE HILL
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF CASH - TREASURER

H-4

	<u>Ref.</u>		
Balance December 31, 2008	H		\$ 54,617.77
Increased by Receipts:			
2009 Tax Levy		\$ 385,192.10	
Due Current Fund		225,853.17	
Interest on Investments and Deposits		<u>176.22</u>	
			<u>611,221.49</u>
			665,839.26
Decreased by Disbursements:			
2009 Appropriations Expenditures		362,125.08	
2008 Appropriation Reserve Expenditures		4,500.00	
Due Current Fund		225,629.39	
Due Water Utility Operating Fund		<u>5,000.00</u>	
			<u>597,254.47</u>
Balance December 31, 2009	H		<u>\$ 68,584.79</u>

TOWNSHIP OF MINE HILL
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF DISTRICT TAXES RECEIVABLE
YEAR ENDED DECEMBER 31, 2009

H-5

Increased by:

2009 Tax Levy

\$ 385,192.10

Decreased by:

Received from Current Fund

\$ 385,192.10

TOWNSHIP OF MINE HILL
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

H-6

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Other Expenses	\$ 6,523.58	\$ 6,523.58	\$ 4,500.00	\$ 2,023.58
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>288.05</u>	<u>288.05</u>	<u></u>	<u>288.05</u>
	<u>\$ 6,811.63</u>	<u>\$ 6,811.63</u>	<u>\$ 4,500.00</u>	<u>\$ 2,311.63</u>

Ref.

Balance December 31, 2008:

Unencumbered	H	<u>\$ 6,811.63</u>
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TOWNSHIP OF MINE HILL

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2009

TOWNSHIP OF MINE HILL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2009

Federal Department	Federal Program	C.F.D.A. Account Number	State Program Account Number	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	MEMO
						From	To		Cumulative Total Expenditures
U.S. Department of Housing and Urban Development:									
Passed through Morris County Office of Community Development	Community Development Block Grant	14.218	N/A	\$ 80,000.00		01/01/09	12/31/09	\$ 17,952.50	\$ 17,952.50
Total U.S. Department of Housing and Urban Development					-0-			17,952.50	17,952.50
U.S. Department of Environmental Protection:									
Passed through NJ Department of Environmental Protection	Stormwater Management - Municipalities	66.454	100-042-4840- 091-057500	6,822.00		01/01/08	12/31/09	500.00	500.00
Total U.S. Department of Environmental Protection					-0-			500.00	500.00
U.S. Department of Transportation:									
Passed through NJ Department of Transportation	NJ Transportation Trust Fund Authority Act	20.205	480-078-6320- 156-601385	125,000.00 175,000.00 150,000.00		01/01/07 01/01/08 01/01/09	12/31/09 12/31/09 12/31/09	 94,466.03	125,000.00 175,000.00 94,466.03
Total U.S. Department of Transportation					-0-			94,466.03	394,466.03
TOTAL FEDERAL AWARDS					\$ -0-			\$ 112,918.53	\$ 412,918.53

N/A - Not Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF MINE HILL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Name of State Agency or Department	Program Account No.	Name of Program	Grant Award	Grant Amount Received	Grant Period		Expenditures	MEMO
					From	To		Cumulative Total Expenditures
Department of Environmental Protection	765-042-4900- 004-178910	Clean Communities Program	\$ 4,811.49 5,017.29 6,427.91		01/01/07	12/31/09	\$ 1,779.06	\$ 4,811.49
					01/01/08	12/31/09	2,553.63	2,553.63
					01/01/09	12/31/09		
Total Department of Environmental Protection				6,427.91			4,332.69	7,365.12
New Jersey Highlands Council	09-033-010-1420	Initial Assessment Grant	15,000.00	14,951.25	01/01/09	12/31/09	14,951.25	14,951.25
	09-033-011-1420	Plan Conformance Grant	50,000.00		01/01/09	12/31/09	25,353.75	25,353.75
Total New Jersey Highlands Council				14,951.25			40,305.00	40,305.00
TOTAL STATE AWARDS				\$ 21,379.16			\$ 44,637.69	\$ 47,670.12

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF MINE HILL
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2009

A. GENERAL

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

B. BASIS OF ACCOUNTING

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

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. STATE LOANS OUTSTANDING

The Township of Mine Hill has the following loan outstanding as of December 31, 2009:

Sewer Utility Capital Fund:

NJ Environmental Infrastructure Trust Loan

\$ 689,238

Currently, the Township is in the process of repaying the loan balance. There were no loan receipts or expenditures in the current year. The project which relates to the loan is complete.



Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856
Phone: 973-328-1825
Fax: 973-328-0507

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860
Phone: 973-383-6699
Fax: 973-383-6555

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

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

We have audited the financial statements of the Township of Mine Hill, in the County of Morris (the "Township") as of, and for the years ended, December 31, 2009 and 2008 and have issued our report thereon dated April 30, 2010, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. The general fixed assets account group was not included in the scope of our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2009-01 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and Members
of the Township Council
Township of Mine Hill
Page 2

Compliance

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

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Township's response and we express no opinion on it.

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

Nisivoccia & Company, LLP

Mount Arlington, New Jersey
April 30, 2010

NISIVOCCIA & COMPANY, LLP

Kathryn L. Mantell

Kathryn L. Mantell

Certified Public Accountant

Registered Municipal Accountant No. 447

TOWNSHIP OF MINE HILL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

Summary of Auditors' Results:

- A qualified report was issued on the Township's financial statements prepared on an other comprehensive basis of accounting as a result of the general fixed assets account group not being included in the scope of the audit.
- The audit did not disclose any material weaknesses in the internal controls of the Township.
- The audit did not disclose any noncompliance that is material to the financial statements of the Township.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* for 2009 as grant expenditures were less than the single audit thresholds of \$500,000, identified in the Circulars.

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2009-1

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments or offices of the Township are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; and recording of collections. Also, the Treasurer deposits and disburses funds and reconciles the bank accounts for all of the Township's funds or accounts. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

This finding was evaluated by the governing body and administration; however, the Township is unable to resolve the finding at this time due to the associated costs and current budgetary constraints.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not Applicable since state expenditures were below the single audit threshold.

TOWNSHIP OF MINE HILL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as current year Finding 2009-1.

TOWNSHIP OF MINE HILL

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

TOWNSHIP OF MINE HILL
COMMENTS AND RECOMMENDATIONS

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

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

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

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

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

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

Effective July 1, 2005 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$21,000 and with a qualified purchasing agent the bid threshold may be up to \$29,000.

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

TOWNSHIP OF MINE HILL
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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

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

Collection of Interest on Delinquent Taxes and Utility Rents

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

On January 8, 2009, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility rents:

BE IT RESOLVED by the Township Council of the Township of Mine Hill, Morris County, New Jersey, that the rate of interest to be paid upon delinquent taxes and utility rents for the year 2009 shall be fixed at the rate of 8% per annum to \$1,500 and any amount in excess of \$1,500 shall be fixed at the rate of 18% per annum. However, interest shall not be collected upon taxes and utility rents that are not delinquent over ten (10) days. After the tenth day of "grace period", interest reverts back to the due date. An additional penalty of 6% will be imposed on delinquencies in excess of \$10,000.

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

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Number of Liens</u>
2009	21
2008	18
2007	18

As it is essential to good management, it is recommended that all means provided by statute are utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Management's Response

The Township has initiated in-rem foreclosure procedures to begin to liquidate certain existing tax title liens.

TOWNSHIP OF MINE HILL
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2009.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance Dec. 31, 2008	Receipts	Disbursements	Balance Dec. 31, 2009
Municipal Treasurer:				
Fines and Costs	\$ 6,601.74	\$ 37,679.40	\$ 44,281.14	
Interest:				
Regular Account	10.98	54.24	65.22	\$ - 0 -
Bail Account	3.30	11.82	15.12	
P.O.A.A. Fines		14.00	14.00	
Public Defender	211.00	529.50	740.50	
State Treasurer	5,225.01	20,316.10	25,541.11	
County Treasurer	3,576.25	18,669.00	22,245.25	
Conditional Discharge Fee	5.00	225.00	230.00	
Restitution	200.00	120.00	320.00	
Cash Bail	5,859.00	10,765.00	16,624.00	
	<u>\$ 21,692.28</u>	<u>\$ 88,384.06</u>	<u>\$ 110,076.34</u>	<u>\$ - 0 -</u>

The Township turned its municipal court function over to the Town of Dover effective February 2009 through a joint court agreement. The Township will no longer be responsible for the identification, deposit and reconciliation of the court accounts. Those functions have been assumed by the Town of Dover. The activity listed above reflects the transactions which were posted to the Township of Mine Hill's municipal court accounts prior to their closing and the establishment of the joint court account assumed by the Town of Dover's municipal court. All court activity has been assumed by the Town of Dover Joint Municipal Court.

Outside Offices

During our review of the Building Inspector's office, we found that collections were not turned over to the Treasurer on a regular monthly basis.

It is recommended that the Building Inspector collections are turned over to the Treasurer on a regular monthly basis.

Management's Response

The Building Inspector collections will be turned over to the Treasurer on a regular monthly basis.

TOWNSHIP OF MINE HILL
COMMENTS AND RECOMMENDATIONS
(Continued)

Capital Improvements

Our audit revealed that the Township has several grants receivable from NJDOT and CDBG for various capital improvements in the General and Sewer Capital Funds which have not been collected and several unexpended improvement authorizations in the General, Water and Sewer Capital Funds which have not been expended.

It is recommended that grants receivable and unexpended improvement authorizations in the General, Water and Sewer Capital Funds are reviewed for collection, expenditure or cancellation.

As of December 31, 2009, \$110,311 remained in the attorney's escrow account which represents the balance to be paid to the seller of property to the Township upon remediation of one piece of property. State statute requires that all municipal funds are held by the Chief Financial Officer. Although the Township's sales contract required the amount be held in escrow, the balance in the attorney's escrow account must be released to the seller as soon as all conditions of the sale of property are met.

Management's Response

The Township will review grants receivable and unexpended improvement authorizations in the General, Water and Sewer Capital Funds for collection, expenditure or cancellation.

Finance Office

During the course of the year, the Treasurer and Chief Financial Officer made significant improvements to the conditions of the Township finance records. However, some of the general ledgers were not completely reconciled with the subsidiary ledgers and supporting records and required audit journal entries. It is recommended that a continued effort be made to ensure that the general ledgers are completely reconciled with the subsidiary ledgers and other supporting records.

Management's Response

The Treasurer and Chief Financial Officer will ensure the general ledgers are completely reconciled with the subsidiary ledgers and other supporting records.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2008 audit report. The prior year recommendations have been repeated in the current year's audit with the exception of the following recommendations as they have been corrected during the year:

1. The Municipal Court regular and bail accounts are reconciled and all reconciling items are investigated and resolved on a regular monthly basis.
2. All checking accounts are reconciled, payments are disbursed from the proper fund, interfund activity is properly posted and tax, water rents and sewer rents deposits are reconciled with the Collector's reports.

TOWNSHIP OF MINE HILL
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties is maintained with respect to the recording and treasury functions.
2. All means provided by statute are utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.
3. The Building Inspector collections are turned over to the Treasurer on a regular monthly basis.
4. Grants receivable and unexpended improvement authorizations in the General, Water and Sewer Capital Funds are reviewed for collection, expenditure or cancellation.
5. All general ledgers are completely reconciled with the subsidiary ledgers and other supporting records.

* * * * *