

Report of Audit

on the

Financial Statements

of the

Township of Harding

in the

County of Morris
New Jersey

for the

Year Ended
December 31, 2010

TOWNSHIP OF HARDING

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TOWNSHIP OF HARDING

PART I

INDEPENDENT AUDITOR'S REPORT ON
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FINANCIAL STATEMENTS - STATUTORY BASIS - ALL FUNDS

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2010 AND 2009



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Harding
County of Morris
New Vernon, New Jersey 07976

We have audited the accompanying financial statements - statutory basis of the various individual funds and the account group of the Township of Harding, County of Morris, New Jersey as of and for the years ended December 31, 2010 and 2009, and for the year ended December 31, 2010 as listed as financial statements - statutory basis in the foregoing table of contents. These financial statements - statutory basis are the responsibility of the management of the Township of Harding, County of Morris. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards and provisions 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Township of Harding, County of Morris, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates 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 U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In our opinion, because the Township of Harding prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various individual funds of the Township of Harding as of December 31, 2010 and 2009 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2010.

However, in our opinion, the financial statements - statutory basis present fairly, in all material respects, the financial position - statutory basis of the various individual funds and account groups of the Township of Harding, County of Morris, as of December 31, 2010 and 2009, and the results of its operations and changes in fund balance - statutory basis for the years then ended and the revenues, expenditures and changes in fund balance - statutory basis for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 1, 2011 on our consideration of the Township of Harding's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - statutory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audit 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.

This report is intended for the information of the Township of Harding, County of Morris, New Jersey, the Division of Local Government Services and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 1, 2011

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CURRENT FUND

TOWNSHIP OF HARDING

CURRENT FUND

BALANCE SHEETS - STATUTORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | BALANCE DECEMBER 31, 2010 | BALANCE DECEMBER 31, 2009 |
|--|-------------|---------------------------------|---------------------------------|
| Cash | A-4 | \$ 4,446,508.19 | \$ 4,273,952.16 |
| Change Fund | A-6 | 250.00 | 250.00 |
| Due State of New Jersey - Senior Citizens and Veterans | A-7 | 909.10 | 909.10 |
| | | <u>\$ 4,447,667.29</u> | <u>\$ 4,275,111.26</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-8 | \$ 40,989.28 | \$ 161,393.92 |
| Revenue Accounts Receivable | A-13 | 17,917.10 | 11,720.55 |
| Interfunds Receivable | A-12 | 102,907.99 | 703.79 |
| | A | <u>\$ 161,814.37</u> | <u>\$ 173,818.26</u> |
| | | <u>\$ 4,609,481.66</u> | <u>\$ 4,448,929.52</u> |
| Grant Fund: | | | |
| Cash | A-4 | \$ 23,734.53 | \$ 555,449.77 |
| Grants Receivable | A-27 | <u>328,690.12</u> | <u>337,515.08</u> |
| | | <u>\$ 352,424.65</u> | <u>\$ 892,964.85</u> |
| | | <u>\$ 4,961,906.31</u> | <u>\$ 5,341,894.37</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING

CURRENT FUND

BALANCE SHEETS - STATUTORY BASIS

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2010</u> | <u>BALANCE DECEMBER 31, 2009</u> |
|---|-------------|--|--|
| Appropriation Reserves | A-3:A-14 | \$ 623,770.37 | \$ 773,679.60 |
| Prepaid Taxes | A-16 | 277,131.85 | 293,320.73 |
| Accounts Payable | A-11 | 202,863.22 | 216,712.57 |
| Interfunds Payable | A-12 | 4,144.00 | 49,993.66 |
| County Taxes Payable | A-24 | 20,210.54 | 60,790.61 |
| Reserve For: | | | |
| Sale of Municipal Assets | A-23 | 8,482.00 | 8,482.00 |
| Tax Premiums | A-17 | 210.63 | 210.63 |
| Construction Code DCA - Due State of NJ | A-19 | 2,807.00 | |
| Tax Appeals | A-29 | 180,000.00 | |
| Garden State Trust | A-9 | 6,887.00 | 10,330.72 |
| Revaluation | A-20 | 1,370.00 | 1,370.00 |
| | | <u>\$ 1,327,876.61</u> | <u>\$ 1,414,890.52</u> |
| Reserve for Receivables and Other Assets | A | 161,814.37 | 173,818.26 |
| Fund Balance | A-1 | <u>3,119,790.68</u> | <u>2,860,220.74</u> |
| | | <u>\$ 4,609,481.66</u> | <u>\$ 4,448,929.52</u> |
| Grant Fund: | | | |
| Reserve for Grants - Unappropriated | A-22 | \$ 1,446.16 | \$ 10,313.95 |
| Reserve for Grants - Appropriated | A-21 | 211,954.63 | 193,740.48 |
| Due Current Fund | A-28 | 98,669.79 | |
| Reserve for Accounts Payable | A-10 | <u>40,354.07</u> | <u>688,910.42</u> |
| | | <u>\$ 352,424.65</u> | <u>\$ 892,964.85</u> |
| | | <u>\$ 4,961,906.31</u> | <u>\$ 5,341,894.37</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - STATUTORY BASIS

| | <u>REF.</u> | <u>YEAR ENDED DECEMBER 31, 2010</u> | <u>YEAR ENDED DECEMBER 31, 2009</u> |
|---|----------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | A-1:A-2 | \$ 1,870,000.00 | \$ 2,125,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 1,559,522.44 | 1,244,880.59 |
| Receipts From Delinquent Taxes | A-2 | 148,590.30 | 241,619.00 |
| Receipts From Current Taxes | A-2 | 21,140,465.00 | 21,425,869.49 |
| Non-Budget Revenue | A-2 | 403,291.51 | 334,567.32 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-14 | 853,478.67 | 565,394.14 |
| Cancel Reserves | A-12:A-21:A-28 | 2,410.01 | 24,142.53 |
| Accounts Payable Canceled | | | 78,563.50 |
| Interfunds Returned | | | 29,269.47 |
| <u>TOTAL REVENUE AND OTHER INCOME</u> | | <u>\$ 25,977,757.93</u> | <u>\$ 26,069,306.04</u> |
| <u>EXPENDITURES</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operations Within "CAPS" | A-3 | \$ 5,318,160.00 | \$ 5,679,960.00 |
| Deferred Charges and Statutory Expenditures - Municipal | A-3 | 708,764.00 | 746,558.00 |
| Other Operations Excluded From "CAPS" | A-3 | 318,975.33 | 253,578.12 |
| Municipal Debt Service | A-3 | 786,360.00 | 786,894.00 |
| Capital Improvements | A-3 | 450,000.00 | 450,000.00 |
| Deferred Charges | A-3 | 125,000.00 | 69,300.00 |
| Open Space Tax | A-26 | 788,404.00 | 808,404.18 |
| Added Open Space Tax | A-26 | 2,614.79 | 8,233.81 |
| County Tax | A-24 | 5,987,869.63 | 6,317,199.82 |
| County Share of Added Taxes | A-24 | 20,210.54 | 60,790.61 |
| Local District School Tax | A-25 | 9,057,676.50 | 8,949,968.00 |
| Cancel Receivables | A-12:A-27:A-28 | 1,949.00 | 9,266.73 |
| Reserve For Tax Appeals | A-29 | 180,000.00 | |
| Interfunds Advanced | | 102,204.20 | |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 23,848,187.99</u> | <u>\$ 24,140,153.27</u> |
| Excess in Revenue | | \$ 2,129,569.94 | \$ 1,929,152.77 |
| Fund Balance, January 1 | A | \$ 2,860,220.74 | \$ 3,056,067.97 |
| | | \$ 4,989,790.68 | \$ 4,985,220.74 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1:A-2 | 1,870,000.00 | 2,125,000.00 |
| Fund Balance, December 31 | A | <u>\$ 3,119,790.68</u> | <u>\$ 2,860,220.74</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

| REF. | ANTICIPATED | | REALIZED | EXCESS OR (DEFICIT) |
|--|-------------|-----------------|-----------------|---------------------------|
| | BUDGET | NJS 40A: 4-87 | | |
| Fund Balance Anticipated | A-1 | \$ 1,870,000.00 | \$ 1,870,000.00 | |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | A-13 | \$ 5,300.00 | \$ 5,876.00 | \$ 576.00 |
| Fees and Permits: | | | | |
| Construction Code Official | A-13 | 150,000.00 | 150,000.00 | |
| Other | A-2 | 22,000.00 | 31,825.00 | 9,825.00 |
| Municipal Court: | | | | |
| Fines and Costs | A-13 | 169,000.00 | 202,795.60 | 33,795.60 |
| Interest and Costs on Taxes | A-13 | 50,000.00 | 89,321.34 | 39,321.34 |
| Interest on Investments and Deposits | A-13 | 70,000.00 | 130,093.71 | 60,093.71 |
| Energy Receipts Tax | A-13 | 447,281.00 | 447,281.00 | |
| The Farm at Harding | A-13 | 100,000.00 | 100,000.00 | |
| COAH Development Trust Fund | A-13 | 120,000.00 | 120,000.00 | |
| Fee Increase - Planning Board | A-13 | 20,000.00 | 49,757.90 | 29,757.90 |
| Fee Increase - UCC Fees | A-13 | 65,000.00 | 157,593.00 | 92,593.00 |
| Fee Increase - Zoning | A-13 | 10,000.00 | 14,762.50 | 4,762.50 |
| Fee Increase - Health Department | A-13 | 4,000.00 | 6,396.84 | 2,396.84 |
| Garden State Trust Fund | A-9 | 10,330.72 | 10,330.72 | |
| Clean Communities Program | A-27 | 3,471.69 | 8,300.26 | 11,771.95 |
| Municipal Alliance | A-27 | 6,746.00 | 6,746.00 | |
| Click It or Ticket | A-27 | | 4,000.00 | 4,000.00 |
| Community Foundation of NJ | A-27 | 8,358.90 | 8,358.90 | |
| Recycling Tonnage Program | A-27 | 4,530.71 | 4,530.71 | |
| Body Armor Replacement Fund | A-27 | | 841.85 | 841.85 |
| Municipal Alliance Education Rehabilitation Program | A-27 | | 554.64 | 554.64 |
| Drunk Driving Enforcement Fund | A-27 | 2,284.78 | 2,284.78 | |
| Over the Limit Under Arrest | A-27 | | 4,400.00 | 4,400.00 |
| <u>Total Miscellaneous Revenues</u> | A-1 | \$ 1,268,303.80 | \$ 18,096.75 | \$ 1,559,522.44 |
| Receipts From Delinquent Taxes | A-1:A-2 | \$ 135,000.00 | \$ | \$ 148,590.30 |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes | A-2:A-8 | \$ 5,297,881.78 | \$ | \$ 6,165,712.54 |
| <u>BUDGET TOTALS</u> | | \$ 8,571,185.58 | \$ 18,096.75 | \$ 9,743,825.28 |
| Non-Budget Revenues | A-2 | \$ | \$ 403,291.51 | \$ 403,291.51 |
| | | \$ 8,571,185.58 | \$ 18,096.75 | \$ 10,147,116.79 |
| REF. | A-3 | | A-3 | |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

REF.

ANALYSIS OF REALIZED REVENUE

| | | |
|--|---------|------------------------|
| Allocation of Current Tax Collections: | | |
| Revenue From Collections | A-1:A:8 | \$ 21,140,465.00 |
| Allocated To: | | |
| County Taxes | A-8 | \$ 6,008,080.17 |
| Local District School Taxes | A-8 | 9,057,676.50 |
| Municipal Open Space | A-8 | <u>791,018.79</u> |
| Balance for Support of Municipal Budget Appropriations | | \$ 5,283,689.54 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>882,023.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | <u>\$ 6,165,712.54</u> |
| Other - Fees and Permits: | | |
| Clerk / Registrar | A-13 | \$ 1,400.00 |
| Planning | A-13 | 12,050.00 |
| Board of Adjustments | A-13 | <u>18,375.00</u> |
| | A-2 | <u>\$ 31,825.00</u> |
| Delinquent Taxes: | | |
| Delinquent Tax Collections | A-8 | \$ <u>148,590.30</u> |
| | A-2 | <u>\$ 148,590.30</u> |

ANALYSIS OF NON-BUDGET REVENUE

| | | |
|---|-------------|----------------------|
| Miscellaneous Revenue Not Anticipated: | | |
| DMV Inspections | | \$ 4,350.00 |
| Tax Collector | | 3,345.85 |
| Cable TV Franchise Fee | | 50,898.54 |
| Administrative Fee for Outside Police Overtime | | 15,649.50 |
| Senior Citizens and Veterans Administrative Fee | | 695.00 |
| Wildlife Refuge Revenue Sharing | | 188,461.00 |
| Employee Insurance Contributions | | 10,904.03 |
| Sale of Recyclables & Scrap | | 28,165.62 |
| Health Department Fees | | 47,599.85 |
| Construction Grading | | 18,200.00 |
| Prior Year Refunds | | 15,477.27 |
| Miscellaneous | | 11,913.85 |
| Auction | | <u>7,631.00</u> |
| <u>Total Non-Budget Revenue</u> | A-1:A-2:A-4 | <u>\$ 403,291.51</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|------------------------------------|----------------|------------------------------|--------------------|-------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| <u>OPERATIONS WITHIN "CAPS"</u> | | | | | |
| <u>GENERAL GOVERNMENT</u> | | | | | |
| Administrative and Executive | | | | | |
| Salaries and Wages | \$ 152,000.00 | \$ 152,000.00 | \$ 147,997.36 | \$ 4,002.64 | \$ |
| Other Expenses | 97,810.00 | 97,810.00 | 89,293.36 | 8,516.64 | |
| Human Resources: | | | | | |
| Other Expenses | 4,900.00 | 4,900.00 | 2,330.00 | 2,570.00 | |
| Township Committee: | | | | | |
| Salaries and Wages | 1,200.00 | 1,200.00 | 600.00 | 600.00 | |
| Other Expenses | 4,200.00 | 4,200.00 | 2,500.16 | 1,699.84 | |
| Municipal Clerk | | | | | |
| Salaries and Wages | 48,000.00 | 48,000.00 | 44,152.18 | 3,847.82 | |
| Other Expenses | 29,675.00 | 29,675.00 | 18,473.87 | 11,201.13 | |
| Election | | | | | |
| Other Expenses | 3,000.00 | 3,000.00 | 2,317.83 | 682.17 | |
| <u>DEPARTMENT OF FINANCE</u> | | | | | |
| Financial Administration: | | | | | |
| Salaries and Wages | 100,000.00 | 100,000.00 | 79,328.40 | 20,671.60 | |
| Other Expenses | 12,950.00 | 12,950.00 | 9,533.73 | 3,416.27 | |
| Audit | 31,000.00 | 31,000.00 | 29,100.00 | 1,900.00 | |
| Collection of Taxes | | | | | |
| Salaries and Wages | 29,000.00 | 29,000.00 | 26,234.89 | 2,765.11 | |
| Other Expenses | 2,830.00 | 2,830.00 | 345.50 | 2,484.50 | |
| Assessment of Taxes | | | | | |
| Salaries and Wages | 59,000.00 | 59,000.00 | 55,498.61 | 3,501.39 | |
| Other Expenses | 2,650.00 | 2,650.00 | 1,345.30 | 1,304.70 | |
| Revaluation of Real Property | | | | | |
| Other Expenses | 30,000.00 | 70,000.00 | 64,651.81 | 5,348.19 | |
| Tax Map Revision: | | | | | |
| Other Expenses | 6,500.00 | 6,500.00 | 2,000.00 | 4,500.00 | |
| <u>LEGAL SERVICES AND COSTS</u> | | | | | |
| Legal Services and Costs: | | | | | |
| Other Expenses | 65,000.00 | 115,000.00 | 108,960.00 | 6,040.00 | |
| Municipal Prosecutor: | | | | | |
| Salaries and Wages | 33,000.00 | 33,000.00 | 30,950.80 | 2,049.20 | |
| Engineering Services and Costs: | | | | | |
| Other Expenses | 40,000.00 | 70,000.00 | 70,000.00 | | |
| Planning Board: | | | | | |
| Salaries and Wages | 27,000.00 | 27,000.00 | 25,990.93 | 1,009.07 | |
| Other Expenses | 32,500.00 | 32,500.00 | 28,197.00 | 4,303.00 | |
| Board of Adjustment: | | | | | |
| Salaries and Wages | 58,000.00 | 58,000.00 | 55,489.68 | 2,510.32 | |
| Other Expenses | 20,975.00 | 20,975.00 | 9,831.40 | 11,143.60 | |
| <u>DEPARTMENT OF PUBLIC SAFETY</u> | | | | | |
| Police: | | | | | |
| Salaries and Wages | 1,290,000.00 | 1,290,000.00 | 1,243,807.83 | 46,192.17 | |
| Other Expenses | 60,250.00 | 60,250.00 | 32,487.79 | 27,762.21 | |
| Purchased Police Vehicles | 26,000.00 | 26,000.00 | 25,861.66 | 138.34 | |
| Emergency Management: | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | 795.00 | 205.00 | |
| Fire: | | | | | |
| Fire Hydrant Service | 2,250.00 | 2,250.00 | | 2,250.00 | |
| Aid to Vol. Companies | 5,500.00 | 5,500.00 | 5,000.00 | 500.00 | |
| Municipal Court: | | | | | |
| Salaries & Wages | 131,000.00 | 131,000.00 | 113,250.76 | 17,749.24 | |
| Other Expenses | 13,470.00 | 13,470.00 | 4,026.64 | 9,443.36 | |
| Public Defender | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 10,000.00 | | |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>UNEXPENDED</u> |
|--|------------------------|------------------------|------------------------|----------------------|-------------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER</u> | <u>PAID OR</u> | <u>RESERVED</u> | <u>BALANCE</u> |
| | | <u>MODIFICATION</u> | <u>CHARGED</u> | | <u>CANCELED</u> |
| <u>DEPARTMENT OF PUBLIC WORKS</u> | | | | | |
| Road Repairs and Maintenance: | | | | | |
| Salaries and Wages | \$ 340,000.00 | \$ 342,000.00 | \$ 339,658.10 | \$ 2,341.90 | \$ |
| Other Expenses | 57,750.00 | 57,750.00 | 31,924.11 | 25,825.89 | |
| Solid Waste Collection: | | | | | |
| Salaries and Wages | 2,000.00 | 2,000.00 | | 2,000.00 | |
| Other Expenses | 78,000.00 | 78,000.00 | 71,834.07 | 6,165.93 | |
| Recycling Program: | | | | | |
| Salaries and Wages | 6,000.00 | 6,000.00 | 3,291.38 | 2,708.62 | |
| Other Expenses | 21,450.00 | 21,450.00 | 4,957.75 | 16,492.25 | |
| Public Buildings & Grounds: | | | | | |
| Other Expenses | 77,550.00 | 77,550.00 | 42,380.84 | 35,169.16 | |
| Vehicle Maintenance: | | | | | |
| Other Expenses | 44,900.00 | 44,900.00 | 41,891.00 | 3,009.00 | |
| Snow Removal: | | | | | |
| Salaries and Wages | 25,000.00 | 25,000.00 | 11,070.46 | 13,929.54 | |
| Other Expenses | 44,250.00 | 44,250.00 | 42,117.81 | 2,132.19 | |
| <u>HEALTH AND HUMAN SERVICES</u> | | | | | |
| Board of Health: | | | | | |
| Salaries and Wages | 205,000.00 | 207,000.00 | 206,366.25 | 633.75 | |
| Other Expenses | 18,320.00 | 18,320.00 | 12,174.11 | 6,145.89 | |
| Dog Regulation: | | | | | |
| Other Expenses | 3,500.00 | 3,500.00 | 3,165.90 | 334.10 | |
| Environmental Commission: | | | | | |
| Salaries and Wages | 2,000.00 | 2,000.00 | 450.00 | 1,550.00 | |
| Other Expenses | 4,150.00 | 4,150.00 | 1,720.00 | 2,430.00 | |
| Historic Preservation Commission: | | | | | |
| Salaries and Wages | 2,000.00 | 2,000.00 | 450.00 | 1,550.00 | |
| Other Expenses | 1,000.00 | 1,000.00 | 900.00 | 100.00 | |
| Open Space Commission: | | | | | |
| Salaries and Wages | 2,000.00 | 2,000.00 | | 2,000.00 | |
| Other Expenses | 250.00 | 250.00 | | 250.00 | |
| Wildlife Management Committee: | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | 346.85 | 1,653.15 | |
| Public Assistance: | | | | | |
| Other Expenses | 750.00 | 750.00 | 375.00 | 375.00 | |
| <u>PARKS AND RECREATION</u> | | | | | |
| Department of Recreation: | | | | | |
| Other Expenses - Youth Program | 750.00 | 750.00 | 95.00 | 655.00 | |
| Other Expenses - Senior Citizens Program | 3,000.00 | 3,000.00 | 3,000.00 | | |
| Aid to Museums: | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | 1,000.00 | | |
| Aid to Library: | | | | | |
| Other Expenses | 40,000.00 | 40,000.00 | 40,000.00 | | |
| <u>UNIFORM CONSTRUCTION CODE</u> | | | | | |
| Construction Code Official: | | | | | |
| Salaries & Wages | 211,000.00 | 211,000.00 | 198,751.76 | 12,248.24 | |
| Other Expenses | 8,110.00 | 8,110.00 | 3,851.02 | 4,258.98 | |
| <u>UNCLASSIFIED</u> | | | | | |
| Municipal Services Act - Condo Reimbursement | 33,000.00 | 33,000.00 | 20,149.05 | 12,850.95 | |
| Other Insurance Premiums | | | | | |
| Accumulated Absences | 5,000.00 | 5,000.00 | 5,000.00 | | |
| Insurance: | | | | | |
| Other Insurance Premiums | 180,000.00 | 140,000.00 | 122,796.76 | 17,203.24 | |
| Workers Compensation | 1,000.00 | 1,000.00 | | 1,000.00 | |
| Group Insurance Plan for Employees | 1,222,000.00 | 1,138,000.00 | 1,044,815.40 | 93,184.60 | |
| Unemployment Insurance Reserve | 20,000.00 | 20,000.00 | | | |
| Motor Fuels | 75,000.00 | 75,000.00 | 59,000.00 | 16,000.00 | |
| Electricity | 65,550.00 | 65,550.00 | 50,178.57 | 15,371.43 | |
| Telephone | 41,340.00 | 41,340.00 | 39,509.83 | 1,830.17 | |
| Water & Sewage | 1,000.00 | 1,000.00 | 173.25 | 826.75 | |
| Natural Gas | 26,400.00 | 26,400.00 | 17,332.05 | 9,067.95 | |
| Street Lighting | 12,980.00 | 12,980.00 | 8,961.60 | 4,018.40 | |
| <u>TOTAL OPERATIONS WITHIN "CAPS"</u> | <u>\$ 5,315,660.00</u> | <u>\$ 5,315,660.00</u> | <u>\$ 4,790,040.41</u> | <u>\$ 525,619.59</u> | <u>\$</u> |
| Contingent | \$ 2,500.00 | \$ 2,500.00 | | \$ 2,500.00 | \$ |

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>UNEXPENDED BALANCE CANCELED</u> |
|--|-----------------------|--------------------------------------|----------------------------|-----------------|--|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> | |
| <u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN CAPS</u> | \$ 5,318,160.00 | \$ 5,318,160.00 | \$ 4,790,040.41 | \$ 528,119.59 | \$ |
| Detail: | | | | | |
| Salaries and Wages | 2,722,200.00 | 2,726,200.00 | 2,587,439.39 | 138,760.61 | |
| Other Expenses | \$ 2,595,960.00 | \$ 2,591,960.00 | \$ 2,202,601.02 | \$ 389,358.98 | \$ |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u> | | | | | |
| Statutory Expenditures: | | | | | |
| Contribution to Public Employee's Retirement System | 132,280.00 | 132,280.00 | 132,280.00 | | |
| Contribution to Police & Firemen's Retirement System | 336,384.00 | 336,384.00 | 336,384.00 | | |
| Judgments | 100.00 | 100.00 | | 100.00 | |
| Social Security System (O.A.S.I.) | \$ 240,000.00 | \$ 240,000.00 | \$ 198,832.90 | \$ 41,167.10 | \$ |
| <u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u> | \$ 708,764.00 | \$ 708,764.00 | \$ 667,496.90 | \$ 41,267.10 | \$ |
| <u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u> | \$ 6,026,924.00 | \$ 6,026,924.00 | \$ 5,457,537.31 | \$ 569,386.69 | \$ |
| <u>OPERATIONS EXCLUDED FROM "CAPS"</u> | | | | | |
| Fair Share Housing Act: | | | | | |
| Other Expenses | \$ 35,000.00 | \$ 35,000.00 | \$ 7,500.00 | \$ 27,500.00 | \$ |
| Group Insurance Plan For Employees | 78,000.00 | 78,000.00 | 78,000.00 | | |
| <u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u> | | | | | |
| Police Dispatch - Interlocal | 76,567.00 | 76,567.00 | 76,565.77 | 1.23 | |
| Hanover Township Board of Health | 57,000.00 | 57,000.00 | 56,350.55 | 649.45 | |
| Ten Towns Great Swamp | 9,800.00 | 9,800.00 | | 9,800.00 | |
| Morris Township Partnership - Board of Health | 2,000.00 | 2,000.00 | 1,000.00 | 1,000.00 | |
| <u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u> | | | | | |
| Community Foundation Grant | 8,358.90 | 8,358.90 | 8,358.90 | | |
| Municipal Alliance | | | | | |
| Grant | 1,686.50 | 1,686.50 | 1,686.50 | | |
| Match | 6,746.00 | 6,746.00 | 6,746.00 | | |
| Body Armor Grant (N.J.S.A. 40A 4-87 \$841.85) | | 841.85 | 841.85 | | |
| Recycling Tonnage | 4,530.71 | 4,530.71 | 4,530.71 | | |
| Clean Communities Program (N.J.S.A. 40A 4-87 \$8,300.26) | 3,471.69 | 11,771.95 | 11,771.95 | | |
| Drunk Driving Enforcement Fund | 2,284.78 | 2,284.78 | 2,284.78 | | |
| Over the Limit Under Arrest (N.J.S.A. 40A 4-87 \$4,400.00) | | 4,400.00 | 4,400.00 | | |
| Matching Funds for Grants | 15,433.00 | 15,433.00 | | 15,433.00 | |
| Click It Or Ticket (N.J.S.A. 40A 4-87 \$4,000.00) | | 4,000.00 | 4,000.00 | | |
| Alcohol Education Rehab Grant (N.J.S.A. 40A 4-87 \$554.64) | | 554.64 | 554.64 | | |
| <u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u> | \$ 300,878.58 | \$ 318,975.33 | \$ 264,591.65 | \$ 54,383.68 | \$ |
| <u>DETAIL OPERATIONS-EXCLUDED FROM "CAPS"</u> | | | | | |
| Other Expenses | \$ 300,878.58 | \$ 318,975.33 | \$ 264,591.65 | \$ 54,383.68 | \$ |
| <u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u> | | | | | |
| Capital Improvement Fund | \$ 450,000.00 | \$ 450,000.00 | \$ 450,000.00 | \$ | \$ |
| <u>TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"</u> | \$ 450,000.00 | \$ 450,000.00 | \$ 450,000.00 | \$ | \$ |
| <u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u> | | | | | |
| Payment of Bond Principal | \$ 501,520.00 | \$ 501,520.00 | \$ 501,520.00 | \$ | \$ |
| Interest on Bonds | 284,840.00 | 284,840.00 | 284,840.00 | | |
| <u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u> | \$ 786,360.00 | \$ 786,360.00 | \$ 786,360.00 | \$ | \$ |

TOWNSHIP OF HARDING

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>UNEXPENDED BALANCE CANCELED</u> |
|---|-----------------------|--------------------------------------|----------------------------|-----------------|--|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> | |
| DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS" | | | | | |
| Deferred Charges to Future Taxation: | | | | | |
| Ordinance 2006-20 | \$ 62,500.00 | \$ 62,500.00 | \$ 62,500.00 | \$ | \$ |
| Ordinance 2007-08 | 62,500.00 | 62,500.00 | 62,500.00 | | |
| TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS" | \$ 125,000.00 | \$ 125,000.00 | \$ 125,000.00 | \$ | \$ |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | \$ 1,662,238.58 | \$ 1,680,335.33 | \$ 1,625,951.65 | \$ 54,383.68 | \$ |
| SUB-TOTAL GENERAL APPROPRIATIONS | \$ 7,689,162.58 | \$ 7,707,259.33 | \$ 7,083,488.96 | \$ 623,770.37 | \$ |
| RESERVE FOR UNCOLLECTED TAXES | 882,023.00 | 882,023.00 | 882,023.00 | | |
| TOTAL GENERAL APPROPRIATIONS | \$ 8,571,185.58 | \$ 8,589,282.33 | \$ 7,965,511.96 | \$ 623,770.37 | \$ |
| REF. | A-2 A-3 | | A-1 | A A-1 | |
| Budget | A-3 | \$ 8,571,185.58 | | | |
| Amendment - NJSA 40A: 4-87 | A-2 | 18,096.75 | | | |
| | | \$ 8,589,282.33 | | | |
| Reserve for Uncollected Taxes | A-2 | | \$ 882,023.00 | | |
| Accounts Payable | A-11 | | 173,951.94 | | |
| Reserve for Grants Appropriated | A-21 | | 43,488.83 | | |
| Disbursements | A-4 | | 6,866,048.19 | | |
| | | | \$ 7,965,511.96 | | |

The accompanying Notes to Financial Statements are an integral part of this statement.

TRUST FUND

"B"

TOWNSHIP OF HARDING

TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2010</u> | <u>BALANCE DECEMBER 31, 2009</u> |
|---|-------------|--|--|
| Animal Control Fund: | | | |
| Cash | B-1 | \$ 7,440.10 | \$ 7,168.10 |
| | B | \$ 7,440.10 | \$ 7,168.10 |
| Other Funds: | | | |
| Cash | B-1 | \$ 5,725,417.31 | \$ 4,519,039.64 |
| Green Acres Receivable | B-2 | 462,500.00 | 462,500.00 |
| | B | \$ 6,187,917.31 | \$ 4,981,539.64 |
| | | \$ 6,195,357.41 | \$ 4,988,707.74 |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Animal Control Fund: | | | |
| Due State of New Jersey | B-5 | \$ | \$ 3.20 |
| Reserve for Animal Control Expenditures | B-4 | 6,390.30 | 7,164.90 |
| Accounts Payable | B-16 | 1,049.80 | |
| | B | \$ 7,440.10 | \$ 7,168.10 |
| Other Funds: | | | |
| Due Current Fund | B-10 | \$ 91.67 | \$ 703.79 |
| Reserves For: | | | |
| Affordable Housing Contributions | B-12 | 179,600.06 | 154,596.91 |
| The Farm at Harding | B-13 | 289,636.23 | 199,373.96 |
| Payroll Trust | B-14 | 75.47 | |
| Flexible Spending | B-15 | 1,400.24 | 1,186.00 |
| Tree Preservation Escrow | B-6 | 114,944.11 | 110,821.31 |
| Various Deposits | B-3 | 184,875.32 | 178,169.82 |
| Developers' Deposits | B-7 | 2,372,489.35 | 1,603,322.32 |
| Unemployment Insurance Compensation | B-8 | 30,246.13 | 36,774.28 |
| Open Space Deposits | B-9 | 3,006,081.10 | 2,687,244.97 |
| Law Enforcement Trust Fund | B-11 | 8,477.63 | 9,346.28 |
| | B | \$ 6,187,917.31 | \$ 4,981,539.64 |
| | | \$ 6,195,357.41 | \$ 4,988,707.74 |

The accompanying Notes to Financial Statements are an integral part of this statement.

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2009</u> |
|---|-------------|--|--|
| <u>A S S E T S</u> | | | |
| Cash | C-2:C-3 | \$ 2,355,238.60 | \$ 3,598,307.79 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-5 | 10,254,449.87 | 10,990,939.24 |
| Unfunded | C-7 | 1,346,812.00 | 2,954,812.00 |
| Accounts Receivable | C-6 | 256,743.83 | 256,743.83 |
| Due Current Fund | C-18 | | 49,993.66 |
| | | <u>\$ 14,213,244.30</u> | <u>\$ 17,850,796.52</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Serial Bonds Payable | C-11 | \$ 10,083,000.00 | \$ 10,708,000.00 |
| Loans Payable | C-12 | 171,449.87 | 282,939.24 |
| Bond Anticipation Note Payable | C-17 | 550,000.00 | 2,033,000.00 |
| Due Current Fund | C-18 | 2.53 | |
| Capital Improvement Fund | C-8 | 228,738.82 | 148,238.82 |
| Improvement Authorizations: | | | |
| Funded | C-9 | 2,053,486.59 | 1,694,041.95 |
| Unfunded | C-7:C-9 | 536,251.00 | 669,235.60 |
| Reserve for: | | | |
| Open Space | C-15 | 154,500.00 | 154,500.00 |
| Preliminary Costs | C-10 | 16,969.14 | 17,011.64 |
| Contracts Payable | C-14 | 122,567.05 | 407,549.97 |
| To Pay Notes | C-16 | 25,950.00 | 1,465,950.00 |
| Grants Receivable | C-4 | 223,000.00 | 223,000.00 |
| Fund Balance | C-1 | <u>47,329.30</u> | <u>47,329.30</u> |
| | | <u>\$ 14,213,244.30</u> | <u>\$ 17,850,796.52</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - STATUTORY BASIS

REF.

Balance, December 31, 2009
and December 31, 2010

C

\$ 47,329.30

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SEWER UTILITY FUND

"D"

TOWNSHIP OF HARDING

SEWER UTILITY FUND

BALANCE SHEETS - STATUTORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2010</u> | <u>BALANCE DECEMBER 31, 2009</u> |
|---|-------------|--|--|
| Operating Fund: | | | |
| Cash | D-4 | \$ 249,467.80 | \$ 252,969.78 |
| Receivables with Full Reserves: | | | |
| Sewer Use Charges Receivable | D:D-9 | \$ 1,811.80 | \$ 3,529.74 |
| <u>Total Operating Fund</u> | D | \$ 251,279.60 | \$ 256,499.52 |
| Capital Fund: | | | |
| Cash | D-4:D-5 | \$ 94,212.87 | \$ 101,888.27 |
| Fixed Capital | D-7 | 78,565.74 | 78,565.74 |
| Fixed Capital Authorized and Uncompleted | D-10 | 57,000.00 | 57,000.00 |
| <u>Total Capital Fund</u> | D | \$ 229,778.61 | \$ 237,454.01 |
| | | \$ 481,058.21 | \$ 493,953.53 |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Operating Fund: | | | |
| Liabilities: | | | |
| Reserve for Prepaid Sewer Rents | D-11 | \$ 2,589.78 | \$ 3,783.09 |
| Reserve for Accounts Payable | D-17 | 3,341.84 | |
| Appropriation Reserves | D-3:D-8 | 17,934.94 | 14,530.25 |
| | | \$ 23,866.56 | \$ 18,313.34 |
| Reserve for Receivables | D:D-9 | 1,811.80 | 3,529.74 |
| Fund Balance | D-1 | 225,601.24 | 234,656.44 |
| <u>Total Operating Fund</u> | D | \$ 251,279.60 | \$ 256,499.52 |
| Capital Fund: | | | |
| Improvement Authorizations-Funded | D-15 | \$ 13,655.37 | \$ 28,888.27 |
| Reserve for Contracts Payable | D-16 | 7,557.50 | |
| Reserve for Contribution in Aid of Construction | D-6 | 3,000.00 | 3,000.00 |
| Reserve for Amortization | D-14 | 78,565.74 | 78,565.74 |
| Capital Improvement Fund | D-12 | 70,000.00 | 70,000.00 |
| Deferred Reserve for Amortization | D-13 | 57,000.00 | 57,000.00 |
| <u>Total Capital Fund</u> | D | \$ 229,778.61 | \$ 237,454.01 |
| | | \$ 481,058.21 | \$ 493,953.53 |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - STATUTORY BASIS

| | <u>REF.</u> | YEAR ENDED DECEMBER 31, <u>2010</u> | YEAR ENDED DECEMBER 31, <u>2009</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | D-1:D-2 | \$ 50,000.00 | \$ 54,900.00 |
| Sewer Use Charges | D-2 | 178,945.39 | 184,855.38 |
| Miscellaneous Revenue Not Anticipated | D-2 | 2,469.16 | 2,287.88 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | D-8 | <u>14,530.25</u> | <u>360.39</u> |
| <u>Total Income</u> | | <u>\$ 245,944.80</u> | <u>\$ 242,403.65</u> |
| <u>EXPENDITURES</u> | | | |
| Operating | D-3 | \$ 188,000.00 | \$ 177,900.00 |
| Capital Outlay | D-3 | 15,000.00 | 20,000.00 |
| Statutory Expenditures | D-3 | <u>2,000.00</u> | <u>1,000.00</u> |
| <u>Total Expenditures</u> | | <u>\$ 205,000.00</u> | <u>\$ 198,900.00</u> |
| Statutory Excess to Surplus | | \$ 40,944.80 | \$ 43,503.65 |
| Fund Balance, January 1 | D | <u>234,656.44</u> | <u>246,052.79</u> |
| | | \$ 275,601.24 | \$ 289,556.44 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | D-1:D-2 | <u>50,000.00</u> | <u>54,900.00</u> |
| Fund Balance, December 31 | D | <u>\$ 225,601.24</u> | <u>\$ 234,656.44</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING

SEWER UTILITY FUND

STATEMENT OF REVENUES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

| | <u>REF.</u> | <u>ANTICIPATED</u> | <u>REALIZED</u> | <u>EXCESS OR (DEFICIT)</u> |
|-----------------------|-------------|----------------------|----------------------|------------------------------------|
| Fund Balance Utilized | D-1 | \$ 50,000.00 | \$ 40,944.80 | \$ |
| Sewer Use Charges | D-1 | <u>155,000.00</u> | <u>178,945.39</u> | <u>23,945.39</u> |
| <u>Budget Totals</u> | | \$ 205,000.00 | \$ 219,890.19 | \$ 23,945.39 |
| Non-Budget Revenue | D-1:D-4 | <u></u> | <u>2,469.16</u> | <u>2,469.16</u> |
| <u>Budget Totals</u> | D-3 | \$ <u>205,000.00</u> | \$ <u>222,359.35</u> | \$ <u>26,414.55</u> |

ANALYSIS OF REALIZED REVENUE:

Non-Budget Revenue:

| | | |
|---------------------------|--|--------------------|
| Interest on Deposits | | \$ 1,878.29 |
| Interest on Sewer Charges | | <u>590.87</u> |
| D-1:D-4 | | \$ <u>2,469.16</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARDING
SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | |
|--|-----------------------------|--------------------------------------|-----------------------------|----------------------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> |
| Operating: | | | | |
| Salaries and Wages | \$ 25,000.00 | \$ 10,000.00 | \$ | \$ 10,000.00 |
| Other Expenses | <u>163,000.00</u> | <u>178,000.00</u> | <u>172,065.06</u> | <u>5,934.94</u> |
| <u>Total Operating</u> | <u>\$ 188,000.00</u> | <u>\$ 188,000.00</u> | <u>\$ 172,065.06</u> | <u>\$ 15,934.94</u> |
| Capital Improvements: | | | | |
| Capital Outlay | <u>\$ 15,000.00</u> | <u>\$ 15,000.00</u> | <u>\$ 15,000.00</u> | <u>\$</u> |
| <u>STATUTORY EXPENDITURES:</u> | | | | |
| Contribution to Social Security System | <u>\$ 2,000.00</u> | <u>\$ 2,000.00</u> | <u>\$</u> | <u>\$ 2,000.00</u> |
| | <u><u>\$ 205,000.00</u></u> | <u><u>\$ 205,000.00</u></u> | <u><u>\$ 187,065.06</u></u> | <u><u>\$ 17,934.94</u></u> |
| | <u>REF.</u> | <u>D-2</u> | <u>D-1</u> | <u>D</u> |
| Disbursements | D-4 | | \$ 183,723.22 | |
| Accounts Payable | D-17 | | <u>3,341.84</u> | |
| | | | <u><u>\$ 187,065.06</u></u> | |

The accompanying Notes to Financial Statements are an integral part of this statement.

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PUBLIC ASSISTANCE TRUST FUND

TOWNSHIP OF HARDING

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | BALANCE DECEMBER <u>31, 2010</u> | BALANCE DECEMBER <u>31, 2009</u> |
|---------------------------------|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash-Treasurer: | | | |
| Public Assistance Trust Fund I | | \$ 4,783.39 | \$ 4,783.39 |
| Public Assistance Trust Fund II | | <u>2,557.95</u> | <u>2,557.95</u> |
| | | <u>\$ 7,341.34</u> | <u>\$ 7,341.34</u> |
| <u>LIABILITIES AND RESERVES</u> | | | |
| Reserve for Public Assistance: | | | |
| Public Assistance Trust Fund I | | \$ 4,783.39 | \$ 4,783.39 |
| Public Assistance Trust Fund II | | <u>2,557.95</u> | <u>2,557.95</u> |
| | | <u>\$ 7,341.34</u> | <u>\$ 7,341.34</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

TOWNSHIP OF HARDING

STATEMENT OF GENERAL FIXED ASSETS

BALANCE SHEETS - STATUTORY BASIS

| | BALANCE DECEMBER <u>31, 2010</u> | BALANCE DECEMBER <u>31, 2009</u> |
|-------------------------------------|--|--|
| Fixed Assets: | | |
| Land & Land Improvements | \$ 11,912,430.00 | \$ 11,912,430.00 |
| Buildings | 2,227,395.98 | 2,227,395.98 |
| Machinery and Equipment | <u>1,386,479.99</u> | <u>1,375,479.99</u> |
| <u>Total Fixed Assets</u> | \$ <u>15,526,305.97</u> | \$ <u>15,515,305.97</u> |
| Reserve: | | |
| Investments in General Fixed Assets | \$ <u>15,526,305.97</u> | \$ <u>15,515,305.97</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HARDING

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010 AND 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Harding is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Harding include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Harding, as required by N.J.S.A.40A:5-5. Accordingly, the financial statements of the Township of Harding do not include the operations of the regional and local boards of education, inasmuch as their activities are administered by separate boards.

B. Description of Funds

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

The accounting policies of the Township of Harding conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Harding are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Township accounts for its financial transactions through the following individual funds and account groups:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

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

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows: A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and State grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amount that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

amounts which may be canceled 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. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

General Fixed Assets – N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm and updated by the Township. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Township's most recent property revaluation.

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

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Fixed Capital – Sewer Utility

Accounting for utility fund "fixed capital" is done in compliance with N.J.A.C. 5:30-5.6. Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized.

The balance in the Reserve for Amortization account in the utility capital fund represents changes to operations for the cost of acquisitions of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, and cash in banks as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Harding had the following cash and cash equivalents at December 31, 2010:

| <u>Fund</u> | <u>Cash In Bank</u> | <u>Change Fund</u> | <u>Total</u> |
|------------------------------|-------------------------|--------------------|-------------------------|
| Current Fund | \$ 4,446,508.19 | \$ 250.00 | \$ 4,446,758.19 |
| Grant Fund | 23,734.53 | | 23,734.53 |
| Animal Control Trust Fund | 7,440.10 | | 7,440.10 |
| Trust Other Fund | 5,725,417.31 | | 5,725,417.31 |
| General Capital Fund | 2,355,238.60 | | 2,355,238.60 |
| Sewer Utility Operating Fund | 249,467.80 | | 249,467.80 |
| Sewer Utility Capital Fund | 94,212.87 | | 94,212.87 |
| Public Assistance Trust Fund | 7,341.34 | | 7,341.34 |
| <u>Total</u> | <u>\$ 12,909,360.74</u> | <u>\$ 250.00</u> | <u>\$ 12,909,610.74</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2010, based upon the coverage provided by FDIC and NJGUDPA, \$36,205.75, deposited in an MBIA account, was exposed to custodial credit risk. Of the cash balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$12,373,154.99 was covered by NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
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 date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units.

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - 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 section 1 of P.L. 1970, c. 236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Harding's investment activities during the year were in accordance with the above New Jersey Statute.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds. In addition, the Township has entered into a loan agreement with the State of New Jersey. The monies received from this loan are used to finance the Blue Mill Fields acquisition by the Township.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

| | <u>Year 2010</u> | <u>Year 2009</u> | <u>Year 2008</u> |
|--|-------------------------|-------------------------|-------------------------|
| Issued: | | | |
| General: | | | |
| Bonds and Notes | \$ 10,633,000.00 | \$ 12,741,000.00 | \$ 13,406,000.00 |
| Loans Payable | <u>171,449.87</u> | <u>282,939.24</u> | <u>392,231.83</u> |
| Debt Issued | \$ 10,804,449.87 | \$ 13,023,939.24 | \$ 13,798,231.83 |
| Authorized But Not Issued: | | | |
| General: | | | |
| Bonds and Notes | <u>857,705.00</u> | <u>921,812.00</u> | <u>1,025,705.00</u> |
| TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED | \$ <u>11,662,154.87</u> | \$ <u>13,945,751.24</u> | \$ <u>14,823,936.83</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 a statutory net debt of 0.43%

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------------|-------------------------|------------------------|-------------------------|
| Local School District Debt | \$ 3,485,000.00 | \$ 3,485,000.00 | \$ |
| General Debt | <u>11,662,154.87</u> | <u>60,893.00</u> | <u>11,601,261.87</u> |
| | \$ <u>15,147,154.87</u> | \$ <u>3,545,893.00</u> | \$ <u>11,601,261.87</u> |

Net debt \$11,601,261.87 divided by equalized valuation bases per N.J.S. 40A:2-2, \$2,658,727,274 equals 0.43%.

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

| | |
|---|----------------------------|
| Equalized Valuation Basis - December 31, 2010 | \$ <u>2,658,727,274.00</u> |
| 3 1/2% of Equalized Valuation Basis | \$ 93,055,454.59 |
| Net Debt | <u>11,601,261.87</u> |
| Remaining Borrowing Power | \$ <u>81,454,192.72</u> |

Equalized Valuation Basis is the average of the equalized Valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Township of Harding for the last three (3) preceeding years.

NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT

General Serial Bonds:

\$8,725,000.00 General Obligation Bonds of 2008 due
in annual installments of \$320,000 to \$600,000 at a
variable interest rate \$ 8,080,000.00

\$4,168,000.00 General Obligation Bonds of 2001 due
in annual installments of \$185,000 to \$340,000 at an
interest rate of 4.10% 2,003,000.00

\$ 10,083,000.00

Loans:

\$1,875,000 Blue Mill Fields Acquisition Loan of 1992
due in semi-annual installments of \$47,303.73 to
\$57,719.55 at an interest rate of 2.00% \$ 171,449.87

BOND ANTICIPATION NOTES

| <u>Fund</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Amount</u> |
|-----------------|----------------------|----------------------|---------------|
| General Capital | 0.850% | 2/18/11 | \$ 550,000.00 |

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2010, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund \$ 857,705.00

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SEWER UTILITY UNDER N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents, or Other Charges for Year
and Anticipated Surplus \$ 177,631.46

Deductions:
Operations and Maintenance 172,065.06

Excess in Revenues - Self-Liquidating \$ 5,566.40

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

| <u>Year</u> | <u>General</u> | | <u>Open Space</u> | | <u>Total</u> |
|-------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2011 | \$ 522,719.20 | \$ 265,330.56 | \$ 127,280.80 | \$ 112,261.19 | \$ 1,027,591.75 |
| 2012 | 543,919.77 | 245,036.87 | 131,080.23 | 107,739.88 | 1,027,776.75 |
| 2013 | 560,120.34 | 223,911.17 | 134,879.66 | 103,085.58 | 1,021,996.75 |
| 2014 | 566,320.92 | 202,158.45 | 138,679.08 | 98,298.30 | 1,005,456.75 |
| 2015 | 572,521.49 | 180,188.71 | 142,478.51 | 93,378.04 | 988,566.75 |
| 2016 | 576,722.06 | 158,001.95 | 146,277.94 | 88,324.80 | 969,326.75 |
| 2017 | 248,022.92 | 135,625.91 | 151,977.08 | 83,105.34 | 618,731.25 |
| 2018 | 257,323.78 | 126,782.34 | 157,676.22 | 77,686.41 | 619,468.75 |
| 2019 | 266,624.64 | 117,279.96 | 163,375.36 | 71,863.79 | 619,143.75 |
| 2020 | 275,925.50 | 107,107.15 | 169,074.50 | 65,630.35 | 617,737.50 |
| 2021 | 288,326.65 | 127,757.52 | 176,673.35 | 59,147.58 | 651,905.10 |
| 2022 | 300,727.79 | 85,482.65 | 184,272.21 | 52,379.85 | 622,862.50 |
| 2023 | 306,928.37 | 74,012.37 | 188,071.63 | 45,351.38 | 614,363.75 |
| 2024 | 319,329.51 | 62,033.64 | 195,670.49 | 38,011.36 | 615,045.00 |
| 2025 | 331,730.66 | 49,459.27 | 203,269.34 | 30,306.36 | 614,765.63 |
| 2026 | 344,131.81 | 36,149.34 | 210,868.19 | 22,150.66 | 613,300.00 |
| 2027 | 359,633.24 | 22,074.04 | 220,366.76 | 13,525.96 | 615,600.00 |
| 2028 | 372,034.39 | 7,440.69 | 227,965.61 | 4,559.31 | 612,000.00 |
| | <u>\$ 7,013,063.04</u> | <u>\$ 2,225,832.59</u> | <u>\$ 3,069,936.96</u> | <u>\$ 1,166,806.14</u> | <u>\$ 13,475,638.73</u> |

Schedule of Annual Debt Service for Principal and Interest for Blue Mill Field Acquisition Loan Payable

| <u>Calendar Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|----------------------|--------------------|----------------------|
| 2011 | \$ 113,730.30 | \$ 2,863.18 | \$ 116,593.48 |
| 2012 | 57,719.57 | 577.20 | 58,296.77 |
| | <u>\$ 171,449.87</u> | <u>\$ 3,440.38</u> | <u>\$ 174,890.25</u> |

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2010 which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2011 was \$2,030,000. for the Current Fund and \$50,000. for the Sewer Utility Operating Fund.

NOTE 5: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Local High School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

| | Balance December 31, 2009 | Balance December 31, 2010 |
|---------------|------------------------------|------------------------------|
| Prepaid Taxes | \$ <u>293,320.73</u> | \$ <u>277,131.85</u> |

NOTE 6: PENSION PLANS

Township employees, who are eligible for a pension plan, are enrolled in one of two pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System and the Police and Firemen's Retirement System. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Township's share of pension, which is based upon the annual billings received from the state, amounted to \$468,664.00 for 2010, \$506,358.00 for 2009, and \$378,266.60 for 2008.

Township employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Effective January 1, 1987, the members of the Harding Township Police Department shall be entitled to compensable sick leave of eighteen (18) days per year to be cumulative up to a maximum of three hundred (300) days. For the period of January 1, 1973 through December 31, 1986, the members shall be entitled to compensable sick leave of twenty-four (24) days per year to be cumulative up to a maximum of two-hundred and seventy (270) days.

Those members who retire having attained both the required age and years of service, upon retirement shall be eligible to receive one (1) day's pay, at his or her then rate of pay, for every three (3) days of accrued unused sick leave based on the accrual rate of a maximum of eighteen (18) days per year to be cumulative up to a maximum of three hundred (300) days.

For purposes of the terminal leave payment calculation only, the eighteen (18) days per year specified above shall also apply to the period January 1, 1973 through December 31, 1986.

For all other full-time employees the following policy is in effect:

At the end of each calendar year, an employee's unused sick time is added to the allotment for the following year. Employees are entitled to accumulate up to a maximum of 100 days.

The accumulation continues indefinitely and employees will be paid for their total accumulated unused sick time based on the following table up to a maximum of \$10,000, whichever is less. Upon retirement in good standing with 15 years or more of total service with Harding Township, full time non-contractual employees will be compensated for unused accumulated sick leave, not to exceed 100 days, based upon the individual's regular rate of pay at the time of retirement according to the following payout schedule.

After 15 years of continuous service – 30% of accumulated sick time capped at \$5,000.

After 20 years of continuous service – 40% of accumulated sick time capped at \$7,000.

After 25 years of continuous service – 50% of accumulated sick time capped at \$10,000.

The Township has estimated the liability for unpaid sick pay to be \$99,020.57 and \$141,575.07 at December 31, 2010 and 2009, respectively, for the police department and \$134,041.49 and \$104,686.19, at December 31, 2010 and 2009, respectively, for other employees. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 8: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the Plan are held by an independent administrator, the Equitable Life Assurance Society of the United States (the "Equitable").

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan is fully contributory and the Township has no liabilities in conjunction with the plan.

NOTE 9: LITIGATION

The Township Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Township.

NOTE 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2010. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from current tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 11: CONTINGENT LIABILITIES

The Township participated in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Report Section of the 2010 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2010, the Township does not believe that any material liabilities will result from such audits.

NOTE 12: 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. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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. Below is a summary of Township contributions, employee contributions, 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:

| <u>Year</u> | <u>Interest on Deposits</u> | <u>Township Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|---------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2010 | \$ 181.51 | 20,000.00 | 26,709.66 | 30,246.13 |
| 2009 | 240.10 | | 1,322.10 | 36,774.28 |
| 2008 | 990.98 | | 23,493.70 | 37,856.28 |

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances consisted of the following at December 31, 2010:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|----------------------|---------------------------------|------------------------------|
| Current Fund | \$ 703.79 | \$ 49,993.66 |
| Trust Other Fund | | 703.79 |
| General Capital Fund | <u>49,993.66</u> | <u> </u> |
| | <u>\$ 50,697.45</u> | <u>\$ 50,697.45</u> |

All interfund balances resulted from the time lag between the dates that payments between funds are made.

NOTE 14: GASB 45 – OTHER POST-RETIREMENT BENEFITS

The Township provides Post Retirement Benefits to certain employees, per the terms of their various labor agreements. Commencing with the year ending December 31, 2010 the above noted post employment benefits require the Township to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Government Accounting Standard Board (GASB) requires the Township to disclose in the notes of the financial statements the future cost of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Township has contractually agreed to provide employees once they have retired.

The future value of benefits paid is not required to be reported in the financial statements as presented and has not been determined, but is probably material. Under current New Jersey budget and financial reporting requirements, the Township will not have to provide any amounts in excess of their current cash costs or recognized any long-term obligations on their balance sheets.

The Township's expense for the post-retirement portion of health benefits billings for the years ended December 31, 2010, 2009, and 2008 were \$209,975.04, \$220,231.41, and \$106,593.58 respectively.

TOWNSHIP OF HARDING

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2010

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

| | <u>REF.</u> | <u>CURRENT FUND</u> | <u>GRANT FUND</u> |
|--|-------------|------------------------|---------------------|
| Balance, December 31, 2009 | A | \$ 4,273,952.16 | \$ 555,449.77 |
| Increased by Receipts: | | | |
| Taxes Receivable | A-8 | \$ 20,960,984.57 | \$ |
| Petty Cash | A-5 | 300.00 | |
| State of New Jersey-Senior Citizens and Veterans Deductions | A-7 | 34,750.00 | |
| Due Open Space | A-12 | 4,144.00 | |
| Revenue Accounts Receivable | A-13 | 1,505,702.89 | |
| Miscellaneous Revenue Not Anticipated | A-2 | 403,291.51 | |
| Tax Overpayments | A-15 | 8,366.32 | |
| Prepaid Taxes | A-16 | 277,131.85 | |
| Due Current Fund | A-28 | | 98,208.78 |
| Reserve for Grants-Appropriated | A-21 | | 1,686.50 |
| Reserve for Grants-Unappropriated | A-22 | | 1,446.16 |
| Grants Receivable | A-27 | | 40,050.84 |
| Construction Code DCA - Due State of NJ | A-19 | 11,026.00 | |
| Reserve for Garden State Trust | A-9 | 6,887.00 | |
| Reserve for Redemption of Outside Liens | A-18 | 381,670.19 | |
| | | <u>23,594,254.33</u> | <u>141,392.28</u> |
| | | \$ 27,868,206.49 | \$ 696,842.05 |
| Decreased by Disbursements: | | | |
| 2010 Appropriations | A-3 | \$ 6,866,048.19 | \$ |
| Appropriation Reserves | A-14 | 108,929.34 | |
| Due Grant Fund | A-12 | 98,208.78 | |
| Due Payroll Trust | A-12 | 3,465.15 | |
| Due Performance Bonds | A-12 | 66.73 | |
| Due General Capital Fund | A-12 | 49,996.19 | |
| Petty Cash | A-5 | 300.00 | |
| Local District School Taxes Payable | A-25 | 9,057,676.50 | |
| County Taxes Payable | A-24 | 6,048,660.24 | |
| Municipal Open Space Taxes Payable | A-26 | 791,018.79 | |
| Construction Code DCA - Due State of NJ | A-19 | 8,219.00 | |
| Reserve for Accounts Payable | A-11 | 7,439.20 | |
| Reserve for Grants-Appropriated | A-21 | | 673,107.52 |
| Reserve for Redemption of Outside Liens | A-18 | 381,670.19 | |
| | | <u>23,421,698.30</u> | <u>673,107.52</u> |
| Balance, December 31, 2010 | A | \$ <u>4,446,508.19</u> | \$ <u>23,734.53</u> |

"A-5"

TOWNSHIP OF HARDING
CURRENT FUND
SCHEDULE OF PETTY CASH

OFFICE

Finance Department

INCREASE

DECREASE

\$ 300.00 \$ 300.00

REF.

A-4

A-4

"A-6"

SCHEDULE OF CHANGE FUND

OFFICE

Municipal Court

BALANCE
DECEMBER 31,
2009 AND 2010

\$ 250.00

REF.

A

"A-7"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

| | <u>REF.</u> | | |
|--|-------------|----|----------------------|
| Balance, December 31, 2009 (Due From) | A | \$ | 909.10 |
| Increased by: | | | |
| Senior Citizens Deductions Per Tax Billing | A-7 | \$ | 2,000.00 |
| Veterans Deductions Per Tax Billing | A-7 | | <u>33,250.00</u> |
| | | | 35,250.00 |
| | | \$ | <u>36,159.10</u> |
| Decreased by: | | | |
| Received From State | A-4 | \$ | 34,750.00 |
| Senior Citizens Disallowed | A-7 | | <u>500.00</u> |
| | | | 35,250.00 |
| Balance, December 31, 2010 (Due From) | A | \$ | <u><u>909.10</u></u> |

ANALYSIS OF STATE SHARE OF 2010 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

| | | | | |
|---|-----|----|-------------------------|--------------|
| Senior Citizens Deductions Per Tax Billing | A-7 | \$ | 2,000.00 | |
| Veterans Deductions Per Tax Billing | A-7 | | <u>33,250.00</u> | \$ 35,250.00 |
| Less: | | | | |
| Senior Citizens and Veterans Deductions Disallowed by Tax Collector | A-7 | | <u>500.00</u> | |
| | A-8 | \$ | <u><u>34,750.00</u></u> | |

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| <u>YEAR</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>2010 LEVY</u> | <u>COLLECTIONS</u> | <u>2010</u> | <u>CANCELED</u> | <u>BALANCE DECEMBER 31, 2010</u> |
|-------------|--|------------------|--------------------|------------------|-----------------|--|
| Prior | \$ 161,393.92 | \$ | \$ | 148,590.30 | \$ 12,803.62 | \$ |
| 2010 | | 21,209,126.45 | 293,320.73 | 20,847,144.27 | 27,672.17 | 40,989.28 |
| | \$ 161,393.92 | \$ 21,209,126.45 | \$ 293,320.73 | \$ 20,995,734.57 | \$ 40,475.79 | \$ 40,989.28 |
| <u>REF.</u> | A | | A-2 A-16 | A-2 | | A |

REF.

Collector
Senior Citizens and Veterans Deductions

| | |
|-----|-------------------------|
| A-4 | \$ 20,960,984.57 |
| A-7 | 34,750.00 |
| | <u>\$ 20,995,734.57</u> |

ANALYSIS OF 2010 PROPERTY TAX LEVY

TAX YIELD

| | |
|---------------------------------|-------------------------|
| General Property Tax | \$ 21,138,474.66 |
| Added Taxes (54.4-63.1 et seq.) | 70,651.79 |
| | <u>\$ 21,209,126.45</u> |

TAX LEVY

| | | |
|--|-------------------|-------------------------|
| Local District School Tax (Abstract) | | |
| County Tax (Abstract) | | |
| County Open Space (Abstract) | | |
| Due County for Added Taxes (54.4-63.1 et seq.) | \$ 5,394,709.92 | \$ 9,057,676.50 |
| <u>Total County Taxes</u> | <u>593,159.71</u> | |
| | \$ 5,987,869.63 | 6,008,080.17 |
| | 20,210.54 | |
| Municipal Open Space Tax | | |
| Added Taxes | \$ 788,404.00 | 791,018.79 |
| | 2,614.79 | |
| Local Tax for Municipal Purposes (Abstract) | | |
| Add: Additional Tax Levied | \$ 5,297,881.78 | |
| Local Tax for Municipal Purposes Levied | <u>54,469.21</u> | <u>5,352,350.99</u> |
| | \$ | <u>\$ 21,209,126.45</u> |

"A-9"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR GARDEN STATE TRUST

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2009 | A | \$ 10,330.72 |
| Increased by: | | |
| Receipts | A-4 | 6,887.00 |
| | | \$ <u>17,217.72</u> |
| Decreased by: | | |
| Applied to Revenue | A-2 | <u>10,330.72</u> |
| Balance, December 31, 2010 | A | \$ <u><u>6,887.00</u></u> |

"A-10"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

| | | |
|------------------------------------|------|----------------------------|
| Balance, December 31, 2009 | A | \$ 688,910.42 |
| Increased by: | | |
| Current Year Accounts Payable | A-21 | \$ <u>40,354.07</u> |
| | | 729,264.49 |
| Decreased by: | | |
| Transferred to Grants Appropriated | A-21 | \$ <u>688,910.42</u> |
| Balance, December 31, 2010 | A | \$ <u><u>40,354.07</u></u> |

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

| | <u>REF.</u> | | | |
|------------------------------------|-------------|----|-----------------|--------------------------|
| Balance, December 31, 2009 | A | | \$ | 216,712.57 |
| Increased by: | | | | |
| 2010 Budget Appropriations | A-3 | \$ | 173,951.94 | |
| Tax Overpayments | A-15 | | <u>8,366.32</u> | |
| | | | | <u>182,318.26</u> |
| | | | \$ | <u>399,030.83</u> |
| Decreased by: | | | | |
| Transfer to Appropriation Reserves | A-14 | \$ | 188,728.41 | |
| Disbursements | A-4 | | <u>7,439.20</u> | |
| | | | | <u>196,167.61</u> |
| Balance, December 31, 2010 | A | | \$ | <u><u>202,863.22</u></u> |

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>OPEN SPACE</u> | <u>TRUST PAYROLL TRUST</u> | <u>PERFORMANCE BONDS</u> | <u>GRANT FUND</u> | <u>GENERAL CAPITAL FUND</u> |
|----------------------------|---------------|-------------------|-----------------------|------------------------------------|------------------------------|-----------------------|-------------------------------------|
| Balance, December 31, 2009 | | | | | | | |
| Due To | A | \$ 49,993.66 | | | \$ | | \$ 49,993.66 |
| Due From | A | <u>703.79</u> | | | <u>703.79</u> | | |
| Receipts | A-4 | \$ 4,144.00 | \$ 4,144.00 | \$ | \$ | 1,949.00 | |
| Cancel Reserves | A-1:A-27:A-28 | <u>1,949.00</u> | | | | | |
| Disbursements | A-4 | 151,736.85 | | 3,465.15 | 66.73 | 98,208.78 | 49,996.19 |
| Cancel Receivables | A-1:A-21:A-28 | <u>2,410.01</u> | | | | <u>2,410.01</u> | |
| Balance, December 31, 2010 | | | | | | | |
| Due To | A | \$ 4,144.00 | \$ 4,144.00 | \$ | \$ | | \$ |
| Due From | A | <u>102,907.99</u> | | <u>3,465.15</u> | <u>770.52</u> | <u>98,669.79</u> | <u>2.53</u> |

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| <u>ACCOUNTS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>ACCRUED IN 2010</u> | <u>COLLECTED</u> | <u>BALANCE DECEMBER 31, 2010</u> |
|--------------------------------------|-------------|--|----------------------------|------------------------|--|
| Clerk: | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverages | A-2 | \$ | \$ 5,876.00 | \$ 5,876.00 | \$ |
| Fees and Permits | A-2 | | 1,400.00 | 1,400.00 | |
| Interest and Costs on Taxes | A-2 | | 89,321.34 | 89,321.34 | |
| Interest on Investments and Deposits | A-2 | | 130,093.71 | 130,093.71 | |
| Construction Code Official | A-2 | | 150,000.00 | 150,000.00 | |
| Planning Board: | | | | | |
| Fees and Permits | A-2 | | 12,050.00 | 12,050.00 | |
| Board of Adjustment: | | | | | |
| Fees and Permits | A-2 | | 18,375.00 | 18,375.00 | |
| Municipal Court: | | | | | |
| Fines and Costs | A-2 | 11,720.55 | 208,992.15 | 202,795.60 | 17,917.10 |
| Fee Increase - Planning Board | A-2 | | 49,757.90 | 49,757.90 | |
| Fee Increase - UCC Fees | A-2 | | 157,593.00 | 157,593.00 | |
| Fee Increase - Zoning | A-2 | | 14,762.50 | 14,762.50 | |
| Fee Increase - Health Department | A-2 | | 6,396.84 | 6,396.84 | |
| Energy Receipts Tax | A-2 | | 447,281.00 | 447,281.00 | |
| The Farm at Harding | A-2 | | 100,000.00 | 100,000.00 | |
| COAH Development Trust Fund | A-2 | | 120,000.00 | 120,000.00 | |
| | | <u>\$ 11,720.55</u> | <u>\$ 1,511,899.44</u> | <u>\$ 1,505,702.89</u> | <u>\$ 17,917.10</u> |
| <u>REF.</u> | | A | | A-4 | A |

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2009 | TRANSFERRED FROM ACCOUNTS PAYABLE | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|------------------------------------|---------------------------------|---|---------------------|--------------------|-------------------|
| <u>SALARIES AND WAGES:</u> | | | | | |
| Administrative & Executive | \$ 6,080.66 | \$ | \$ 6,080.66 | \$ | \$ 6,080.66 |
| Municipal Clerk | 5,326.28 | | 5,326.28 | | 5,326.28 |
| Financial Administration | 5,704.80 | | 5,704.80 | 757.34 | 4,947.46 |
| Collection of Taxes | 3,916.82 | | 3,916.82 | 126.23 | 3,790.59 |
| Assessment of Taxes | 8,171.09 | 50.00 | 8,221.09 | 145.82 | 8,075.27 |
| Planning Board | 293.80 | | 293.80 | | 293.80 |
| Board of Adjustment | 4,510.32 | | 4,510.32 | | 4,510.32 |
| Police | 51,001.09 | | 51,001.09 | | 51,001.09 |
| Road Repair & Maintenance | 13,212.05 | | 13,212.05 | 73.46 | 13,138.59 |
| Solid Waste Collection | 2,000.00 | | 2,000.00 | | 2,000.00 |
| Recycling Program | 1,448.27 | | 1,448.27 | | 1,448.27 |
| Snow Removal | 3,224.22 | | 3,224.22 | 445.07 | 2,779.15 |
| Board of Health | 244.58 | | 244.58 | | 244.58 |
| Historical Preservation Commission | 650.00 | | 650.00 | | 650.00 |
| Environmental Commission | 1,400.00 | | 1,400.00 | | 1,400.00 |
| Open Space Commission | 2,000.00 | | 2,000.00 | | 2,000.00 |
| Township Committee | 1,550.00 | | 1,550.00 | | 1,550.00 |
| Uniform Construction Code | 15,022.51 | | 15,022.51 | | 15,022.51 |
| Municipal Prosecutor | 834.20 | | 834.20 | | 834.20 |
| Municipal Court | 11,263.91 | | 11,263.91 | 1,217.97 | 10,045.94 |
| <u>OTHER EXPENSES:</u> | | | | | |
| Administrative & Executive | 23,043.71 | 11,306.15 | 34,349.86 | 7,566.99 | 26,782.87 |
| Human Resources | 8,516.70 | 1,000.00 | 9,516.70 | | 9,516.70 |
| Township Committee | 5,522.43 | | 5,522.43 | 672.50 | 4,849.93 |
| Municipal Clerk | 9,725.42 | 4,775.44 | 14,500.86 | 3,514.13 | 10,986.73 |
| Election | 2,063.03 | | 2,063.03 | | 2,063.03 |
| Financial Administration | 1,069.81 | | 1,069.81 | | 1,069.81 |
| Financial Administration - Audit | 1,500.00 | 6,400.00 | 7,900.00 | | 7,900.00 |
| Collection of Taxes | 514.70 | 419.12 | 933.82 | 419.12 | 514.70 |
| Assessment of Taxes | 1,252.70 | 1,100.00 | 2,352.70 | 879.84 | 1,472.86 |
| Revaluation of Real Property | 9,928.79 | 5,860.00 | 15,788.79 | 718.25 | 15,070.54 |
| Tax Map Revision | 6,085.60 | | 6,085.60 | 338.00 | 5,747.60 |
| Legal Services and Costs | | 16,121.79 | 16,121.79 | 14,860.94 | 1,260.85 |
| Engineering Services and Costs | 24,201.30 | 7,971.66 | 32,172.96 | 6,800.77 | 25,372.19 |
| Planning Board | 38,867.70 | 8,888.45 | 47,756.15 | 1,198.52 | 46,557.63 |
| Board of Adjustments | 12,810.26 | 2,182.20 | 14,992.46 | 626.15 | 14,366.31 |
| Police | 20,598.26 | 2,727.98 | 23,326.24 | 902.06 | 22,424.18 |
| Purchased Police Vehicles | 1,365.07 | 24,421.08 | 25,786.15 | 24,745.08 | 1,041.07 |
| Emergency Management | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Aid to Volunteer Fire Companies | 2,250.00 | | 2,250.00 | | 2,250.00 |
| Fire: Fire Hydrant Service | 930.03 | 500.00 | 1,430.03 | 412.30 | 1,017.73 |
| Road Repair & Maintenance | 10,095.19 | 3,778.40 | 13,873.59 | 1,839.65 | 12,033.94 |
| Municipal Court | 9,722.81 | 90.25 | 9,813.06 | 90.25 | 9,722.81 |
| Public Defender | 3,000.00 | 4,403.50 | 7,403.50 | | 7,403.50 |
| Solid Waste Collection | 7,688.64 | | 7,688.64 | | 7,688.64 |
| Recycling Program | 10,912.30 | 1,200.00 | 12,112.30 | 743.17 | 11,369.13 |
| Buildings and Grounds | 32,926.81 | 11,862.73 | 44,789.54 | 5,089.22 | 39,700.32 |
| Vehicle Maintenance | 5,826.16 | 10,906.03 | 16,732.19 | 3,446.63 | 13,285.56 |
| Snow Removal | 4,335.02 | 8,043.96 | 12,378.98 | 7,239.56 | 5,139.42 |
| Board of Health | 7,120.72 | 640.00 | 7,760.72 | 219.00 | 7,541.72 |

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2009 | TRANSFERRED FROM ACCOUNTS PAYABLE | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|---|----------------------|----------------------|----------------------|
| <u>OTHER EXPENSES (CONTINUED):</u> | | | | | |
| Dog Regulation | \$ 7,000.00 | \$ | \$ 7,000.00 | \$ | \$ 7,000.00 |
| Environmental Commission | 2,000.00 | | 2,000.00 | | 2,000.00 |
| Aid to Museums | 3.66 | 1,200.00 | 1,203.66 | 250.15 | 953.51 |
| Historical Preservation Commission | 1,500.00 | | 1,500.00 | | 1,500.00 |
| Open Space Commission | 550.00 | | 550.00 | | 550.00 |
| Wildlife Management Commission | 2,000.00 | | 2,000.00 | | 2,000.00 |
| Public Assistance | | 141.44 | 141.44 | | 141.44 |
| Department of Recreation - Youth Program | 680.00 | | 680.00 | | 680.00 |
| Municipal Services Act - Condo | 2,831.63 | | 2,831.63 | 421.67 | 2,409.96 |
| Construction Code Official | 6,693.95 | 550.00 | 7,243.95 | 550.00 | 6,693.95 |
| Motor Fuels | 24,500.00 | 6,718.89 | 31,218.89 | 2,576.30 | 28,642.59 |
| Electricity | 10,875.68 | | 10,875.68 | | 10,875.68 |
| Telephone | 435.25 | 0.10 | 435.35 | | 435.35 |
| Natural Gas | 2,469.57 | 1,680.62 | 4,150.19 | 1,504.04 | 2,646.15 |
| Street Lighting | 1,915.23 | | 1,915.23 | | 1,915.23 |
| Water & Sewage | 864.72 | | 864.72 | | 864.72 |
| Social Security System (O.A.S.I.) | 15,555.52 | | 15,555.52 | | 15,555.52 |
| Fair Share Housing | 377.95 | 29,000.52 | 29,378.47 | 5,705.83 | 23,672.64 |
| Police Dispatch - Interlocal | 0.04 | | 0.04 | | 0.04 |
| Police & Firemen's Retire System of N.J. | 100.00 | | 100.00 | | 100.00 |
| Other Insurance Premiums | 61,591.24 | | 61,591.24 | | 61,591.24 |
| Worker's Compensation | 5,000.00 | | 5,000.00 | | 5,000.00 |
| Group Insurance for Employees | 180,695.25 | 110.00 | 180,805.25 | 110.00 | 180,695.25 |
| Matching Funds for Grants | 15,433.00 | | 15,433.00 | | 15,433.00 |
| Hanover Township Board of Health | 9,811.15 | 14,678.10 | 24,489.25 | 12,723.33 | 11,765.92 |
| Judgments | 100.00 | | 100.00 | | 100.00 |
| Morris Township - Board of Health | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Furniture & Improvement of Municipal Facility | 14,068.00 | | 14,068.00 | | 14,068.00 |
| Contingent | 4,900.00 | | 4,900.00 | | 4,900.00 |
| <u>TOTAL</u> | <u>\$ 773,679.60</u> | <u>\$ 188,728.41</u> | <u>\$ 962,408.01</u> | <u>\$ 108,929.34</u> | <u>\$ 853,478.67</u> |
| <u>REF.</u> | A | A-11 | | A-4 | A-1 |

"A-15"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

REF.

| | | |
|----------------------|------|---------------------------|
| Increased by: | | |
| Overpayments in 2010 | A-4 | \$ <u>8,366.32</u> |
| Decreased by: | | |
| Accounts Payable | A-11 | \$ <u><u>8,366.32</u></u> |

"A-16"

SCHEDULE OF PREPAID TAXES

| | | |
|----------------------------|-----|-----------------------------|
| Balance, December 31, 2009 | A | \$ 293,320.73 |
| Increased by: | | |
| Collection of 2011 Taxes | A-4 | <u>277,131.85</u> |
| | | \$ <u>570,452.58</u> |
| Decreased by: | | |
| Applied to 2010 Taxes | A-8 | <u>293,320.73</u> |
| Balance, December 31, 2010 | A | \$ <u><u>277,131.85</u></u> |

"A-17"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX PREMIUMS

REF.

Balance, December 31, 2009
and December 31, 2010

A

\$ 210.63

"A-18"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Increased by:
Receipts

A-4

\$ 381,670.19

Decreased by:
Disbursements

A-4

\$ 381,670.19

"A-19"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR CONSTRUCTION CODE DCA - DUE STATE OF N.J.

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------------|
| Increased by: | | |
| Receipts | A-4 | \$ 11,026.00 |
| Decreased by: | | |
| Disbursements | A-4 | <u>8,219.00</u> |
| Balance, December 31, 2010 | A | \$ <u><u>2,807.00</u></u> |

"A-20"

SCHEDULE OF RESERVE FOR REVALUATION

| | | |
|---|---|---------------------------|
| Balance, December 31, 2009 and December 31, 2010 | A | \$ <u><u>1,370.00</u></u> |
|---|---|---------------------------|

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

| | BALANCE DECEMBER 31, 2009 | BUDGET APPROPRIATION | EXPENDED | ACCOUNTS PAYABLE | CANCELED | BALANCE DECEMBER 31, 2010 |
|--|---------------------------------|-------------------------|---------------|---------------------|---------------|---------------------------------|
| Drunk Driving Enforcement Fund | \$ 5,535.98 | \$ 2,284.78 | \$ 3,184.07 | \$ 146.95 | \$ | \$ 4,489.74 |
| Clean Communities Program | 12,610.45 | 11,771.95 | 3,793.50 | 2,173.32 | | 18,415.58 |
| Over the Limit Under Arrest | | 4,400.00 | 4,400.00 | | | |
| Garden State Historic Preservation Trust | | | | | | |
| Alcohol Education Rehabilitation Fund | 49,615.00 | | 649,619.46 | (649,619.46) | | 49,615.00 |
| Recycling Tonnage Grant | 2,574.18 | 554.64 | | | | 3,128.82 |
| Municipal Alliance Program & Match | 19,736.39 | 4,530.71 | | | | 24,267.10 |
| Environmental Services | 2,410.01 | 8,432.50 | 8,110.49 | (1,257.16) | 2,410.01 | 1,579.17 |
| Body Armor Replacement Fund | 20,940.51 | | | | | 20,940.51 |
| NJ DEP - Great Swamp Project | 5,872.73 | 841.85 | | | | 6,714.58 |
| Click It Or Ticket | 4,748.41 | | 4,000.00 | | | 4,748.41 |
| Community Foundation | | 4,000.00 | | | | |
| Green Community Challenge Grant | 18,745.87 | 8,358.90 | | | | 27,104.77 |
| Association of NJ Environmental Commission | 3,000.00 | | | | | 3,000.00 |
| Stormwater Management Program | 3,560.40 | | | | | 3,560.40 |
| Municipal Stormwater Regulation Program | 500.00 | | | | | 500.00 |
| NJ Highlands Water Protection - COAH | 4,648.50 | | | | | 4,648.50 |
| WHIP Grant & Match | 7,500.00 | | | | | 7,500.00 |
| NJ DOT Municipal Aid - Sand Spring Road | 1,548.00 | | | | | 1,548.00 |
| | 30,194.05 | | | | | 30,194.05 |
| | \$ 193,740.48 | \$ 45,175.33 | \$ 673,107.52 | \$ (648,556.35) | \$ 2,410.01 | \$ 211,954.63 |
| REF. | A | | A-4 | | A-1-A-12-A-28 | A |
| Budget | | \$ 43,488.83 | | | | |
| Matching Funds for Grants | A-3-A-27 | 1,686.50 | | | | |
| | A-4 | | | | | |
| | | \$ 45,175.33 | | | | |
| Current Year | A-10 | | | \$ 40,354.07 | | |
| Prior Year | A-10 | | | (688,910.42) | | |
| | | | | \$ (648,556.35) | | |

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

| | BALANCE DECEMBER 31, 2009 | RECEIPTS | APPLIED TO REVENUE | BALANCE DECEMBER 31, 2010 |
|----------------------------------|---------------------------------|-----------------|--------------------------|---------------------------------|
| Recycling Tonnage Grant | \$ 4,530.71 | \$ | 4,530.71 | \$ |
| Drunk Driving Enforcement Fund | 2,284.78 | | 2,284.78 | |
| Clean Communities Program | 3,471.69 | | 3,471.69 | |
| Alcohol Education Rehabilitation | 26.77 | | 26.77 | |
| Body Armor Replacement | | 1,446.16 | | 1,446.16 |
| | <u>10,313.95</u> | <u>1,446.16</u> | <u>10,313.95</u> | <u>1,446.16</u> |
| | \$ | \$ | \$ | \$ |
| REF. | A | A-4 | A-27 | A |

"A-23"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2009
and December 31, 2010

A

\$ 8,482.00

"A-24"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2009

A

\$ 60,790.61

Increased by:

2010 Levy

A-1:A-8

\$ 5,987,869.63

Added and Omitted

A-1:A-8

20,210.54

6,008,080.17

\$ 6,068,870.78

Decreased by:

Disbursements

A-4

6,048,660.24

Balance, December 31, 2010

A

\$ 20,210.54

"A-25"

TOWNSHIP OF HARDING

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

| | <u>REF.</u> | |
|---------------|-------------|-------------------------------|
| Increased by: | | |
| School Levy | A-1:A-8 | \$ <u>9,057,676.50</u> |
| Decreased by: | | |
| Disbursements | A-4 | \$ <u><u>9,057,676.50</u></u> |

"A-26"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

| | | | |
|---------------|---------|-----------------|-----------------------------|
| Increased by: | | | |
| 2010 Tax Levy | A-1:A-8 | \$ 788,404.00 | |
| Added Taxes | A-1:A-8 | <u>2,614.79</u> | |
| | | | \$ <u>791,018.79</u> |
| Decreased by: | | | |
| Disbursements | A-4 | | \$ <u><u>791,018.79</u></u> |

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| | BALANCE DECEMBER 31, 2009 | BUDGET APPROPRIATIONS | RECEIPTS | UNAPPROPRIATED APPLIED | CANCELED | BALANCE DECEMBER 31, 2010 |
|--|---------------------------------|--------------------------|---------------------|---------------------------|--------------------|---------------------------------|
| Municipal Alliance | \$ 5,121.50 | \$ 6,746.00 | \$ 4,067.01 | \$ | \$ 1,949.00 | \$ 5,851.49 |
| Office on Environmental Services | 2,969.86 | | | | | 2,969.86 |
| WHIP Grant | 353.25 | | | | | 353.25 |
| Drunk Driving Enforcement Fund | | 2,284.78 | | 2,284.78 | | |
| Green Community Challenge Grant | 3,000.00 | | | | | 3,000.00 |
| Community Foundation | | 8,358.90 | 8,358.90 | | | |
| NJ DOT Municipal Aid - Sand Spring Road | 27,556.26 | 11,771.95 | 9,554.95 | 3,471.69 | | 18,001.31 |
| Clean Communities Program | | 4,530.71 | 8,300.26 | 4,530.71 | | |
| Recycling Tonnage | 298,514.21 | | | | | 298,514.21 |
| Garden State Historic Preservation Trust | | 554.64 | 527.87 | 26.77 | | |
| Alcohol Education/Rehabilitation Fund | | 4,400.00 | 4,400.00 | | | |
| Over the Limit Under Arrest | | 4,000.00 | 4,000.00 | | | |
| Click It Or Ticket | | 841.85 | 841.85 | | | |
| Body Armor Replacement Fund | | | | | | |
| | <u>\$ 337,515.08</u> | <u>\$ 43,488.83</u> | <u>\$ 40,050.84</u> | <u>\$ 10,313.95</u> | <u>\$ 1,949.00</u> | <u>\$ 328,690.12</u> |
| REF. | A | A-2:A-21 | A-4 | A-22 | A-1:A-12:A-28 | A |

"A-28"

TOWNSHIP OF HARDING

GRANT FUND

SCHEDULE OF DUE CURRENT FUND - GRANT FUND

REF.

| | | | |
|-------------------------------------|---------------|-----------------|---------------------|
| Increased by: | | | |
| Receipts | A-4 | \$ 98,208.78 | |
| Grants Appropriated Cancellations | A-1:A-12:A-21 | <u>2,410.01</u> | |
| | | | \$ 100,618.79 |
| Decreased by: | | | |
| Grants Receivable Cancellations | A-1:A-12:A-27 | | <u>1,949.00</u> |
| Balance, December 31, 2010 (Due To) | A | | <u>\$ 98,669.79</u> |

"A-29"

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

| | | |
|-----------------------------------|-----|----------------------|
| Increased by: | | |
| Designated For Future Tax Appeals | A-1 | \$ <u>180,000.00</u> |
| Balance, December 31, 2010 | A | <u>\$ 180,000.00</u> |

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF CASH - TREASURER

| <u>REF.</u> | | <u>ANIMAL CONTROL</u> | <u>OTHER</u> |
|-------------|---|-----------------------|---------------------|
| B | Balance, December 31, 2009 | \$ 7,168.10 | \$ 4,519,039.64 |
| B-5 | Increased by Receipts: | | |
| | Due State of New Jersey - Animal Control Reserve for: | \$ 671.80 | \$ |
| B-4 | Animal Control Fund Expenditures | 7,780.40 | |
| B-7 | Developers' Deposits | | 1,132,806.38 |
| B-8 | Unemployment Insurance Compensation | | 20,181.51 |
| B-3 | Various Trust Deposits | | 170,926.50 |
| B-9 | Open Space Deposits | | 817,748.38 |
| B-11 | Law Enforcement Trust Fund | | 56.75 |
| B-12 | Affordable Housing Contributions | | 148,453.15 |
| B-13 | The Farm at Harding | | 294,132.74 |
| B-14 | Payroll Trust | | 3,434,189.28 |
| B-15 | Flexible Spending | | 2,100.24 |
| B-6 | Tree Preservation Escrow | | 22,538.66 |
| B-10 | Due Current Fund | | 3,531.88 |
| | | <u>8,452.20</u> | <u>6,046,665.47</u> |
| | | \$ 15,620.30 | \$ 10,565,705.11 |
| B-5 | Decreased by Disbursements: | | |
| | Due State of New Jersey - Animal Control Reserve For: | \$ 670.20 | \$ |
| B-4 | Animal Control Fund Expenditures | 7,510.00 | |
| B-12 | Affordable Housing Contributions | | 123,450.00 |
| B-13 | The Farm at Harding | | 203,870.47 |
| B-14 | Payroll Trust | | 3,434,113.81 |
| B-15 | Flexible Spending | | 1,886.00 |
| B-8 | Unemployment Insurance Compensation | | 26,709.66 |
| B-6 | Tree Preservation Escrow | | 18,415.86 |
| B-3 | Various Trust Deposits | | 164,221.00 |
| B-7 | Developers' Deposits | | 363,639.35 |
| B-9 | Open Space Deposits | | 498,912.25 |
| B-11 | Law Enforcement Trust Fund | | 925.40 |
| B-10 | Due Current Fund | | 4,144.00 |
| | | <u>8,180.20</u> | <u>4,840,287.80</u> |
| B | Balance, December 31, 2010 | \$ 7,440.10 | \$ 5,725,417.31 |

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF GREEN ACRES RECEIVABLE

REF.

Balance, December 31, 2009
and December 31, 2010

B

\$ 462,500.00

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

| <u>ACCOUNT</u> | BALANCE DECEMBER 31, 2009 | INCREASES | DECREASES | BALANCE DECEMBER 31, 2010 |
|-------------------------------------|---------------------------------|----------------------|----------------------|---------------------------------|
| Recycling | \$ 13,521.25 | \$ | \$ | \$ 13,521.25 |
| Police Outside Overtime | | 154,342.00 | 154,342.00 | |
| Tax Sale Premiums | 64,400.00 | 7,500.00 | 5,300.00 | 66,600.00 |
| Employee 457 Plan | 3,971.68 | | | 3,971.68 |
| Public Defender | 1,190.80 | 3,843.50 | | 5,034.30 |
| POAA | 61.00 | 16.00 | | 77.00 |
| Snow Removal | 16,646.51 | | | 16,646.51 |
| Accumulated Leave | 55,914.07 | 5,000.00 | | 60,914.07 |
| Due State of NJ - Marriage Licenses | | 225.00 | 200.00 | 25.00 |
| Municipal Alliance Program | 6,102.94 | | | 6,102.94 |
| Police Donation | 16,361.57 | | 4,379.00 | 11,982.57 |
| | <u>\$ 178,169.82</u> | <u>\$ 170,926.50</u> | <u>\$ 164,221.00</u> | <u>\$ 184,875.32</u> |
| <u>REF.</u> | B | B-1 | B-1 | B |

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

| | <u>REF.</u> | | |
|----------------------------|-------------|----|------------------------|
| Balance, December 31, 2009 | B | \$ | 7,164.90 |
| Increased by: | | | |
| Receipts | B-1 | | 7,780.40 |
| | | \$ | <u>14,945.30</u> |
| Decreased by: | | | |
| Disbursements | B-1 | \$ | 7,510.00 |
| Accounts Payable | B-16 | | <u>1,045.00</u> |
| | | | <u>8,555.00</u> |
| Balance, December 31, 2010 | B | \$ | <u><u>6,390.30</u></u> |

DOG LICENSE FEES COLLECTED

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|----------------------------|
| 2008 | \$ 6,720.00 |
| 2009 | <u>7,200.00</u> |
| | <u><u>\$ 13,920.00</u></u> |

"B-5"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - ANIMAL CONTROL TRUST FUND

| | <u>REF.</u> | | |
|------------------------------------|-------------|----|----------------------|
| Balance, December 31, 2009 | B | \$ | 3.20 |
| Increased by: | | | |
| State Registration Fees Collected | B-1 | | 671.80 |
| | | \$ | <u>675.00</u> |
| Decreased by: | | | |
| Paid to State Department of Health | B-1 | \$ | 670.20 |
| Accounts Payable | B-16 | | 4.80 |
| | | | <u>4.80</u> |
| | | \$ | <u><u>675.00</u></u> |

"B-6"

SCHEDULE OF RESERVE FOR TREE PRESERVATION ESCROW

| | <u>REF.</u> | | |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2009 | B | \$ | 110,821.31 |
| Increased by: | | | |
| Receipts | B-1 | | 22,538.66 |
| | | \$ | <u>133,359.97</u> |
| Decreased by: | | | |
| Disbursements | B-1 | | 18,415.86 |
| | | | <u>18,415.86</u> |
| Balance, December 31, 2010 | B | \$ | <u><u>114,944.11</u></u> |

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF DEVELOPERS' DEPOSITS

| | <u>REF.</u> | |
|----------------------------|-------------|-------------------------------|
| Balance, December 31, 2009 | B | \$ 1,603,322.32 |
| Increased by: | | |
| Receipts | B-1 | <u>1,132,806.38</u> |
| | | \$ 2,736,128.70 |
| Decreased by: | | |
| Disbursements | B-1 | <u>363,639.35</u> |
| Balance, December 31, 2010 | B | \$ <u><u>2,372,489.35</u></u> |

ANALYSIS OF BALANCE:

| | |
|-------------------------|-------------------------------|
| Technical Review Escrow | \$ 173,434.16 |
| Engineering Escrow | 229,844.06 |
| Performance Bond Escrow | 1,720,425.47 |
| Grading Permit Escrow | <u>248,785.66</u> |
| | \$ <u><u>2,372,489.35</u></u> |

"B-8"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF UNEMPLOYMENT INSURANCE COMPENSATION

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------|
| Balance, December 31, 2009 | B | \$ 36,774.28 |
| Increased by: | | |
| Interest Earned on Deposit | B-1 | 20,181.51 |
| | | <u>\$ 56,955.79</u> |
| Decreased by: | | |
| Disbursements | B-1 | 26,709.66 |
| Balance, December 31, 2010 | B | <u>\$ 30,246.13</u> |

"B-9"

SCHEDULE OF RESERVE FOR OPEN SPACE DEPOSITS

| | <u>REF.</u> | |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2009 | B | \$ 2,687,244.97 |
| Increased by: | | |
| Tax Levy | | \$ 788,404.00 |
| Tax Levy-Added | | 2,614.79 |
| Interest Earned on Deposit | | <u>26,729.59</u> |
| | B-1 | 817,748.38 |
| | | <u>\$ 3,504,993.35</u> |
| Decreased by: | | |
| Disbursements | B-1 | 498,912.25 |
| Balance, December 31, 2010 | B | <u>\$ 3,006,081.10</u> |

"B-10"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2009 | B | \$ 703.79 |
| Receipts | B-1 | 3,531.88 |
| | | <u>\$ 4,235.67</u> |
| Disbursements | B-1 | 4,144.00 |
| Balance, December 31, 2010 | B | <u><u>\$ 91.67</u></u> |

"B-11"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2009 | B | \$ 9,346.28 |
| Increased by: | | |
| Receipts | B-1 | 56.75 |
| | | <u>\$ 9,403.03</u> |
| Decreased by: | | |
| Disbursements | B-1 | 925.40 |
| Balance, December 31, 2010 | B | <u><u>\$ 8,477.63</u></u> |

"B-12"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING CONTRIBUTION

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2009 | B | \$ 154,596.91 |
| Increased by: | | |
| Receipts | B-1 | 148,453.15 |
| | | \$ <u>303,050.06</u> |
| Decreased by: | | |
| Disbursements | B-1 | 123,450.00 |
| Balance, December 31, 2010 | B | \$ <u><u>179,600.06</u></u> |

"B-13"

SCHEDULE OF RESERVE FOR THE FARM AT HARDING

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2009 | B | \$ 199,373.96 |
| Increased by: | | |
| Receipts | B-1 | 294,132.74 |
| | | \$ <u>493,506.70</u> |
| Decreased by: | | |
| Disbursements | B-1 | 203,870.47 |
| Balance, December 31, 2010 | B | \$ <u><u>289,636.23</u></u> |

"B-14"

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL TRUST

REF.

| | | |
|----------------------------|-----|------------------------|
| Increased by: | | |
| Receipts | B-1 | \$ 3,434,189.28 |
| Decreased by: | | |
| Disbursements | B-1 | <u>3,434,113.81</u> |
| Balance, December 31, 2010 | B | \$ <u><u>75.47</u></u> |

"B-15"

SCHEDULE OF RESERVE FOR FLEXIBLE SPENDING

REF.

| | | |
|----------------------------|-----|---------------------------|
| Balance, December 31, 2009 | B | \$ 1,186.00 |
| Increased by: | | |
| Receipts | B-1 | <u>2,100.24</u> |
| | | \$ <u>3,286.24</u> |
| Decreased by: | | |
| Disbursements | B-1 | <u>1,886.00</u> |
| Balance, December 31, 2010 | B | \$ <u><u>1,400.24</u></u> |

TOWNSHIP OF HARDING

TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE - ANIMAL CONTROL TRUST FUND

REF.

| | | | |
|----------------------------|-----|-----------------|---------------------------|
| Increased by: | | | |
| Due State of NJ | B-5 | \$ 4.80 | |
| Reserve For Expenditures | B-4 | <u>1,045.00</u> | \$ <u>1,049.80</u> |
| Balance, December 31, 2010 | B | | \$ <u><u>1,049.80</u></u> |

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | |
|--|-------------|---------------|------------------------|
| Balance, December 31, 2009 | C | | \$ 3,598,307.79 |
| Increased by Receipts: | | | |
| Budget Appropriations: | | | |
| Capital Improvement Fund | C-8 | \$ 450,000.00 | |
| Deferred Charges to Future Taxation - Unfunded | C-7 | 168,000.00 | |
| Due Current Fund | C-18 | 49,996.19 | |
| Bond Anticipation Note | C-17 | 550,000.00 | |
| | | | <u>1,217,996.19</u> |
| | | | \$ 4,816,303.98 |
| Decreased by Disbursements: | | | |
| Contracts Payable | C-14 | \$ 428,022.88 | |
| Reserve for Preliminary Costs | C-10 | 42.50 | |
| Bond Anticipation Note | C-17 | 2,033,000.00 | |
| | | | <u>2,461,065.38</u> |
| Balance, December 31, 2010 | C | | \$ <u>2,355,238.60</u> |

"C-3"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

| | BALANCE DECEMBER 31, 2010 |
|--|---------------------------------|
| Capital Improvement Fund | \$ 228,738.82 |
| Reserve for Grants Receivable | 223,000.00 |
| Reserve for Open Space | 154,500.00 |
| Morris County Open Space Grant Receivable | (256,743.83) |
| Reserve for Preliminary Costs | 16,969.14 |
| Reserve for Contracts Payable | 122,567.05 |
| Reserve to Pay Notes | 25,950.00 |
| Due Current Fund | 2.53 |
| Fund Balance | 47,329.30 |
| Cash on Hand to Pay Notes | |
| Listed on "C-7" | 60,893.00 |
| Unexpended Proceeds of Bond Anticipation Notes | |
| Listed on "C-7" | 44,866.91 |
| Improvement Authorizations Funded- | |
| Listed on "C-9" | 2,053,486.59 |
| Unfunded Improvements Expended- | |
| Listed on "C-7" | (366,320.91) |
| | <u>\$ 2,355,238.60</u> |
| REF. | C |

"C-4"

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

| | | |
|---|---|----------------------|
| Balance, December 31, 2009 and December 31, 2010 | C | \$ <u>223,000.00</u> |
|---|---|----------------------|

"C-5"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-----------------------------|
| Balance, December 31, 2009 | C | \$ | 10,990,939.24 |
| Decreased by: | | | |
| Bonds Paid by Budget | C-11 | \$ | 625,000.00 |
| Loans Paid by Open Space | C-12 | | <u>111,489.37</u> |
| | | | <u>736,489.37</u> |
| Balance, December 31, 2010 | C | \$ | <u><u>10,254,449.87</u></u> |

"C-6"

SCHEDULE OF ACCOUNTS RECEIVABLE

| | | | |
|---|---|----|--------------------------|
| Balance, December 31, 2009 and December 31, 2010 | C | \$ | <u><u>256,743.83</u></u> |
| <u>ANALYSIS OF BALANCE:</u> | | | |
| Morris County Open Space Grant | | \$ | 223,000.00 |
| Transportation Trust Fund Receivable | | | <u>33,743.83</u> |
| | | \$ | <u><u>256,743.83</u></u> |

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2009 | C | \$ 148,238.82 |
| Increased by: | | |
| 2010 Budget Appropriation | C-2 | 450,000.00 |
| | | <u>\$ 598,238.82</u> |
| Decreased by: | | |
| Appropriated to Finance: | | |
| Improvement Authorizations | C-9 | <u>369,500.00</u> |
| Balance, December 31, 2010 | C | <u><u>\$ 228,738.82</u></u> |

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | GENERAL IMPROVEMENTS: | ORDINANCE DATE | AMOUNT | BALANCE DECEMBER 31, 2009 | | 2010 AUTHORIZATIONS | EXPENDED | BALANCE DECEMBER 31, 2010 | |
|---------------------|--|-------------------|--------------|------------------------------|---------------|------------------------|---------------|------------------------------|---------------|
| | | | | FUNDED | UNFUNDED | | | FUNDED | UNFUNDED |
| 2001-5 | Acquisition of Land | 03/07/01 | \$ 25,977.00 | \$ | | \$ | | \$ 25,977.00 | \$ |
| 2001-18/2002-8 | Acquisition of Land | 10/17/01 | 1,800,000.00 | 138,331.53 | | | | 138,331.53 | |
| 2003-15 | Acquisition of Land | 07/16/03 | 1,100,000.00 | 39,633.11 | 293,415.00 | | | 39,633.11 | 293,415.00 |
| 2004-13 | Acquisition of Land | 06/16/04 | 2,525,000.00 | | 157,470.59 | | | 125,470.59 | 32,000.00 |
| 2004-16 | Acquisition of Land | 07/07/04 | 1,150,000.00 | 143,264.90 | 33,790.00 | | | 143,264.90 | 33,790.00 |
| 2004-20 | Various Capital Improvements | 09/07/04 | 211,500.00 | 41,807.88 | | | | 41,807.88 | |
| 2005-8/2005-16 | Restoration/Rehabilitation-Glen Alpin | 5/18/05-9/6/05 | 1,000,000.00 | 393,372.07 | | | 1,550.00 | 391,822.07 | |
| 2005-14 | Various Public Improvements/Acquisitions | 07/13/05 | 284,500.00 | 63,922.95 | | | | 63,922.95 | |
| 2005-20 | Acquisition of a Conservation Easement | 11/22/05 | 630,000.00 | 12,263.24 | 1,000.00 | | | 12,263.24 | 1,000.00 |
| 2006-01 | Acquisition of a Conservation Easement | 03/01/06 | 1,400,000.00 | 1,934.02 | | | | 1,934.02 | |
| 2006-02 | Restoration/Rehabilitation-Glen Alpin | 03/01/06 | 850,000.00 | | 45,681.49 | | 814.58 | | 44,866.91 |
| 2006-08 | Acquisition of Real Property | 04/05/06 | 1,020,000.00 | 16,165.59 | | | | 16,165.59 | |
| 2006-10 | Various Public Improvements | 09/03/06 | 107,500.00 | 37,500.00 | | | | 37,500.00 | |
| 2006-20 | Installation of Fire Cisterns | 10/18/06 | 350,000.00 | | 113,500.00 | | | | 113,500.00 |
| 2007-07 | Various Public Improvements | 06/20/07 | 402,500.00 | 235,387.58 | | | 3,266.00 | 232,121.58 | |
| 2007-08 | Municipal Building Parking Lot | 06/20/07 | 450,000.00 | | 24,378.52 | | 6,699.43 | | 17,679.09 |
| 2007-11 | Bayne Park Ice Skating Rinks | 09/05/07 | 25,000.00 | 319.02 | | | | 319.02 | |
| 2007-15 | Acquisition of The Farm at Harding | 12/03/07 | 4,000,000.00 | 130,753.61 | | | | 130,753.61 | |
| 2008-9 | Various Improvements | 05/07/08 | 519,000.00 | 347,616.45 | | | 76,874.75 | 270,741.70 | |
| 2009-4 | Various Public Improvements/Acquisitions | 06/10/09 | 344,500.00 | 65,793.00 | | | | 65,793.00 | |
| 2010-12 | Various Public Improvements/Acquisitions | 08/18/10 | 369,500.00 | | | 369,500.00 | 53,835.20 | 315,664.80 | |
| | | | \$ | 1,694,041.95 | \$ 669,235.60 | \$ 369,500.00 | \$ 143,039.96 | \$ 2,053,486.59 | \$ 536,251.00 |

REF.

C

C

C-8

C-14

C-C-3

C-C-7

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2009 | C | \$ 17,011.64 |
| Decreased by: | | |
| Disbursements | C-2 | <u>42.50</u> |
| Balance, December 31, 2010 | C | \$ <u><u>16,969.14</u></u> |

SCHEDULE OF SERIAL BONDS

[illegible]

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF LOANS PAYABLE

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>PRINCIPAL REQUIREMENTS OF LOAN OUTSTANDING</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2010</u> |
|------------------------------|----------------------|-------------------------------------|---|---------------|--------------------------|--|------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Blue Mill Fields Acquisition | June 12, 1992 | \$ 1,875,000.00 | 03/12/11 | 56,582.24 | 2.00% | \$ 282,939.24 | \$ 111,489.37 | \$ 171,449.87 |
| | | | 09/12/11 | 57,148.06 | 2.00% | | | |
| | | | 03/12/12 | 57,719.55 | 2.00% | | | |
| | | | | | | \$ 282,939.24 | \$ 111,489.37 | \$ 171,449.87 |
| | | | | | | <u>C</u> | <u>C-5</u> | <u>C</u> |
| | | | | | <u>REF.</u> | | | |

"C-13"

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE</u> <u>NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u> |
|-----------------------------------|--------------------------------------|--|
| 2001-18 / 2002-8 | Acquisition of Land | \$ 44,500.00 |
| 2003-15 | Acquisition of Land | 293,415.00 |
| 2004-13 | Acquisition of Land | 32,000.00 |
| 2004-16 | Acquisition of Land | 33,790.00 |
| 2005-20 | Acquisition of Conservation Easement | 1,000.00 |
| 2006-20 | Installation of Fire Cisterns | 162,500.00 |
| 2007-8 | Municipal Building Parking Lot | 290,500.00 |
| | | <u>\$ 857,705.00</u> |

"C-14"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2009 | C | \$ 407,549.97 |
| Increased by: | | |
| Improvement Authorizations | C-9 | 143,039.96 |
| | | <u>\$ 550,589.93</u> |
| Decreased by: | | |
| Disbursements | C-2 | 428,022.88 |
| Balance, December 31, 2010 | C | <u>\$ 122,567.05</u> |

"C-15"

TOWNSHIP OF HARDING
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR OPEN SPACE

REF.

Balance, December 31, 2009
and December 31, 2010

C

\$ 154,500.00

"C-16"

SCHEDULE OF RESERVE TO PAY NOTES

Balance, December 31, 2009

C

\$ 1,465,950.00

Decreased by:

Deferred Charges to Future Taxation - Unfunded

C-7

1,440,000.00

Balance, December 31, 2010

C

\$ 25,950.00

TOWNSHIP OF HARDING

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

| <u>ORDINANCE</u> | <u>ORIGINAL DATE OF ISSUE</u> | <u>DATE OF ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2010</u> |
|-----------------------------------|---------------------------------------|--------------------------|-----------------------------|--------------------------|--|----------------------|------------------------|--|
| 2004-13 Acquisition of Land | 2/17/05 | 2/20/09 | 2/19/10 | 2.50% | \$ 1,515,000.00 | \$ | 1,515,000.00 | \$ |
| 2006-2 Rest./Rehab. of Glen Alpin | 8/16/06 | 2/20/09 | 2/19/10 | 2.50% | 518,000.00 | | 518,000.00 | |
| 2006-2 Rest./Rehab. of Glen Alpin | 8/16/06 | 2/19/10 | 2/18/11 | 0.85% | | 550,000.00 | | 550,000.00 |
| | | | | | <u>\$ 2,033,000.00</u> | <u>\$ 550,000.00</u> | <u>\$ 2,033,000.00</u> | <u>\$ 550,000.00</u> |
| | | | | <u>REF.</u> | C | C-2 | C-2 | C-C-7 |

TOWNSHIP OF HARDING
GENERAL CAPITAL FUND
SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | |
|---------------------------------------|-------------|-----------------------|
| Balance, December 31, 2009 (Due From) | C | \$ 49,993.66 |
| Decreased by: | | |
| Disbursements | C-2 | <u>49,996.19</u> |
| Balance, December 31, 2010 (Due To) | C | <u><u>\$ 2.53</u></u> |

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

| | <u>REF.</u> | <u>OPERATING</u> | <u>CAPITAL</u> |
|---------------------------------------|-------------|-----------------------------|----------------------------|
| Balance, December 31, 2009 | D | \$ <u>252,969.78</u> | \$ <u>101,888.27</u> |
| Increased by Receipts: | | | |
| Sewer Use Charges Receivable | D-9 | \$ 175,162.30 | \$ |
| Miscellaneous Revenue Not Anticipated | D-2 | 2,469.16 | |
| Prepaid Sewer Rents | D-11 | 2,589.78 | |
| Capital Improvement Fund | D-12 | | 15,000.00 |
| | | \$ <u>180,221.24</u> | \$ <u>15,000.00</u> |
| | | \$ 433,191.02 | \$ 116,888.27 |
| Decreased by Disbursements: | | | |
| 2010 Budget Appropriations | D-3 | \$ 183,723.22 | \$ |
| Improvement Authorizations Funded | D-15 | | 22,675.40 |
| | | \$ <u>183,723.22</u> | \$ <u>22,675.40</u> |
| Balance, December 31, 2010 | D | \$ <u><u>249,467.80</u></u> | \$ <u><u>94,212.87</u></u> |

"D-5"

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

| | BALANCE DECEMBER 31, 2010 |
|-------------------------------------|---------------------------------|
| Contribution in Aid of Construction | \$ 3,000.00 |
| Capital Improvement Fund | 70,000.00 |
| Contracts Payable | 7,557.50 |
| Improvement Authorizations - Funded | <u>13,655.37</u> |
| | <u>\$ 94,212.87</u> |
| <u>REF.</u> | D |

"D-6"

SCHEDULE OF RESERVE FOR CONTRIBUTION IN AID OF CONSTRUCTION

| | | |
|---|---|--------------------|
| Balance, December 31, 2009 and December 31, 2010 | D | \$ <u>3,000.00</u> |
|---|---|--------------------|

"D-7"

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

| <u>ACCOUNT</u> | BALANCE DECEMBER 31, <u>2009 AND 2010</u> |
|--------------------------|---|
| Air Blower | \$ 525.00 |
| Gas Detector | 3,016.46 |
| Two-Way Recovery System | 1,692.72 |
| Sewer Pump Station | 4,201.72 |
| Super Shredder | 15,976.00 |
| Franklin Miller Grinder | 4,120.00 |
| Suction Piping | 2,290.00 |
| Fence | 1,825.00 |
| Motor | 1,851.50 |
| Emergency Generator | 13,100.00 |
| Equipment - Pump Station | 1,772.93 |
| Pump Repair | 24,547.57 |
| Other | <u>3,646.84</u> |
| | <u>\$ 78,565.74</u> |

REF.

D

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

| | BALANCE DECEMBER <u>31, 2009</u> | BUDGET AFTER <u>MODIFICATION</u> | BALANCE <u>LAPSED</u> |
|---------------------------------|--|--|--------------------------|
| Operating: | | | |
| Salaries & Wages | \$ 3,396.41 | \$ 3,396.41 | \$ 3,396.41 |
| Other Expenses | 10,133.84 | 10,133.84 | 10,133.84 |
| Statutory Expenditures: | | | |
| Contribution to Social Security | <u>1,000.00</u> | <u>1,000.00</u> | <u>1,000.00</u> |
| | <u>\$ 14,530.25</u> | <u>\$ 14,530.25</u> | <u>\$ 14,530.25</u> |
| <u>REF.</u> | D | | D-1 |

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

| | <u>REF.</u> | | |
|----------------------------|-------------|----|------------------------|
| Balance, December 31, 2009 | D | \$ | 3,529.74 |
| Increased by: | | | |
| Sewer Charges Levied (Net) | | | 177,227.45 |
| | | \$ | <u>180,757.19</u> |
| Decreased By: | | | |
| Receipts | D-4 | \$ | 175,162.30 |
| Prepaid Applied | D-11 | | <u>3,783.09</u> |
| | | | <u>178,945.39</u> |
| Balance, December 31, 2010 | D | \$ | <u><u>1,811.80</u></u> |

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>ORDINANCE DATE</u> | <u>BALANCE DECEMBER 31, 2009 and 2010</u> |
|-----------------------------|---------------------------------------|---------------------------|---|
| 15-02 | Improvements to Sewer Pumping Station | 12/31/02 | \$ <u>57,000.00</u> |
| | | | \$ <u>57,000.00</u> |
| | | <u>REF.</u> | D |

TOWNSHIP OF HARDING

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR PREPAID SEWER RENTS

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2009 | D | \$ 3,783.09 |
| Increased by: | | |
| Receipts | D-4 | 2,589.78 |
| | | <u>\$ 6,372.87</u> |
| Decreased by: | | |
| Applied to Revenue | D-9 | <u>3,783.09</u> |
| Balance, December 31, 2010 | D | <u><u>\$ 2,589.78</u></u> |

TOWNSHIP OF HARDING
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2009 | D | \$ 70,000.00 |
| Increase by: | | |
| Receipts | D-4 | 15,000.00 |
| | | <u>\$ 85,000.00</u> |
| Decreased by: | | |
| New Authorizations | D-15 | 15,000.00 |
| | | <u>15,000.00</u> |
| Balance, December 31, 2010 | D | <u><u>\$ 70,000.00</u></u> |

"D-13"

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>ORDINANCE DATE</u> | <u>BALANCE DECEMBER 31, 2009 and 2010</u> |
|-----------------------------|---------------------------------------|---------------------------|---|
| 15-02 | Improvements to Sewer Pumping Station | 12/30/02 | \$ 27,000.00 |
| 10-08 | Various Improvements | 6/4/08 | <u>30,000.00</u> |
| | | | \$ <u><u>57,000.00</u></u> |
| | | <u>REF.</u> | D |

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

REF.

Balance, December 31, 2009
and December 31, 2010

D

\$ 78,565.74

"D-16"

TOWNSHIP OF HARDING

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

REF.

| | | |
|----------------------------|------|---------------------------|
| Increase by: | | |
| Improvement Authorizations | D-15 | \$ <u>7,557.50</u> |
| Balance, December 31, 2010 | D | \$ <u><u>7,557.50</u></u> |

"D-17"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

REF.

| | | |
|----------------------------|-----|---------------------------|
| Increase by: | | |
| 2010 Appropriations | D-3 | \$ <u>3,341.84</u> |
| Balance, December 31, 2010 | D | \$ <u><u>3,341.84</u></u> |

TOWNSHIP OF HARDING

PART II

REPORTS 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

SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

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



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S 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 Committee
Township of Harding
County of Morris
New Vernon, New Jersey 07976

We have audited the accompanying financial statements - statutory basis of the Township of Harding, County of Morris, New Jersey as of and for the year ended December 31, 2010, and have issued our report thereon dated June 1, 2011. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Harding prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as 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 of Harding's internal control over financial reporting as a basis for designing our audit 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 of Harding's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Harding's internal control over financial reporting.

SUPLEE, CLOONEY & COMPANY

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township of Harding's financial statements will not be prevented, or detected and corrected on a timely basis.

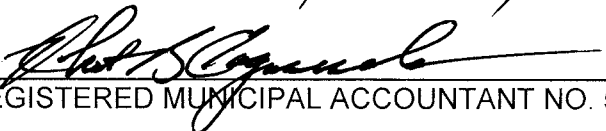
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Harding's financial statements - statutory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 an immaterial instance of noncompliance which is discussed in Part III, General Comments and Recommendations section of this report.

This report is intended solely for the information of the Township of Harding, County of Morris, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 1, 2011

TOWNSHIP OF HARDING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2010

| FEDERAL C.F.D.A. NUMBER | FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE | GRANT AWARD AMOUNT | GRANT PERIOD | | 2010 RECEIPTS | 2010 EXPENDITURES | CUMULATIVE EXPENDITURES DECEMBER 31, 2010 |
|-------------------------------|---|--------------------------|--------------|---------|------------------|----------------------|--|
| | | | FROM | TO | | | |
| | Pass Through From State of New Jersey | | | | | | |
| | U.S. Department of Agriculture | | | | | | |
| | Wildlife Habitat Incentives Program | | | | | | |
| | Conservative Program Agreement | | | | | | |
| | 2005 | | | | | | |
| \$ | | 2,250.00 | 8/30/04 | 9/30/05 | \$ | \$ | \$ 702.00 |
| TOTAL | | | | | \$ 0.00 | \$ 0.00 | |

TOWNSHIP OF HARDING

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2010

| STATE GRANTOR/DEPARTMENT/PROGRAM TITLE | STATE ACCOUNT NUMBER | GRANT AWARD AMOUNT | 2010 RECEIPTS | 2010 EXPENDITURES | CUMULATIVE EXPENDITURES DECEMBER 31, 2010 |
|---|---------------------------------|--------------------------|------------------|----------------------|--|
| DEPARTMENT OF LAW AND PUBLIC SAFETY | | | | | |
| Drunk Driving Enforcement Fund - Prior | 1110-100-066-1110-YYYY | \$ 17,859.52 | \$ | \$ 3,331.02 | \$ 15,654.56 |
| Drunk Driving Enforcement Fund | 1110-100-066-1110-YYYY | 2,284.78 | | | |
| Over The Limit Under Arrest | 1160-100-066-1160-057-YHTS-6010 | 4,400.00 | 4,400.00 | 4,400.00 | 4,400.00 |
| Click It Or Ticket | 1160-100-066-1160-116-YHTS-6120 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 |
| Alcohol Education Rehabilitation Fund - Prior | 9735-760-098-Y900-001-X100-6020 | 2,574.18 | | | |
| Alcohol Education Rehabilitation Fund | 9735-760-098-Y900-001-X100-6020 | 554.64 | 527.87 | | |
| | | \$ 8,927.87 | \$ 8,927.87 | \$ 11,731.02 | \$ 24,054.56 |
| DIVISION OF CRIMINAL JUSTICE | | | | | |
| Body Armor Replacement Fund - Prior | 1020-718-066-1020-001-YCJS-6120 | 5,872.73 | \$ | \$ | |
| Body Armor Replacement Fund | 1020-718-066-1020-001-YCJS-6120 | 841.85 | 841.85 | | |
| Body Armor Replacement Fund - Unappropriated | 1020-718-066-1020-001-YCJS-6120 | 1,446.16 | 1,446.16 | | |
| | | \$ 2,288.01 | \$ 2,288.01 | \$ | |
| DEPARTMENT OF ENVIRONMENTAL PROTECTION | | | | | |
| Clean Communities Grant - Prior | 4900-765-042-4900-004-V42Y-6020 | 12,610.45 | \$ | \$ 5,966.82 | \$ 6,643.63 |
| Clean Communities Grant | 4900-765-042-4900-004-V42Y-6020 | 11,771.95 | | | |
| Recycling Tonnage Grant - Prior | 4900-752-042-4900-001-V42Y-6020 | 19,736.39 | 8,300.26 | | |
| Recycling Tonnage Grant | 4900-752-042-4900-001-V42Y-6020 | 4,530.71 | | | |
| Office of Environmental Services - Prior | 4900-100-042-4800-090-V78X-6120 | 25,000.00 | | | 4,059.49 |
| Association of NJ Environmental Commission - Prior | 4900-100-042-4800-090-V78X-6120 | 22,625.00 | | | 19,064.60 |
| NJ Highlands Water Protection - Prior | 4900-100-042-4800-090-V78X-6120 | 7,500.00 | | | 4,500.00 |
| Stormwater Management Program - Prior | | 5,000.00 | | | 351.50 |
| Municipal Stormwater Regulation Program - Prior | | 20,000.00 | | | 15,251.59 |
| Great Swamp Project - Prior | | | \$ 8,300.26 | \$ 5,966.82 | \$ 34,619.22 |
| DEPARTMENT OF COMMUNITY AFFAIRS | | | | | |
| Garden State Historic Preservation Trust-prior | | 750,000.00 | \$ | \$ | 700,385.00 |
| DEPARTMENT OF TRANSPORTATION | | | | | |
| Municipal Aid - Sand Spring Road - Prior | 6320-480-078-6320-AJG-TCAP-6010 | 75,000.00 | \$ 9,554.95 | \$ | 44,805.95 |
| PASS THROUGH COUNTY OF MORRIS | | | | | |
| Municipal Alliance on Alcoholism and Drug Abuse - Prior | | 6,746.00 | \$ 4,067.01 | \$ 2,410.01 | \$ 4,335.99 |
| Municipal Alliance on Alcoholism and Drug Abuse | | 6,746.00 | | 2,756.82 | 2,756.82 |
| | | | 4,067.01 | 5,166.83 | 7,092.81 |
| TOTAL | | \$ 33,138.10 | \$ 22,864.67 | | |

TOWNSHIP OF HARDING

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

YEAR ENDED DECEMBER 31, 2010

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Township of Harding, County of Morris, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - statutory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial report.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - STATUTORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Townships' statutory basis financial statements. All of these amounts are reported in the Current Fund in 2010.

Receipts:

| | <u>Federal</u> | <u>State</u> | <u>Other</u> | <u>Total</u> |
|--------------|-----------------|---------------------|--------------------|---------------------|
| Current Fund | \$ <u>- 0 -</u> | \$ <u>33,138.10</u> | \$ <u>8,358.90</u> | \$ <u>41,497.00</u> |
| | \$ <u>- 0 -</u> | \$ <u>33,138.10</u> | \$ <u>8,358.90</u> | \$ <u>41,497.00</u> |

Expenditures:

| | <u>Federal</u> | <u>State</u> | <u>Other</u> | <u>Total</u> |
|--------------|-----------------|---------------------|--------------------|---------------------|
| Current Fund | \$ <u>- 0 -</u> | \$ <u>22,864.67</u> | \$ <u>1,686.50</u> | \$ <u>24,551.17</u> |
| | \$ <u>- 0 -</u> | \$ <u>22,864.67</u> | \$ <u>1,686.50</u> | \$ <u>24,551.17</u> |

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

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PART III
TOWNSHIP OF HARDING
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2010

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

| | YEAR 2010 | | YEAR 2009 | |
|--|-------------------------|----------------|-------------------------|----------------|
| | <u>AMOUNT</u> | <u>%</u> | <u>AMOUNT</u> | <u>%</u> |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 1,870,000.00 | 7.20% | \$ 2,125,000.00 | 8.15% |
| Miscellaneous - From Other Than | | | | |
| Local Property Tax Levies | 2,818,702.63 | 10.85% | 2,276,817.55 | 8.73% |
| Collection of Delinquent Taxes | | | | |
| and Tax Title Liens | 148,590.30 | 0.57% | 241,619.00 | 0.93% |
| Collections of Current Tax Levy | 21,140,465.00 | 81.38% | 21,425,869.49 | 82.19% |
| <u>Total Revenue</u> | <u>\$ 25,977,757.93</u> | <u>100.00%</u> | <u>\$ 26,069,306.04</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | \$ 7,707,259.33 | 32.32% | \$ 7,986,290.12 | 33.08% |
| County Taxes | 6,008,080.17 | 25.19% | 6,377,990.43 | 26.42% |
| Local School District Taxes | 9,057,676.50 | 37.98% | 8,949,968.00 | 37.08% |
| Municipal Open Space Taxes | 791,018.79 | 3.32% | 816,637.99 | 3.38% |
| Other Expenditures | 284,153.20 | 1.19% | 9,266.73 | 0.04% |
| <u>Total Expenditures</u> | <u>\$ 23,848,187.99</u> | <u>100.00%</u> | <u>\$ 24,140,153.27</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 2,129,569.94 | | \$ 1,929,152.77 | |
| Fund Balance - January 1 | 2,860,220.74 | | 3,056,067.97 | |
| | \$ 4,989,790.68 | | \$ 4,985,220.74 | |
| Less: Utilization as Anticipated Revenue | 1,870,000.00 | | 2,125,000.00 | |
| Fund Balance, December 31 | <u>\$ 3,119,790.68</u> | | <u>\$ 2,860,220.74</u> | |

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - SEWER UTILITY OPERATING FUND

| | YEAR 2010 | | YEAR 2009 | |
|--|----------------------|----------------|----------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 50,000.00 | 20.33% | \$ 54,900.00 | 22.65% |
| Collection of Sewer Use Charges | 178,945.39 | 72.76% | 184,855.38 | 76.26% |
| Miscellaneous | 16,999.41 | 6.91% | 2,648.27 | 1.09% |
| <u>Total Revenue</u> | <u>\$ 245,944.80</u> | <u>100.00%</u> | <u>\$ 242,403.65</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Operating | \$ 188,000.00 | 91.70% | \$ 177,900.00 | 89.44% |
| Capital Improvements | 15,000.00 | 7.32% | 20,000.00 | 10.06% |
| Statutory Expenditures | 2,000.00 | 0.98% | 1,000.00 | 0.50% |
| <u>Total Expenditures</u> | <u>\$ 205,000.00</u> | <u>100.00%</u> | <u>\$ 198,900.00</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 40,944.80 | | \$ 43,503.65 | |
| Fund Balance - January 1 | 234,656.44 | | 246,052.79 | |
| | \$ 275,601.24 | | \$ 289,556.44 | |
| Less: Utilization as Anticipated Revenue | 50,000.00 | | 54,900.00 | |
| Fund Balance, December 31 | <u>\$ 225,601.24</u> | | <u>\$ 234,656.44</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|----------------------------------|-----------------|-----------------|-----------------|
| Tax Rate | \$ <u>1.031</u> | \$ <u>1.058</u> | \$ <u>1.036</u> |
| Municipal (Including Open Space) | \$ 0.296 | \$ 0.302 | \$ 0.294 |
| County (Including Open Space) | 0.293 | 0.313 | 0.320 |
| Local School | <u>0.442</u> | <u>0.443</u> | <u>0.422</u> |

Assessed Valuations:

| | | | |
|------|---------------------------|---------------------------|---------------------------|
| 2010 | <u>\$2,050,276,147.00</u> | | |
| 2009 | | <u>\$2,021,010,460.00</u> | |
| 2008 | | | <u>\$1,999,503,371.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>Year</u> | <u>Tax Levy</u> | <u>Cash Collections</u> | <u>Percentage of Collection</u> |
|-------------|-----------------|-----------------------------|-------------------------------------|
| 2010 | \$21,209,126.45 | \$21,140,465.00 | 99.68% |
| 2009 | \$21,602,187.31 | \$21,425,869.49 | 99.18% |
| 2008 | \$20,987,667.26 | \$20,698,692.50 | 98.62% |

DELINQUENT TAXES AND TAX TITLE LIENS

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

| <u>Year</u> | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage of Tax Levy</u> |
|-------------|--------------------------------------|---------------------------------------|-----------------------------|-----------------------------------|
| 2010 | \$ -0- | \$40,989.28 | \$40,989.28 | 0.19% |
| 2009 | -0- | 161,393.92 | 161,393.92 | 0.75% |
| 2008 | -0- | 253,381.86 | 253,381.86 | 1.21% |

COMPARISON OF SEWER UTILITY LEVIES

| <u>Year</u> | <u>Levy</u> | <u>Cash Collections</u> |
|-------------|--------------|-------------------------|
| 2010 | \$177,229.78 | \$175,417.98 |
| 2009 | 185,115.00 | 180,527.12 |
| 2008 | 152,039.33 | 150,024.82 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| <u>Year</u> | <u>Balance Current Fund</u> | <u>Utilized in Budget of Succeeding Year</u> |
|-------------|---------------------------------|--|
| 2010 | \$3,119,790.68 | \$2,030,000.00 |
| 2009 | 2,860,220.74 | 1,870,000.00 |
| 2008 | 3,056,067.97 | 2,125,000.00 |
| 2007 | 2,955,719.46 | 2,075,000.00 |
| 2006 | 2,736,256.33 | 1,975,000.00 |

| <u>Year</u> | <u>Balance Sewer Operating Fund</u> | <u>Utilized in Budget of Succeeding Year</u> |
|-------------|---|--|
| 2010 | \$225,601.24 | \$50,000.00 |
| 2009 | 234,656.44 | 50,000.00 |
| 2008 | 246,052.79 | 54,900.00 |
| 2007 | 228,889.62 | 34,900.00 |
| 2006 | 192,184.92 | 38,760.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>Name</u> | <u>Title</u> | <u>Amount of Bond</u> |
|--|---|-----------------------|
| Marshall Bartlett | Mayor – Committee Chair | * |
| Regina Egea | Deputy Mayor - Committee Vice-Chair | * |
| Louis Lanzerotti | Committee Member | * |
| Ned Ward | Committee Member | * |
| Nicholas Platt | Committee Member | * |
| Gail McKane | Administrator, Clerk, Registrar, QPA | * |
| Himanshu Shah | Chief Financial Officer | * |
| Kathleen Silber | Tax Collector | * |
| Mary Ellen Balady | Construction Official | * |
| Barbara Schwab | Court Administrator | * |
| Gary Troxel | Municipal Court Judge | * |
| Peter Fico | Prosecutor | * |
| Kevin Gaffney | Police Chief | * |
| Laura Lande – Woolfson, Sutphen, et al. | Attorney | |
| Paul Fox – Apgar Associates | Engineer | |
| Cynthia L. Phillips | Planning Board Administrator | * |
| Karen Zaborsky | Zoning Officer, Board of Adjustment Administrator | * |
| Steven Rogut | Bond Counsel | |
| Tracy Toribio | Superintendent of Public Works, Principal Public Works Manager | * |

* Officials and employees handling and collecting Township funds are covered by the Township's employee dishonesty blanket coverage up to \$1,000,000.00. The policy was examined and was properly executed.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A.40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c. 198 (C.40A:11-3), except by contract or agreement.

Effective July 1 2005, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$21,000.00. Effective October 13, 2008 the bid threshold in accordance with N.J.A.C. 40A:11-3 was increased to \$29,000.00 by resolution of the governing body. Effective July 1, 2010 the bid threshold in accordance with N.J.A.C. 40A:11-3 was increased to \$36,000 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the fiscal year. 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.

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

Solid Waste Disposal

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 or any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

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

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

| | |
|-------------------|----------------------|
| Township Attorney | Bond Counsel |
| Township Engineer | Special Tax Counsel |
| Township Auditor | Other Legal Services |
| Township Planner | GIS Consultant |

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 6, 2010 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Mayor and Committee of the Township of Harding, as follows:

1. Taxes shall be collected quarterly on February 1, May 1, August 1 and November 1.
2. Payment of taxes shall be remitted to the Tax Collector of the Township of Harding.
3. Interest shall be charged and calculated at the rate of 8% per annum on first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date of actual payment received.
4. There shall be a 10 day grace period, after which unpaid taxes will be charged interest from the due date.
5. Redemption fee for Tax Sale Certificates to the Municipality as follows:

2% on Certificates \$200.00 to \$4,999.99
4% on Certificates \$5,000.00 to \$9,999.99
6% on Certificates over \$10,000.00
6. Redemption amounts shall be obtained from the Tax Collector. A \$25.00 fee will be charged for each additional request for a redemption calculation.
- 6a. Duplicate Tax Sale Certificate - \$100.00 fee
- 6b. In lieu of publication, notice of tax sale to be mailed - \$25.00 fee
7. Bad check fee of \$20.00 shall be charged on all returned checks.
8. The Township Clerk is hereby directed to publish a copy of this resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on September 15, 2010 and was complete.

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

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2010 | 0 |
| 2009 | 0 |
| 2008 | 0 |

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

| <u>Type</u> | |
|---|----|
| Information Tax Positive Confirmation | 25 |
| Delinquent Tax Positive Confirmation | 8 |
| Information Utility Positive Confirmation | 10 |
| Delinquent Utility Positive Confirmation | 6 |

OTHER COMMENTS

Reference to the various balance sheets show interfund balances remaining at year end. Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. As a general rule all interfund balances should be closed out as of the end of year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

Our test of paid vouchers disclosed the following instance of noncompliance. We noted that numerous purchase orders are processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order. In effect, the controls that minimize the possibility of over expenditures and unauthorized purchases are not in operation.

RECOMMENDATION

That the practice of issuing confirming orders be discontinued.

