

**TOWNSHIP OF MINE HILL
COUNTY OF MORRIS
STATE OF NEW JERSEY**

**REPORT OF AUDIT
DECEMBER 31, 2014**

TOWNSHIP OF MINE HILL

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PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2014

AUDITORS' REPORTS



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Mine Hill
County of Morris, New Jersey
10 Baker Street
Mine Hill, New Jersey 07830

Report on the Financial Statements

We have audited the accompanying financial statements-regulatory basis, which comprise the comparative balance sheets-regulatory basis of the various funds of the Township of Mine Hill, County of Morris, State of New Jersey (the "Township"), as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis, and statement of expenditures-regulatory basis of the various funds, and the related notes to the financial statements for the year ended December 31, 2014, which collectively comprise the Township's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

-Continued-

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with regulatory basis accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2014 and 2013, or the results of its operations and changes in its fund balances for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Township, as of December 31, 2014 and 2013, and the results of operations and changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the years then ended, in conformity with accounting principals and practices as described in Note 1 to the financial statements.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements-regulatory basis. The supplementary information 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 basic financial statements-regulatory basis.

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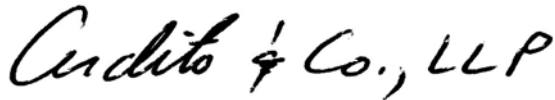
The supplementary information exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements-regulatory basis, or to the basic financial statements-regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements-regulatory basis taken as a whole, on the basis of accounting described in Note 1 to the financial statements.


Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2015, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP



Frenchtown, New Jersey
April 30, 2015



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
April 30, 2015

FINANCIAL STATEMENTS

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 1

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Cash And Cash Equivalents:			
Cash - Treasurer	A-4	\$ 1,654,889	\$ 1,835,486
Amount Due from State of New Jersey for Senior Citizens and Veterans Deductions	A-17	<u>10,236</u>	<u>10,236</u>
		<u>1,665,125</u>	<u>1,845,722</u>
Receivables And Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	253,339	252,946
Tax Title Liens Receivable	A-7	378,274	376,176
Revenue Accounts Receivable	A-8	6,811	8,030
Property Aquired for Taxes at Assessed Valuation	A	23,500	23,500
Prepaid District School Taxes	A-14	55,267	-
Amount Due From Other Trust Fund	B	32	32
Amount Due From Dog License Fund	B	45	22
Amount Due From Sewer Operating Fund	E	<u>38,762</u>	<u>-</u>
Subtotal		<u>756,030</u>	<u>660,706</u>
Deferred Charges:			
Special Emergency Authorizations	A-25	31,437	41,503
Overexpended Appropriations	A-3	<u>23,167</u>	<u>-</u>
Subtotal		<u>54,604</u>	<u>41,503</u>
Federal And State Grant Fund:			
Federal/State Grants Receivable	A-19	213,880	232,145
Due Current Fund	A	<u>27,388</u>	<u>13,106</u>
Subtotal		<u>241,268</u>	<u>245,251</u>
TOTAL ASSETS		<u>\$ 2,717,027</u>	<u>\$ 2,793,182</u>

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 2

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Reserve For Encumbrances	A-10	\$ 20,547	\$ 24,933
Appropriation Reserves	A-3:9	41,209	102,632
Accounts Payable	A	2,900	246
Amount Due To Grant Fund	A	27,388	13,106
Amount Due To Other Trust	A-26	734,184	627,200
Amount Due To General Capital Fund	C	11,339	49,339
Amount Due To Water Operating Fund	D	132,275	146,575
Amount Due To Sewer Operating Fund	E	-	6,614
Taxes Collected In Advance	A-11	61,281	31,763
Tax Overpayments	A-12	9,282	11,504
Municipal Open Space Tax Payable	A-16	35,530	24,287
Reserve for Sale of Municipal Assets	A-22	21,440	21,440
Reserve for Pending Tax Appeals	A-23	-	72,222
Reserve for Revaluation	A-24	-	1,850
Subtotal		<u>1,097,375</u>	<u>1,133,711</u>
Reserve For Receivables And Other Assets	A	756,030	660,706
Fund Balance	A-1	<u>622,354</u>	<u>753,514</u>
Subtotal		<u>2,475,759</u>	<u>2,547,931</u>
Federal And State Grant Fund:			
Due to Water Utility Fund	D	221	221
Reserve For State Grants - Appropriated	A-20	211,542	212,280
Reserve For State Grants - Unappropriated	A-21	<u>29,505</u>	<u>32,750</u>
Subtotal		<u>241,268</u>	<u>245,251</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,717,027</u>	<u>\$ 2,793,182</u>

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

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE

A-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>2014</u>	<u>YEAR</u> <u>2013</u>
Fund Balance Utilized	A-2	\$ 465,000	\$ 270,000
Miscellaneous Revenue Anticipated	A-2	775,321	946,156
Receipts From Delinquent Taxes	A-2	241,200	325,711
Receipts From Current Taxes	A-2	11,207,318	11,056,721
Non-Budget Revenues	A-2	22,783	96,059
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	A-9	104,083	22,427
Interfunds Returned	A:B:D:E	-	29,849
TOTAL INCOME		12,815,705	12,746,923
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	677,987	582,409
Other Expenses	A-3	1,108,682	1,116,686
Statutory Expenditures	A-3	118,938	139,294
Operations Excluded from "CAPS":			
Other Expenses	A-3	1,711,089	1,745,392
Capital Improvements	A-3	206,000	201,500
Municipal Debt Service	A-3	436,157	429,064
Deferred Charges to Future Taxation	A-3	10,066	25,749
County Taxes	A-13	1,123,191	1,129,824
Amount Due County For Added and Omitted Taxes	A-13	551	11,595
Local District School Taxes	A-14	6,625,686	6,438,056
Garbage District Tax	A-15	401,007	382,871
Municipal Open Space Tax	A-16	11,243	13,272
Refund of Prior Year Revenue, net	A-4	16,867	-
Interfund Advances	A:D	57,568	20,180
TOTAL EXPENDITURES		12,505,032	12,235,892
Excess (Deficit) Revenue Over Expenditures		310,673	511,031
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	23,167	21,200
Statutory Excess To Fund Balance		333,840	532,231
Fund Balance January 1	A	753,514	491,283
		1,087,354	1,023,514
Decreased by:			
Utilization as Anticipated Revenue	A-1	465,000	270,000
Fund Balance December 31	A	\$ 622,354	\$ 753,514

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

CURRENT FUND
STATEMENT OF REVENUES

A-2

	REF.	<u>ANTICIPATED BUDGET</u>	<u>REVENUE RECEIVED</u>	<u>EXCESS OR DEFICIT</u>
Surplus Anticipated		\$ 465,000	\$ 465,000	
Licenses:				
Alcoholic Beverages-Clerk	A-8	4,000	6,813	\$ (2,813)
Beach Concession Fees	A-8	12,000	7,350	4,650
Fines and Costs:				
Municipal Court	A-8	71,000	101,036	(30,036)
Interest and Costs on Taxes	A-5	55,500	50,368	5,132
Interest on Investments	A-8	2,000	2,398	(398)
Consolidated Municipal Property Tax Relief	A-8	18,435	16,981	1,454
Energy Receipts Tax	A-8	264,908	266,362	(1,454)
Uniform Construction Code Fees	A-8	35,000	92,717	(57,717)
Clean Communities Program	A-19	8,368	8,368	
Recycling Tonnage Grant	A-19	2,164	2,164	
Cable TV Franchise Fees	A-8	33,000	35,137	(2,137)
Cell Tower Leases	A-8	63,000	105,547	(42,547)
Water Fund Surplus	A-8	30,000	30,000	-
Garbage District Fund Surplus	A-8	20,000	20,000	-
Fire Safety Fees	A-8	3,000	14,522	(11,522)
Verizon Francise Fees	A-8	20,000	15,558	4,442
Total Miscellaneous Revenues		<u>642,375</u>	<u>775,321</u>	<u>(132,946)</u>
Receipts from Delinquent Taxes	A-1	<u>238,000</u>	<u>241,200</u>	<u>(3,200)</u>
Amount to be Raised by Taxation	A-6	<u>3,355,901</u>	<u>3,554,147</u>	<u>(198,246)</u>
Total General Revenues		<u>4,701,276</u>	<u>5,035,668</u>	<u>(334,392)</u>
Non-Budget Revenues	A-2		<u>22,783</u>	<u>(22,783)</u>
		<u>\$ 4,701,276</u>	<u>\$ 5,058,451</u>	<u>\$ (357,175)</u>

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

CURRENT FUND
STATEMENT OF REVENUES

ANALYSIS OF REALIZED REVENUES	<u>REF.</u>	
Allocation Of Current Tax Collections:		
Revenue from Collections		\$ 11,160,443
State of New Jersey, Senior Citizens and Veterans Deductions		<u>46,875</u>
	A-6	11,207,318
Allocated To:		
School, County, Garbage and Municipal Open Space Taxes	A-6	<u>8,106,411</u>
Balance for Support of Municipal Budget		3,100,907
Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"	A-3	<u>453,240</u>
Amount For Support Of Municipal Budget Appropriations	A-2	<u>\$ 3,554,147</u>

ANALYSIS OF NON-BUDGET REVENUES	<u>REF</u>	
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Fees Permits	\$	5,000
Refund - Dispatch Fee		6,302
Verizon		2,422
Miscellaneous		<u>992</u>
	A-4	14,716
Tax Collector		
Miscellaneous	A-5	<u>8,067</u> <u>\$ 22,783</u>

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 1

<u>OPERATIONS-Within "CAPS"</u>	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>	<u>OVER- EXPENDED</u>
GENERAL GOVERNMENT FUNCTIONS:						
General Administration:						
Salaries and Wages	\$ 35,300	\$ 37,104	\$ 37,104			
Other Expenses:	35,000	39,200	38,182	\$ 1,018		
Information Tech - Community Communications	5,000	1,330	1,330			
Information Tech - Infrastructure	6,000					
Human Resources(Personnel):						
Salaries and Wages	8,000	8,424	8,424			
Mayor and Council:						
Salaries and Wages	68,300	70,200	70,185	15		
Other Expenses	3,000	3,076	3,076			
Municipal Clerk:						
Salaries and Wages	52,000	50,664	50,521	143		
Other Expenses	11,000	13,500	13,486	14		
Financial Administration:						
Salaries and Wages	30,000	30,450	30,450			
Other Expenses	40,000	45,600	45,520	80		
Audit Services:						
Other Expenses	17,000	17,000	20,000			\$ 3,000
Revenue Administration (Tax Collection):						
Salaries and Wages	27,000	27,405	27,405			
Other Expenses	11,000	7,170	6,410	760		
Tax Assessment Administration:						
Salaries and Wages	20,724	20,724	20,724			
Other Expenses	2,000	4,200	4,167	33		
Legal Services (Legal Dept.):						
Other Expenses	124,000	104,538	99,572	4,966		
Engineering Services:						
Other Expenses	70,000	20,000	14,661	5,339		
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	4,500	4,147	4,147			
Other Expenses	2,500	2,500	2,248	252		
Zoning Officer:						
Salaries and Wages	7,000	2,558	2,558			
Other Expenses	200	200	25	175		

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 2

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>BUDGET AFTER</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>	<u>OVER-</u>
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>PAID OR</u>			<u>EXPENDED</u>
			<u>CHARGED</u>			
INSURANCE:						
General Liability Insurance	87,666	97,869	97,869			
Workmens Compensation Insurance	84,753	94,963	94,963			
Employee Group Insurance	271,016	257,016	272,285			15,269
Unemployment Insurance	4,000					
PUBLIC SAFETY FUNCTIONS:						
Police:						
Salaries and Wages	13,533	10,456	10,456			
Other Expenses	100	251	251			
Office of Emergency Management:						
Salaries and Wages	2,506	3,116	3,116			
Other Expenses	400	449	449			
Aid to Volunteer Fire Companies	75,000	75,400	75,365	35		
Contribution to First Aid Organizations						
Other Expenses	10,000	10,000	9,548		452	
Uniform Fire Safety Bureau:						
Salaries and Wages	4,940	8,210	8,210			
Other Expenses	600		-			
PUBLIC WORKS FUNCTIONS:						
Streets and Road Maintenance:						
Salaries and Wages	194,077	262,254	262,252		2	
Other Expenses	150,000	150,000	146,035		3,965	
Snow Removal Trust:						
Other Expenses	25,000					

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 3

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>		<u>EXPENDED</u>			<u>OVER-</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>CANCELED</u>	<u>EXPENDED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>			
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Director of Community Programs:						
Salaries and Wages	10,000	10,109	10,109			
Other Expenses	3,000	1,000	523	477		
Animal Control:						
Salaries and Wages	2,500	35	35			
Other Expenses	1,000	1,200	1,200			
Senior Citizen and Disabled Resident Transportation:						
Salaries and Wages	11,425	10,986	10,986			
Other Expenses	500					
Mandated Inoculations - Hepatitis B Vaccine:						
Other Expenses	100					
New Jersey Public Employees' Occupational Safety and Health Act (PEOSHA):						
Other Expenses	100					
PARK AND RECREATION FUNCTIONS:						
Board of Recreation Commissioners(40:12-1, et seq):						
Other Expenses	9,000	3,000	2,412	588		
Beach:						
Salaries and Wages	16,000	21,393	21,393			
Other Expenses	3,500	8,851	8,851			
Celebration of Public Events, Anniversary/Holiday:						
Other Expenses	7,500	11,100	11,004	96		
Contribution to Senior Citizen's Center(40:48-9.4)	1,500	3,000	3,000			
Accumulated Leave Compensation	10,000					
UNIFORM CONSTRUCTION CODE - Appropriations Offset by Dedicated Revenues(N.J.A.C. 5:23-4.17:						
Construction Official:						
Salaries and Wages	39,000	70,320	70,319	1		
Other Expenses	6,000	7,400	7,353	47		
Fire Subcode Official:						
Salaries and Wages	5,000	7,000	7,000			
Plumbing Subcode Official:						
Salaries and Wages	11,500	11,500	11,500			
Electrical Subcode Official:						
Salaries and Wages	10,872	10,872	10,872			
Smoke Detector Inspection:						
Salaries and Wages	60	60	60			

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 4

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>		<u>EXPENDED</u>		<u>OVER-</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>	<u>EXPENDED</u>
UTILITY EXPENSES AND BULK PURCHASES:						
Gasoline	23,000	23,000	19,939	3,061		
Electricity	15,000	17,000	16,451	549		
Telephone (excluding equipment acquisition)	7,500	5,000	4,335	665		
Heating Fuel	14,000	18,000	17,898	102		
Street Lighting	52,000	42,000	40,961	1,039		
Sewer Fees	2,600	2,600	2,512	88		
Water Fees	2,000	2,000	451	1,549		
Total Operations - Within "CAPS "	1,767,772	1,767,400	1,760,158	25,511		18,269
Contingent	1,000	1,000		1,000		
Total Operations - Within "CAPS " - Including Contingent	1,768,772	1,768,400	1,760,158	26,511		18,269
Detail:						
Salaries and Wages	574,237	677,987	677,826	161		
Other Expenses	1,194,535	1,090,413	1,082,332	26,350		18,269
DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":						
Statutory Expenditures :						
Social Security System (O.A.S.I.)	50,000	55,700	45,865	9,835		
Contribution to:						
PERS	52,270	46,942	46,942			
PFRS	16,296	16,296	16,296			
Total Deferred Charges and Statutory Expenditures-within "CAPS"	118,566	118,938	109,103	9,835		-
Total General Appropriations for Municipal Purposes Within "CAPS"	1,887,338	1,887,338	1,869,261	36,346		18,269

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 5

	<u>APPROPRIATION</u>		<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>	<u>OVER- EXPENDED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>			
OPERATIONS-EXCLUDED from "CAPS"						
Maintanance of Privately - Owned Library (P. L. 1985, C.82 and 541)	2,500	2,500	162	2,338		
Health Insurance	6,469	6,469	6,469			
Total Other Operations-Excluded from "CAPS"	<u>8,969</u>	<u>8,969</u>	<u>6,631</u>	<u>2,338</u>		<u>-</u>
Interlocal Municipal Service Agreements Excluded from "CAPS":						
Shared Services Interlocal Agreement:						
Police Services - Borough of Wharton	1,488,644	1,488,644	1,488,644			
Radio Dispatch Services - County of Morris	57,065	57,065	61,963			4,898
Board of Health:						
Other Expenses	49,000	49,000	48,456	544		
Municipal Court - Town of Dover:						
Other Expenses	90,000	90,000	90,000			
Total Interlocal Municipal Service Agreements	<u>1,684,709</u>	<u>1,684,709</u>	<u>1,689,063</u>	<u>544</u>		<u>4,898</u>
Public and Private Programs Offset by Revenues- Excluded from "CAPS"						
Matching Share for Grants	1,981	1,981	-	1,981		
Recycling Tonnage Grant:						
Other Expenses	2,164	2,164	2,164			
Clean Communities Program(PY):						
Other Expenses	8,368	8,368	8,368			
Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"	<u>12,513</u>	<u>12,513</u>	<u>10,532</u>	<u>1,981</u>		<u>-</u>
Total Operations-Excluded from "CAPS"	<u>1,706,191</u>	<u>1,706,191</u>	<u>1,706,226</u>	<u>4,863</u>		<u>4,898</u>
Detail:						
Other Expenses	1,706,191	1,706,191	1,706,226	4,863		4,898
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	206,000	206,000	206,000			
Total Capital Improvements-Excluded from "CAPS"	<u>206,000</u>	<u>206,000</u>	<u>206,000</u>			

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 6

	<u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>	<u>OVER-</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>		<u>EXPENDED</u>
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>CHARGED</u>		<u>EXPENDED</u>
Municipal Debt Service-Excluded from "CAPS":					
Payment of Bond Anticipation and Capital Notes	354,930	354,930	354,930		
Interest on Bond Anticipation and Capital Notes	14,500	14,500	14,125	375	
Capital Lease Obligations Approved Prior to 7/1/2008:					
Principal and Interest	69,011	69,011	67,102	1,909	
Total Municipal Debt Service	<u>438,441</u>	<u>438,441</u>	<u>436,157</u>	<u>-</u>	<u>2,284</u>
Deferred Charges-Excluded from "CAPS":					
Emergency Authorizations			-		
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	10,066	10,066	10,066		
Total Deferred Charges	<u>10,066</u>	<u>10,066</u>	<u>10,066</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"					
	<u>2,360,698</u>	<u>2,360,698</u>	<u>2,358,449</u>	<u>4,863</u>	<u>2,284</u>
Subtotal General Appropriations	4,248,036	4,248,036	4,227,710	41,209	23,167
Reserve For Uncollected Taxes	453,240	453,240	453,240		
TOTALS	<u>\$ 4,701,276</u>	<u>\$ 4,701,276</u>	<u>\$ 4,680,950</u>	<u>\$ 41,209</u>	<u>\$ 2,284</u>

A A-1 A

	<u>REF.</u>	
Adopted Budget	A-2	\$ 4,701,276
		<u>\$ 4,701,276</u>

	<u>REF.</u>	
Reserve for State Grants	A-20	\$ 10,532
Deferred Charges	A-25	10,066
Reserve for Encumbrances	A-10	4,207,112
Reserve for Uncollected Taxes	A-2	453,240
		<u>\$ 4,680,950</u>

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

TRUST FUND
COMPARATIVE BALANCE SHEET

B

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Dog License Fund:			
Cash and Cash Equivalents	B-2	\$ 6,175	\$ 7,964
Total Dog License Fund		<u>6,175</u>	<u>7,964</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-2	488,055	633,046
Amount Due to Current Fund	B-7	<u>769,682</u>	<u>651,455</u>
Total Other Trust Funds		<u>1,257,737</u>	<u>1,284,501</u>
TOTAL ASSETS		<u>\$1,263,912</u>	<u>\$1,292,465</u>

LIABILITIES, RESERVES AND FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$ 5,490	\$ 7,718
Amount Due Current Fund	B-4	45	22
Reserve for Encumbrances	B-5	623	224
Due State Of New Jersey	B-6	<u>17</u>	<u>-</u>
Total Dog License Fund		<u>6,175</u>	<u>7,964</u>
Other Trust Fund:			
Reserve for Developers Escrow	B-8	70,668	62,524
Reserve for State Unemployment Insurance	B-9	3,088	3,082
Reserve for Municipal Open Space Trust	B-10	52,647	42,274
Reserve for Other Trust Deposits	B-11	812,137	857,520
Reserve for Affordable Housing Trust	B-12	<u>319,197</u>	<u>319,101</u>
Total Other Trust Fund		<u>1,257,737</u>	<u>1,284,501</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$1,263,912</u>	<u>\$1,292,465</u>

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

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Cash and Cash Equivalents	C-2	\$ 27,377	\$ 51,440
Cash Due from Attorney Escrow	C	110,845	110,845
Due Current Fund	C-3	11,339	49,339
Grants Receivable	C-4	368,161	368,161
Deferred Charges to Future Taxation:			
Funded	C-5	64,714	127,124
Unfunded	C-6	<u>2,318,579</u>	<u>2,673,509</u>
TOTAL ASSETS		<u>\$ 2,901,015</u>	<u>\$ 3,380,418</u>

LIABILITIES, RESERVES AND FUND BALANCE

Capital Improvement Fund	C-8	49,015	13,015
Lease Purchase Agreement Payable	C-9	64,713	127,123
Bond Anticipation Notes Payable	C-10	1,692,140	2,047,070
Encumbrances	C-7	14,952	20,017
Improvement Authorizations:			
Funded	C-11	188,074	263,454
Unfunded	C-11	833,426	851,044
Various Reserves	C-13	52,298	52,298
Due to Outside Agencies	C-15	6,397	6,397
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,901,015</u>	<u>\$ 3,380,418</u>

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

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

D

ASSETS	<u>REF.</u>	<u>BALANCE</u> 12/31/14	<u>BALANCE</u> 12/31/13
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 236,432	\$ 125,924
Receivables with Full Reserves:			
Consumer Accounts Receivable and Liens	D-6	101,895	88,074
Due Grants Fund	A	221	221
Due Current Fund	A	132,275	146,575
Due Sewer Operating Fund	E	40,000	40,000
Due Garbage Fund	F	<u>110,000</u>	<u>110,000</u>
Total Operating Fund		<u>620,823</u>	<u>510,794</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	45,302	19,017
Fixed Capital	D-8	2,209,439	2,209,439
Fixed Capital - Authorized and Uncompleted	D-9	1,055,249	1,055,249
Due Water Operating Fund	D	-	26,000
Developer Contribution Receivable	D	<u>367</u>	<u>367</u>
Total Capital Fund		<u>3,310,357</u>	<u>3,310,072</u>
 TOTAL ASSETS		 <u>\$ 3,931,180</u>	 <u>\$ 3,820,866</u>

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:			
Liabilities:			
Appropriation Reserves :			
Encumbered	D-3:7	\$ 2,178	\$ 2,341
Unencumbered	D-3:7	115,860	175,521
Due Water Capital Fund	D	-	26,000
Water Rent Overpayments	D-5	3,494	3,021
Accrued Interest on Notes	D	1,584	1,584
Reserve for Receivables	D	101,895	88,074
Fund Balance	D-1	<u>395,812</u>	<u>214,253</u>
Total Operating Fund		<u>620,823</u>	<u>510,794</u>
Capital Fund:			
Encumbrances	D-10	-	-
Bond Anticipation Notes	D-14	345,600	388,800
Capital Improvement Fund	D-11	26,110	29,110
Improvement Authorization - Funded	D-10	7,340	3,950
Improvement Authorization - Unfunded	D-10	9,795	9,900
Deferred Reserve for Amortization	D-13	188,249	188,249
Reserve for Amortization	D-12	2,730,835	2,687,635
Fund Balance	D-1a	<u>2,428</u>	<u>2,428</u>
Total Capital Fund		<u>3,310,357</u>	<u>3,310,072</u>
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE		 <u>\$ 3,931,180</u>	 <u>\$ 3,820,866</u>

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

WATER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN OPERATING FUND BALANCE

D-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>2014</u>	<u>YEAR</u> <u>2013</u>
Operating Surplus	D-2	\$ 50,600	\$ 30,000
Rents	D-2	530,152	536,569
Miscellaneous	D-2	9,840	5,739
Connection Fees	D-2	185	2,766
Other Credits to Income			
Balance of Reserved Budget	D-7	158,630	99,017
Other Credits	D-4	-	-
Total Income		<u>749,407</u>	<u>674,091</u>
EXPENDITURES			
Operating	D-3	406,500	460,000
Capital Improvements	D-3	26,000	26,000
Debt Service	D-3	45,748	46,434
Deferred Charges and Statutory Expenditures	D-3	9,000	9,000
Surplus to Current Fund	D-3	30,000	-
Interfund Advance	D-4	-	26,000
Total Expenditures		<u>517,248</u>	<u>567,434</u>
Excess (Deficit) Revenue Over Expenditures		232,159	106,657
Statutory Excess To Fund Balance		232,159	106,657
Balance January 1	D	<u>214,253</u>	<u>137,596</u>
		446,412	244,253
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>50,600</u>	<u>30,000</u>
Balance December 31	D	<u>\$ 395,812</u>	<u>\$ 214,253</u>

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

WATER UTILITY CAPITAL FUND
SCHEDULE OF FUND BALANCE

D-1a

	<u>REF.</u>	
Balance December 31, 2013	C	<u>\$ 2,428</u>
Balance December 31, 2014	C	<u>\$ 2,428</u>

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

WATER UTILITY FUND
STATEMENT OF REVENUES

D-2

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus	D-1	\$ 50,600	\$ 50,600	
Rents	D-1	487,383	530,152	\$ 42,769
Connection Fees	D-1	-	185	185
Miscellaneous - Interest, Fines, Repairs	D-1	-	9,840	9,840
 Total WATER Utility Revenue		<u>\$ 537,983</u>	<u>\$ 590,777</u>	<u>\$ 52,794</u>
 REF.		 D-3	 D-1	

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

WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES

D-3

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>			
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>	
OPERATING:						
Salaries and Wages	\$ 56,500	\$ 56,500	\$ 54,960	\$ 1,540		
Other Expenses	350,000	350,000	235,680	114,320		
Statutory Expenditures	9,000	9,000	9,000	-		
Surplus to Current Fund	30,000	30,000	30,000	-		
Capital Improvement Fund	26,000	26,000	26,000	-		
Debt Service - Principal	63,800	63,800	43,200	-	\$ 20,600	
Debt Service - Interest	2,683	2,683	2,548	-	135	
Total WATER Utility Appropriations	<u>\$ 537,983</u>	<u>\$ 537,983</u>	<u>\$ 401,388</u>	<u>\$ 115,860</u>	<u>\$ 20,735</u>	

REF.

D-2

D

D-1

Paid	D-4	\$ 399,210
Charged - Encumbered	D	<u>2,178</u>
		<u>\$ 401,388</u>

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

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

E

ASSETS	REF.	BALANCE <u>12/31/14</u>	BALANCE <u>12/31/13</u>
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 435,356	\$ 295,604
Receivables with Full Reserves:			
Consumer Accounts Receivable and Liens	E-6	55,146	51,776
Deferred Charges - Emergencies	E-1	11,451	10,500
Due Current Fund	E	<u>-</u>	<u>6,614</u>
Total Operating Fund		<u>501,953</u>	<u>364,494</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	18,914	117,219
Fixed Capital	E-8	2,089,805	2,089,805
Fixed Capital - Authorized and Uncompleted	E-9	950,000	950,000
CDBG Receivable	E	3,529	3,529
Due Sewer Operating Fund	E	<u>160,291</u>	<u>120,291</u>
Total Capital Fund		<u>3,222,539</u>	<u>3,280,844</u>
TOTAL ASSETS		<u>\$ 3,724,492</u>	<u>\$ 3,645,338</u>

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:			
Liabilities:			
Appropriation Reserves :			
Encumbered	E-3:7	\$ 5,117	\$ 565
Unencumbered	E-3:7	335	942
Prepaid Sewer Rents	E-5:6	1,837	1,666
Due Sewer Capital Fund	E	160,291	120,291
Due Current Fund	E	38,762	-
Due Water Operating Fund	E	40,000	40,000
Accrued Interest on Notes	E	33,584	33,584
Reserve for Receivables	E	55,146	51,776
Fund Balance	E-1	<u>166,881</u>	<u>115,670</u>
Total Operating Fund		<u>501,953</u>	<u>364,494</u>
Capital Fund:			
Encumbrances	E-10	9,107	-
Bond Anticipation Notes	E-14	294,000	336,000
Serial Bonds Payable	E-15	856,000	896,000
NJ Environmental Trust Loans	E-16	230,000	300,000
Capital Improvement Fund	E-11	12,018	12,018
Improvement Authorization - Funded	E-10	8,702	14,440
Improvement Authorization - Unfunded	E-10	149,394	211,068
Deferred Reserve for Amortization	E-13	87,500	87,500
Reserve for Amortization	E-12	1,572,305	1,420,305
Fund Balance	E-1a	<u>3,513</u>	<u>3,513</u>
Total Capital Fund		<u>3,222,539</u>	<u>3,280,844</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 3,724,492</u>	<u>\$ 3,645,338</u>

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

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

E-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>2014</u>	<u>YEAR</u> <u>2013</u>
Rents	E-2	\$ 408,314	\$ 423,090
Miscellaneous	E-2	17,178	13,796
NJ Environmental Infrastructure Trust - Savings Credits	E-2	28,000	-
Other Credits to Income			
Balance of Reserved Budget	E-7	<u>942</u>	<u>973</u>
Total Income		<u>454,434</u>	<u>437,859</u>
EXPENDITURES			
Operating	E-3	193,451	180,828
Debt Service	E-3	206,999	162,088
Deferred Charges and Statutory Expenditures	E-3	13,000	9,519
Interfunds Advanced	E-4	<u>1,224</u>	<u>-</u>
Total Expenditures		<u>414,674</u>	<u>352,435</u>
Excess (Deficit) Revenue Over Expenditures		39,760	85,424
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	E-3	<u>11,451</u>	<u>10,500</u>
Statutory Excess To Fund Balance		51,211	95,924
Balance January 1	E-1	<u>115,670</u>	<u>19,746</u>
		166,881	115,670
Decreased by:			
Utilized as Anticipated Revenue	E-1	<u>-</u>	<u>-</u>
Balance December 31	E	<u>\$ 166,881</u>	<u>\$ 115,670</u>

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

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FUND BALANCE

E-1a

	<u>REF.</u>	
Balance December 31, 2013	E	<u>\$ 3,513</u>
Balance December 31, 2014	E	<u>\$ 3,513</u>

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

SEWER UTILITY FUND
STATEMENT OF REVENUES

E-2

	<u>REF.</u>	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
User Fees and Charges	E-1	\$ 360,200	\$ 408,314	\$ 48,114
NJ Environmental Savings Credit	E-1	28,000	28,000	-
Miscellaneous - Interest	E-1	13,800	17,178	3,378
 Total Sewer Utility Revenue		<u>\$ 402,000</u>	<u>\$ 453,492</u>	<u>\$ 51,492</u>
 REF.		 E-3	 E-1	

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

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES

E-3

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>			<u>OVER-</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>CANCELED</u>		<u>EXPENDED</u>	<u>RESERVED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>				
OPERATING:							
Salaries and Wages	\$ 15,000	\$ 15,000	\$ 14,665				\$ 335
Other Expenses	167,000	167,000	178,451		\$ 11,451		-
Statutory Expenditures	2,500	2,500	2,500				-
Deferred Charge - Emergency	10,500	10,500	10,500				-
Debt Service	207,000	207,000	206,999	\$ 1			-
Total Sewer Utility Appropriations	<u>\$ 402,000</u>	<u>\$ 402,000</u>	<u>\$ 413,115</u>	<u>\$ 1</u>	<u>\$ 11,451</u>		<u>\$ 335</u>

REF.

E-1

E-1

E

	Paid	E-4	\$ 398,063
	Deferred Charges	E	10,500
	Charged - Encumbered	E	4,552
			<u>\$ 413,115</u>

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

SPECIAL GARBAGE DISTRICT FUND
COMPARATIVE BALANCE SHEET

F

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Assets:			
Cash and Cash Equivalents	F-4	\$ 214,892	\$ 185,832
Due Current Fund	F	<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>\$ 214,892</u>	<u>\$ 185,832</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Appropriation Reserves :			
Encumbured	F-3:7	-	\$ 148
Unencumbered	F-3:7	\$ 25,044	34,321
Due Water Operating Fund	D	110,000	110,000
Reserve for Receivables	F	-	-
Fund Balance	F-1	<u>79,847</u>	<u>41,363</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 214,891</u>	<u>\$ 185,832</u>

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

SPECIAL GARBAGE DISTRICT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN OPERATING FUND BALANCE

F-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>2014</u>	<u>YEAR</u> <u>2013</u>
Operating Surplus	F-2	\$ 20,000	
District Tax	F-2	401,007	\$ 382,871
Miscellaneous	F-2	156	59
Other Credits to Income			
Interfund Returned	A	-	525
Balance of Reserved Budget	F-7	34,321	20,541
Total Income		<u>455,484</u>	<u>403,996</u>
EXPENDITURES			
Operating	F-3	394,000	374,000
Deferred Charges and Statutory Expenditures	F-3	3,000	3,000
Interfunds Advanced	F-3	-	-
Total Expenditures		<u>397,000</u>	<u>377,000</u>
Excess (Deficit) Revenue Over Expenditures		58,484	26,996
Balance January 1	F-1	<u>41,363</u>	<u>14,367</u>
		99,847	41,363
Decreased by:			
Utilized as Anticipated Revenue	F-1	<u>20,000</u>	<u>-</u>
Balance December 31	F	<u>\$ 79,847</u>	<u>\$ 41,363</u>

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

SPECIAL GARBAGE DISTRICT FUND
STATEMENT OF REVENUES

F-2

	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Operating Surplus Anticipated	\$ 20,000	\$ 20,000	
Special District Tax	377,000	401,007	\$ 24,007
Miscellaneous - Interest		156	156
Total Garbage District Revenue	<u>\$ 397,000</u>	<u>\$ 421,163</u>	<u>\$ 24,163</u>

REF.

F-3

F-1

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

SPECIAL GARBAGE DISTRICT FUND
STATEMENT OF EXPENDITURES

F-3

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>
OPERATING:				
Contractual Services	\$ 342,000	\$ 342,000	\$ 327,876	\$ 14,124
Surplus to Current Fund	20,000	20,000	2,000	
Other Expenses	10,000	10,000	6,015	3,985
Salaries and Wages	22,000	22,000	18,065	3,935
Statutory Expenditures	3,000	3,000	-	3,000
Total Garbage District Appropriations	\$ 397,000	\$ 397,000	\$ 353,956	\$ 25,044

REF.

F-2

F-2

D

Paid	F-4	\$ 353,956
Charged - Encumbered	F	-
		\$ 353,956

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

GENERAL FIXED ASSETS
STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 2014

	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
General Fixed Assets:		
Buildings and Improvements	\$ 2,066,568	\$ 2,066,568
Vehicles	1,888,246	1,888,246
Machinery and Equipment	284,165	278,280
 Total General Fixed Assets	 <u>\$ 4,238,979</u>	 <u>\$ 4,233,094</u>
 Investment In General Fixed Assets	 <u>\$ 4,238,979</u>	 <u>\$ 4,233,094</u>

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

PAYROLL AGENCY FUND
COMPARATIVE BALANCE SHEET

H

ASSETS	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Cash and Cash Equivalents	\$ 29,632	\$ 39,005
TOTAL ASSETS	<u>\$ 29,632</u>	<u>\$ 39,005</u>
 LIABILITIES AND RESERVES 		
Imprest Balance and Payroll Deductions Payable	\$ 29,632	\$ 39,005
TOTAL LIABILITIES AND RESERVES	<u>\$ 29,632</u>	<u>\$ 39,005</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of Mine Hill include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township. The financial statements of the Township do not include the operations of the Board of Education.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America(GAAP).

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

Current Fund

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

Trust Funds

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

General Capital Fund

The receipts and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

Water Operating and Capital Fund

Account for the operations and acquisition of capital facilities of the municipality-owned Water Utility.

Sewer Operating and Capital Fund

Account for the operations and acquisition of capital facilities of the municipality-owned Sewer Utility.

Special Garbage District Fund

Account for the operations and collection of special district taxes for the cost of providing garbage collection.

General Fixed Assets Account Group

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

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 policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

Revenues--are recorded as received in cash except for certain amounts which are due from other governmental units. Receipts from State grants are realized as revenue when anticipated in the Township 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 amounts that are due the Township which are susceptible of accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures--are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with 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 amounts which may be cancelled by the governing body.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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.

Property Tax Revenue--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15, May 15, August 15 and November 15. The Open Space Levy is paid quarterly to the Township's other trust funds on February 15, May 15, August 15 and November 15.

When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears after the eleventh day of the eleventh month in the year in which they are due, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

General Fixed Assets --In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality develops a fixed asset accounting and reporting system.

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

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

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

Budget and Budgetary Procedures--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

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

**General Capital Fund
Trust Fund**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Budget and Budgetary Procedures (Continued)

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption, must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

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

Tax Appeals and Other Contingent Losses--Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Deferred Charges to Future Taxation Funded and Unfunded--Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A.40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Departures from Generally Accepted Accounting Principles--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

It was not practicable to determine the effect of such difference.

Regulatory-Basis Financial Statements--The GASB Codification also defines the financial statements of a governmental unit to be presented to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Note 2: CASH AND CASH EQUIVALENTS

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2014, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

As of December 31, 2014, cash and cash equivalents of the municipality consisted of the following:

	Cash and Cash <u>Equivalents</u>	<u>Total</u>
Checking	\$ <u>3,157,024</u>	\$ <u>3,157,024</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2014, was \$3,157,024 and the bank balance was \$3,190,655. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$570,700 was covered by federal depository insurances and \$2,619,955 was covered by collateral pool.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 3: LONG-TERM DEBT

	Beginning Balance	Issued	Paid	Ending Balance
Long Term Debt:				
Bond Anticipation Notes	\$ 2,771,870		\$ 440,130	\$ 2,331,740
Serial Bonds Payable	896,000		40,000	856,000
Capital Leases	127,123		62,410	64,713
New Jersey Trust Loans	300,000		70,000	230,000
Total Long-Term Debt	<u>\$ 4,094,993</u>	-	<u>\$ 612,540</u>	<u>\$ 3,482,453</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal expenditures. 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 by temporarily finance capital projects, must be paid off within ten years or retired by issuance of bonds.

The Township debt is summarized as follows:

Summary of Municipal Debt

	YEAR <u>2014</u>	YEAR <u>2013</u>	YEAR <u>2012</u>
Issued			
General:			
Bonds and Notes	\$ 1,756,853	\$ 2,174,193	\$ 2,571,313
Water Utility:			
Bonds and Notes	345,600	388,800	432,000
Sewer Utility:			
Bonds and Notes	1,380,000	1,532,000	1,679,000
Net Debt Issued	<u>3,482,453</u>	<u>4,094,993</u>	<u>4,682,313</u>
Less:			
Statutory Deductions	1,725,600	1,920,800	2,111,000
Reserve to Pay Debt Service			
	<u>1,756,853</u>	<u>2,174,193</u>	<u>2,571,313</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	626,440	626,440	626,440
Water Utility:			
Bonds and Notes			
Sewer Utility:			
Bonds and Notes			
Total Authorized But Not Issued	<u>626,440</u>	<u>626,440</u>	<u>626,440</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 2,383,293</u>	<u>\$ 2,800,633</u>	<u>\$ 3,197,753</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 3: LONG-TERM DEBT (Continued)

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 0.552%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 1,363,000	\$ 1,363,000	
Water and Sewer Utility Debt	1,725,600	1,725,600	
General Debt	2,383,293	-	\$ 2,383,293
	<u>\$ 5,471,893</u>	<u>\$ 3,088,600</u>	<u>\$ 2,383,293</u>

Summary of Statutory Debt Condition - Annual Debt Statement - (Continued)

Net Debt \$ 2,383,293 Divided by Equalized Valuation Basis per
N.J.S.A. 40A:2-2 as amended \$ 432,120,715 equals 0.552%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 15,124,225
Net Debt	2,383,293
Remaining Borrowing Power	\$ 12,740,932

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

Calendar <u>Year</u>	<u>General</u>		<u>Water Utility</u>		<u>Sewer Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	None		None		\$ 115,000	\$ 47,539
2016					115,000	42,229
2017					120,000	36,879
2018					50,000	31,279
2019					130,000	29,216
2019-2023	-	-	-	-	556,000	61,116
	-	-	-	-	\$ 1,086,000	\$ 248,258

General Obligation Bonds and Loans

Sewer Improvement Bonds-dated October 1, 2003, issued in the original amount of \$921,000 with interest rates of 2.75% to 3.5%, maturing on September 15, 2023. The remaining balance as of December 31, 2014, was \$721,000. Outstanding bond principal and interest is paid from the Sewer Utility Operating Fund of the Township.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 3: LONG-TERM DEBT (Continued)

General Obligation Bonds and Loans - (Continued)

Sewer Refunding Bonds-dated October 1, 2003, issued in the original amount of \$300,000 with interest rates of 2.75% to 4.4%, maturing on Septemeber 15, 2023. The remaining balance as of December 31, 2014, was \$135,000. Outstanding bond principal and interest is paid from the Sewer Utility Operating Fund of the Township.

New Jersey Environmental Infrastructure Trust Loan (Wastewater Trust Loan)-dated October 15, 1997, issued in the original amount of \$955,000 with interest rates of 4.0% to 5.0%, maturing on August 1, 2017. The remaining balance as of December 31, 2014, was \$230,000. Outstanding loan principal and interest is paid from the Sewer Utility Operating Fund of the Township.

Bond Anticipation Notes

The Township has outstanding at December 31, 2014, bond anticipation notes in the amount of \$2,331,740 payable to TD Bank, N.A. These notes mature on May 8, 2015. The interest rate on the notes are 0.57% payable at maturity. Principal and interest on this note is paid from the current fund budget and the water and sewer operating utility budgets.

Lease Purchase Agreements Payable

On August 1, 2005, the Township entered into a lease purchase agreement with the Morris County Improvement Authority (MCIA) in the amount of \$552,750 with an interest rate of 3.69%, which represents a direct obligation of the Township. The lease purchase agreement was obtained to finance the purchase of a fire truck. Principal payments commenced August 1, 2006 and will continue on an annual basis over ten years. The principal balance payable is \$64,713 as of December 31, 2014. Lease principal and interest on this agreement is paid from the current fund budget.

	Debt <u>Outstanding</u>
Total General Capital Bonds, Loans and Notes Above	\$ 1,756,853
Total Water Utility Bonds, Loans and Notes Above	345,600
Total Sewer Utility Bonds, Loans and Notes Above	<u>1,380,000</u>
Total Debt Issued and Outstanding	<u>\$ 3,482,453</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 4: GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets:

	Balance <u>1/1/14</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/14</u>
Buildings and Improvements	\$ 2,066,568	-		\$ 2,066,568
Vehicles	1,888,246	\$ -		1,888,246
Machinery and Equipment	278,280	5,885	-	284,165
	<u>\$ 4,233,094</u>	<u>\$ 5,885</u>	<u>-</u>	<u>\$ 4,238,979</u>

Note 5: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015, were as follows:

Current Fund	\$465,000	(Introduced Budget)
Water Utility Fund	\$124,100	(Introduced Budget)
Sewer Utility Fund	None	(Introduced Budget)
Special Garbage District	\$30,000	(Introduced Budget)

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The Township elected to fund various capital ordinances over a five year period through the municipal operating budget. At December 31, 2014, the Township recorded the following deferred charges which are included in the following budgets:

	Balance <u>12/31/13</u>	Raised as 2014 Budget <u>Appropriation</u>	Resulting <u>from 2014</u>	Balance to Succeeding <u>Budgets</u>
<u>Current Fund:</u>				
Over-expended Appropriations			\$ 23,167	\$ 23,167
Special Emergency Appropriation (40A:4-55)	\$ 30,200	\$ 7,240	-	22,960
Special Emergency Appropriation (40A:4-54)	<u>11,303</u>	<u>2,826</u>	-	<u>8,477</u>
	<u>\$ 41,503</u>	<u>\$ 10,066</u>	<u>\$ 23,167</u>	<u>\$ 54,604</u>

The appropriations in the 2015 Budget are not less than that required by statute.

Note 7: SCHOOL TAXES

The Township of Mine Hill has elected not to defer school taxes. School taxes are levied and collected in the period to which they relate, July 1 through June 30, and are turned over to the school district on a monthly basis.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 8: PENSIONS

Description of Plans - All required employees of the Township are covered by the Public Employees' Retirement System which has been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Legislation enacted during the year ended June 30, 1997, (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Township's normal contributions to the Fund may be reduced based on the revaluation of assets.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 8: PENSIONS-(Continued)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

Three-Year Trend Information for PERS and PFRS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2014	\$63,238	100%	-0-
2013	\$90,283	100%	-0-
2012	\$83,007	100%	-0-

Note 9: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality does not provide post-employment benefits other than pension.

Note 10: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 10: ACCRUED SICK AND VACATION BENEFITS-(Continued)

The Township has, through contractual obligation, permitted Department of Public Works employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon amount as determined by the Township council. At the time of audit the cost of such unpaid compensation totaled \$18,536 Such compensation would be included in the Township's budget operating expenditures in the year it is used.

Note 11: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

LITIGATION

The Township is involved with various litigation matters. We are advised by Township Counsel, that the Township is involved in current litigation matters that could have a material impact on the Financial Statements, however the financial impact is unknown at this time.

Note 12: OTHER REQUIRED DISCLOSURES

F. Individual fund interfund receivable and payable balances. All interfund receivable and payable balances outstanding at the beginning of the fiscal period were fully liquidated during the fiscal period, with the following exceptions outstanding at December 31, 2014:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 38,839	\$ 940,716
Federal/State Grants Fund	27,388	221
General Capital Fund	11,339	-
Animal Control Fund	-	45
Other Trust Funds	769,682	-
Water Operating Fund	282,496	-
Water Capital Fund	-	-
Sewer Operating Fund	-	239,053
Sewer Capital Fund	160,291	-
Special Garbage District Fund	-	110,000
	<u>\$ 1,290,035</u>	<u>\$ 1,290,035</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 13: RISK FINANCING

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

Note 16: OTHER POST-RETIREMENT BENEFITS

Plan Description. The Mine Hill Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Mine Hill Township authorized participation in the SHBP's post-retirement benefit program through resolution in accordance with the provisions of Chapter 88, P.L. 1974, as amended by Chapter 436, P.L. 1981.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/audit-rpts-2013/shbp-13.pdf>

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Mine Hill Township on a monthly basis.

The Mine Hill Township contributions to SHBP for the years ended December 31, 2014, 2013, and 2012, were \$111,477, \$107,840, and \$80,687 respectively, which equaled the required contributions for each year. There were approximately six retired participants eligible at December 31, 2014, 2013, and 2012.

PART II
SUPPLEMENTARY INFORMATION
CURRENT FUND SCHEDULES

CURRENT FUND/FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH -TREASURER

A-4

	REF.	CURRENT FUND
Balance December 31, 2013	A	\$ 1,835,486
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	\$ 14,716
Collector	A-5	12,153,342
Revenue Accounts Receivable	A-8	695,640
Senior Citizens/Veterans Deductions	A-17	46,875
Federal/State Grant Funds	A-19/21	25,101
		12,935,674
		14,771,160
Decreased by Disbursements:		
Refund of Prior Year Revenue	A-1	16,867
2013 Appropriation Reserves	A-9	17,963
Reserve for Encumbrances	A-10	4,277,435
Interfund Advances	B/C/D/E	83,771
Tax Overpaid	A-12	2,222
County Taxes	A-13	1,123,742
Local District School Tax	A-14	6,625,686
Regional District School Tax	A-15	401,007
Outside Liens	A-18	537,944
Federal/State Grant Funds	A-20	10,818
Reserve for Tax Sale Premium	A-26	18,816
		13,116,271
Balance December 31, 2014	A	\$ 1,654,889

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

Received:

Interest and Costs on Taxes	A-2	\$ 50,368	
Miscellaneous	A-2	8,067	
Taxes Receivable	A-6	11,369,862	
Tax Title Liens	A-7	20	
2015 Prepaid Taxes	A-11	61,281	
Reserve for Tax Sale Premiums	A-26	125,800	
Reserve for Tax Outside Liens	A-18	<u>537,944</u>	<u>\$ 12,153,342</u>

Decreased by Disbursements:

Payments to Treasurer	A-4		<u>\$ 12,153,342</u>
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CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>		
Balance December 31, 2013	A		\$ 376,176
Increased by:			
Interest and Costs		\$ 907	
Transfers from Taxes Receivable	A-6	<u>17,836</u>	<u>18,743</u>
			394,919
Decreased by:			
Canceled		16,625	
Paid	A-5	<u>20</u>	<u>16,645</u>
Balance December 31, 2014	A		<u>\$ 378,274</u>

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-8

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>ACCRUED</u> <u>IN 2014</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>12/31/14</u>
Licenses:					
Alcoholic Beverages	A-2		\$ 6,813	\$ 6,813	
Beach Concession Fees	A-2		7,350	7,350	
Municipal Court:					
Fines and Costs	A-2	\$ 8,030	101,036	102,255	\$ 6,811
Interest on Investments and Deposits	A-2		2,398	2,398	
Consolidated Municipal Property Tax Relief	A-2		16,981	16,981	
Energy Receipts Tax	A-2		266,362	266,362	
Uniform Construction Code Fees	A-2		92,717	92,717	
Cable TV Franchise Fees	A-2		35,137	35,137	
Cell Tower Leases	A-2		105,547	105,547	
Garbage District Fund Balance	A-2		30,000	30,000	
Fire Safety Fees	A-2		14,522	14,522	
Verizon Franchise Fees	A-2		15,558	15,558	
 Totals		<u>\$ 8,030</u>	<u>\$ 694,421</u>	<u>\$ 695,640</u>	<u>\$ 6,811</u>
REF.		A	A-2	A-4	A

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

A-9
Sheet 1

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/13</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
General Administration:				
Other Expenses	\$ 584	\$ 1,499	\$ 27	\$ 1,472
Financial Administration:				
Other Expenses		8	8	-
Construction Official:				
Other Expenses	1,312	7,912	6,600	1,312
Aid to Volunteer Fire Department:				
Other Expenses	4,990	6,763	1,573	5,190
Streets and Roads (DPW) Maintenance:				
Other Expenses	2,740	7,315	3,957	3,358
Recreation:				
Other Expenses		950	950	-
Unclassified:				
Telephone	1,645	1,645	349	1,296
Recreation Trails Grant		4,499	4,499	
Other Accounts - No Change	91,361	91,455		91,455
TOTALS	<u>\$ 102,632</u>	<u>\$ 122,046</u>	<u>\$ 17,963</u>	<u>\$ 104,083</u>

	A		A-4	A-1
Appropriation Reserve	A	\$ 102,632		
Encumbrances	A-10	<u>19,414</u>		
		<u><u>\$ 122,046</u></u>		

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-10

	<u>REF.</u>		
Balance December 31, 2013	A	\$	24,933
Increased by:			
Encumbrances Added		\$	90,870
Transfer from Current Year Appropriations	A-3	<u>4,207,112</u>	<u>4,297,982</u>
			4,322,915
Decreased by:			
Encumbrances Cancelled	A	5,519	
Transfer to Appropriations Reserve	A-9	19,414	
Cash Disbursements	A-4	<u>4,277,435</u>	<u>4,302,368</u>
Balance December 31, 2014	A	\$	<u>20,547</u>

CURRENT FUND
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-11

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 31,763
Increased by:		
2015 Taxes Collected in Advance	A-5	<u>61,281</u> 93,044
Decreased by:		
Applied to 2014 Taxes Receivable	A-6	<u>31,763</u>
Balance December 31, 2014	A	<u>\$ 61,281</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

A-12

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 11,504
Decreased by:		
Refunded	A-4	<u>2,222</u>
Balance December 31, 2014	A	<u>\$ 9,282</u>

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

A-13

REF.

Increased by:

2014 Levy:

County Taxes

A-1:6 \$1,078,509

County Open Space Tax

A-1:6 44,682

County Added and Omitted Taxes

A-1:6 551

\$ 1,123,742

1,123,742

Decreased by:

Payments

A-4

\$ 1,123,742

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-14

	<u>REF.</u>	
Balance December 31, 2013:		
School Tax Payable	A	-
Increased by:		
Levy - Calendar Year 2014	A-6	\$ 6,570,419
		<u>6,570,419</u>
Decreased by:		
Payments	A-4	<u>6,625,686</u>
Balance December 31, 2014:		
School Tax Payable	A	<u>\$ (55,267)</u>
 2014 Liability for Local District School Tax:		
Tax Paid		\$ 6,625,686
Tax Payable 12/31/14		<u>-</u>
		6,625,686
Less -- Tax Payable 12/31/13		<u>-</u>
Amount Charged to 2014 Operations	A-1	<u>\$ 6,625,686</u>

CURRENT FUND
SCHEDULE OF GARBAGE DISTRICT TAX PAYABLE

A-15

	<u>REF.</u>	
Balance December 31, 2013:		
Due to Garbage District Fund	A	-
Increased by:		
Levy - 2014	A-6	\$ 401,007
		<u>401,007</u>
Decreased by:		
Payments	A-4	\$ 401,007
Balance December 31, 2014:		
Due to Garbage District Fund	A	<u><u>-</u></u>
 2014 Liability for Garbage District Tax:		
Tax Paid		\$ 401,007
Add -- Tax Payable 12/31/14		<u>-</u>
		401,007
Less -- Tax Payable 12/31/13		<u>-</u>
Amount Charged to 2014 Operations	A-1	<u>\$ 401,007</u>

CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX

A-16

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 24,287
Increased by:		
Levy - 2014	A-1:A-6	\$ 11,134
Added Levy	A-1:A-6	<u>109</u>
		<u>11,243</u>
		35,530
Balance December 31, 2014	A	<u>\$ 35,530</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-17

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 10,236
Increased by:		
Received in Cash From State	A-4	<u>46,875</u>
		57,111
Decreased by:		
Senior Citizens Deductions per Tax Billings		\$ 8,375
Veterans Deductions per Tax Billings		38,500
Sr and Vet Disallowed		<u>-</u>
		<u>46,875</u>
Balance December 31, 2014	A	<u>\$ 10,236</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR THIRD PARTY LIENS

A-18

REF.

Increased by:

Outside Lien Receipts

A-5 \$ 537,944
 537,944

Decreased by:

Refunded

A-4 \$ 537,944

CURRENT FUND
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-19

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/14</u>
Clean Communities		\$ 7,288	\$ 6,836	\$ 452	
Recreation Trails Grant	\$ 24,365				\$ 24,365
Bridget Snith House	12,280				12,280
NJDOT - Safe Routes to School Grant	195,500		18,265		177,235
Totals	<u>\$232,145</u>	<u>\$ 7,288</u>	<u>\$ 25,101</u>	<u>\$ 452</u>	<u>\$ 213,880</u>
REF.	A	A-2	A-4	A-20	A

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-20

	<u>BALANCE</u> <u>12/31/13</u>	TRANSFER FROM 2014 BUDGET <u>APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/14</u>
Clean Communities - CY 14	-	\$ 7,288	4,102	452	\$ 2,734
Clean Communities - CY 13	\$ 4,386	1,080	5,466		-
Tonnage Grant	5,403	2,164			7,567
County Trust Grant - Bridget Snith House	430				430
County Trust Grant - Bridget Snith House-Local	0				-
Recreation Trails Grant	22,816		1,250		21,566
Recreation Trails Grant-Local	-				-
NJ Dept. of Transportation-Safe Routes to School	179,245				179,245
Totals	\$ 212,280	\$ 10,532	\$ 10,818	\$ 452	\$ 211,542
	A	A-3	A-4	A-19	A

CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-21

	<u>BALANCE</u> <u>12/31/13</u>	TRANSFER TO 2014 BUDGET <u>APPROPRIATIONS</u>	<u>BALANCE</u> <u>12/31/14</u>
Recycling Grant	\$ 2,165	\$ 2,165	-
Clean Communities	1,080	1,080	-
Public Law and Safety Grant	29,505		\$ 29,505
Totals	<u>\$ 32,750</u>	<u>\$ 3,245</u>	<u>\$ 29,505</u>
	A	A-20	A

CURRENT FUND
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

A-22

	<u>REF.</u>	
Balance December 31, 2013	A	<u>\$ 21,440</u>
Balance December 31, 2014	A	<u>\$ 21,440</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR PENDING TAX APPEALS

A-23

	<u>REF.</u>	
Balance December 31, 2013	A	<u>\$ 72,222</u>
Decreased by:		
Canceled		<u>\$ 72,222</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION OF PROPERTY

A-24

REF.

Balance December 31, 2013

A

\$ 1,850

Decreased by:

Canceled

\$ 1,850

CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
EMERGENCY AND SPECIAL EMERGENCY AUTHORIZATIONS

A-25

<u>PURPOSE</u>	<u>DESCRIPTION</u>	<u>DATE</u> <u>AUTHORIZED</u>	<u>NET</u> <u>AMOUNT</u> <u>AUTHORIZED</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>APPROPRIATED</u> <u>2014</u> <u>BUDGET</u>	<u>BALANCE</u> <u>12/31/14</u>
Special Emergency (40A:4-55.1)	Flood - Hurricane Irene	10/18/11	\$ 15,000	\$ 9,000	\$ 3,000	\$ 6,000
Special Emergency (40A:4-54)	Hurricane Sandy	12/20/12	14,129	11,303	2,826	8,477
Special Emergency (40A:4-55.1)	Codification of Ordinances	4/18/13	21,200	21,200	4,240	16,960
Totals				\$ 41,503	\$ 10,066	\$ 31,437
REF.				A	A-3	A

CURRENT FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

A-26

REF.

Balance December 31, 2014	A	\$ 627,200
Increased by:		
Receipts	A-5	<u>\$ 125,800</u> 753,000
Decreased by:		
Escheated	A-4	<u>18,816</u>
Balance December 31, 2014	A	<u>\$ 734,184</u>

TRUST FUND SCHEDULES

TRUST FUND
SCHEDULE OF CASH - TREASURER

B-2

		<u>DOG</u>	
	<u>REF.</u>	<u>LICENSES</u>	<u>OTHER</u>
Balance December 31, 2013	B	<u>\$ 7,964</u>	<u>\$ 633,046</u>
Increased by Receipts:			
Dog License Fees	B-3	6,560	
Amount Due Current Fund	B-4	23	
State of New Jersey Fees	B-6	786	
Developers Escrow Deposits	B-7		30,344
State Unemployment Insurance Deposits	B-8		6
Municipal Open Space Trust Deposits	B-9		35
Other Trust Deposits	B-10		58,825
Affordable Housing Trust Deposits	B-11		96
Total Receipts		<u>7,369</u>	<u>89,306</u>
		<u>15,333</u>	<u>722,352</u>
Decreased by Disbursements:			
Administrative Expenses	B-3	8,138	
Encumbrances	B-5	251	
State of New Jersey Fees Paid	B-6	769	
Developers Escrow Payments	B-7		22,200
Municipal Open Space Trust Payments	B-9		905
Other Trust Payments	B-10		211,192
Total Disbursements		<u>9,158</u>	<u>234,297</u>
Balance December 31, 2014	B	<u>\$ 6,175</u>	<u>\$ 488,055</u>

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 7,718
Increased by:		
License Fees Collected	B-2	6,560
		14,278
Decreased by:		
Administrative Expenses - Encumbured	B-5	\$ 650
Administrative Expenses	B-2	8,138
		8,788
Balance December 31, 2014	B	\$ 5,490

DETAIL:

Reserve for Dog Fund Fees		\$ 5,123
Reserve for Cat Fund Fees		367
		\$ 5,490

DOG LICENSE FEES COLLECTED

CY 2013		\$ 7,625
CY 2012		6,872
		\$ 14,497

TRUST FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND
DOG LICENSE FUND

B-4

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 22
Increased by:		
Interest Credits Due Current Fund	B-2	<u>23</u> 45
Balance December 31, 2014	B	<u>\$ 45</u>

TRUST FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

B-5

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 224
Increased by:		
Purchase Orders	B-3	<u>650</u>
		874
Decreased by:		
Purchase Orders Paid	B-2	<u>251</u>
Balance December 31, 2014	B	<u>\$ 623</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF
NEW JERSEY DEPARTMENT OF HEALTH

B-6

REF.

Increased by:

Collected in 2014:

State Board of Health Fees

B-2 \$ 786
 786

Decreased By:

Payments

B-2 769

Balance December 31, 2014

B \$ 17

TRUST FUND
SCHEDULE OF AMOUNT DUE OTHER FUNDS
OTHER TRUST FUND

B-7

	<u>REF.</u>	
Balance December 31, 2013	B	\$ (651,455)
Increased by:		
Tax Sale Premiums Escheated	B-11	<u>18,816</u> (632,639)
Decreased by:		
Open Space Tax Levy (Incls Added Omitted Taxes)	B-10	\$ 11,243
Tax Sale Premiums Received in Current Fund	B-11	<u>125,800</u> <u>137,043</u>
Balance December 31, 2014	B	<u>\$ (769,682)</u>
 <u>Detail Due Current Fund:</u>		
Developer's Escrow Deposits		\$ 32
Tax Sale Premiums		(734,184)
Municipal Open Space Trust		<u>(35,530)</u>
		<u>\$ (769,682)</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW TRUST FUND DEPOSITS

B-8

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 62,524
Increased by:		
Escrow Deposits	B-2	<u>30,344</u>
		92,868
Decreased by:		
Escrow Refunds	B-2	<u>22,200</u>
Balance December 31, 2014	B	<u>\$ 70,668</u>

TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-9

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 3,082
Increased by:		
Receipts	B-2	<u> 6</u> 3,088
Balance December 31, 2014	B	<u>\$ 3,088</u>

TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST DEPOSITS
TRUST DEPOSITS

B-10

	<u>REF.</u>					
Balance December 31, 2013	B	\$ 42,274				
Increased by:						
2014 Levy and Added Omitted Taxes	B-6	\$ 11,243				
Interest	B-2	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="border-bottom: 1px solid black; width: 50px; text-align: right;">35</td> <td style="border-bottom: 1px solid black; width: 50px; text-align: right;">11,278</td> </tr> <tr> <td style="text-align: right;">53,552</td> <td></td> </tr> </table>	35	11,278	53,552	
35	11,278					
53,552						
Decreased by:						
Open Space Expenses	B-2	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="border-bottom: 1px solid black; width: 50px; text-align: right;">905</td> <td></td> </tr> </table>	905			
905						
Balance December 31, 2014	B	\$ <u>52,647</u>				

TRUST FUND
SCHEDULE OF RESERVE FOR OTHER TRUST DEPOSITS

B-11

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 857,520
Increased by:		
Tax Sale Premiums Received in Current Fund	B-7	\$ 125,800
Escrow Deposits	B-2	<u>58,825</u>
		<u>184,625</u>
		1,042,145
Decreased by:		
Tax Sale Premiums Escheated	B-7	18,816
Escrow and Premium Refunds	B-2	<u>211,192</u>
		<u>230,008</u>
Balance December 31, 2014	B	<u>\$ 812,137</u>

DETAIL:

Municipal Court - Public Defender	\$ 1,987
Municipal Court - POAA	1,378
Road Opening Deposits	633
Performance Bonds	8,935
Reserve for Library	1,226
Reserve for Recreation	57,314
Reserve for Recycling	16,171
Reserve for Inspection Fees Meadow	300
Reserve for Inspection Fees	100
Reserve for Diamond Jubilee	53
Reserve for Rec. Donations	1,025
Reserve for Sidewalk Fund	18,487
Reserve for Beach Donations	398
Reserve for Food Pantry	5,534
Reserve for Holiday Baskets	500
Reserve for Maintenance Bond	320
Reserve for Monument Bond	3,200
Reserve for Tax Sale Premiums	683,300
Reserve for Construction Fees	757
Reserve for Beach Snack Bar	3,482
Reserve for Accrued Sick Leave	9,000
Reserve for Other	<u>(1,963)</u>
	<u>\$ 812,137</u>

TRUST FUND
SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING TRUST

B-12

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 319,101
Increased by:		
Escrow Deposits	B-2	<u> 96</u> 319,197
Balance December 31, 2014	B	<u>\$ 319,197</u>

GENERAL CAPITAL FUND SCHEDULES

GENERAL CAPITAL FUND
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2013	C	\$	51,440
Increased by Receipts:			
Current Fund Budgeted Appropriation - Capital Improvement Fund	C-8	\$	206,000
Interfund Advances for Cash Flow	C-3		38,000
Interest Credits	C-3		86
			<u>244,086</u>
			295,526
Decreased by Disbursements:			
Payment to Current Fund for Interest Credits	C-3		86
Liquidation of Prior Year Encumbrances	C-7		19,000
Improvements Authorizations Paid	C-11		249,063
			<u>268,149</u>
Balance December 31, 2014	C	\$	<u>27,377</u>

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-3

	<u>REF.</u>		
Balance December 31, 2013	C	\$	(49,339)
Increased by:			
Interfund Advances for Cash Flow	C-2	\$	38,000
Interest Credits	C-2	<u>86</u>	<u>38,086</u>
			(11,253)
Decreased by:			
Payment of Interest Credits to Current Fund	C-2		<u>86</u>
Balance December 31, 2014	C	<u>\$</u>	<u>(11,339)</u>

GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS RECEIVABLE

C-4

REF.

Balance December 31, 2013	C	\$ 368,161
Balance December 31, 2014	C	<u>\$ 368,161</u>
Safe Routes to School Grant		\$ 50,441
Community Development Block Grant		67,720
NJ Department of Transportation-Randolf Ave Sidewalks		170,000
Community Development Block Grant-Dolores Place Sidewalks		<u>80,000</u>
		<u>\$ 368,161</u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	C-5
Balance December 31, 2013	C	\$ 127,124
Decreased by:		
2014 Budget Appropriations - Loans Payable	C-9	<u>62,410</u>
Balance December 31, 2014	C	<u>\$ 64,714</u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

ANALYSIS OF BALANCE

<u>ORDINANCE NUMBER</u>	<u>ORDINANCE DATE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE 12/31/13</u>	<u>PAID BY BUDGET APPROPRIATION</u>	<u>BALANCE 12/31/14</u>	<u>BOND ANTI- ANTICIPATION NOTES</u>	<u>BONDS/NOTES AUTHORIZED NOT ISSUED</u>
7-2003	9/4/03	Various Capital Improvements	\$ 36,700	\$ 18,350	\$ 18,350	\$ 18,350	-
8-2003	10/16/03	Improvements to Randall Avenue	17,250	8,625	8,625	8,625	-
10-2004	12/16/04	Various Capital Improvements	7,300	3,650	3,650	3,650	-
8-2005	10/20/05	Various Capital Improvements	143,200	95,800	47,400	47,400	-
15-2006	6/22/06	Various Capital Improvements	187,500	31,250	156,250	156,250	-
10-2007	7/12/07	Various Capital Improvements	408,056	30,373	377,683	377,683	-
16-2008	7/17/08	School Traffic Speed Limit Signs	5,700	950	4,750	4,750	-
17-2008	7/17/08	Iron Mountain Road	473,079	82,567	390,512	390,512	-
6-2009	6/17/09	Improvements to Beach Facilities	87,210	9,690	77,520	77,520	-
13-2009	8/20/09	Improvements to Various Roads	213,750	23,750	190,000	190,000	-
1-2010	4/1/10	Various Capital Improvements	287,325	31,925	255,400	255,400	-
8-2011	8/18/11	Twsp Driveway, Blueberry and Iroindale Road Impr, Fire Dept. Equip., DPW Equipment, School Sidewalks, Speed Tables	188,100	18,000	170,100	162,000	\$ 8,100
16-2012	6/21/12	Firehouse Roof, Civic Center Generator, Rec Parking Lot, Sidwalk Repairs for Delores Place, Randolph Ave., and Township Sidewalks	618,339		618,339		618,339
			<u>\$ 2,673,509</u>	<u>\$ 354,930</u>	<u>\$ 2,318,579</u>	<u>\$ 1,692,140</u>	<u>\$626,439</u>

GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES

C-7

	<u>REF.</u>	
Balance December 31, 2013	C	\$ 20,017
Increased by:		
Improvement Authorization Purchase Orders Issued	C-11	<u>14,952</u> 34,969
Decreased by:		
Prior Year Purchase Orders Canceled	C-11	\$ 1,017
Liquidation of Prior Year Purchase Orders	C-2	<u>19,000</u> <u>20,017</u>
Balance December 31, 2014	C	<u>\$ 14,952</u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

	<u>REF.</u>	
Balance December 31, 2013	C	\$ 13,015
Increased by:		
2014 Budget Appropriations	C-2	<u>206,000</u>
		219,015
Decreased by:		
To Finance Improvement Authorizations	C-11	<u>170,000</u>
Balance December 31, 2014	C	<u>\$ 49,015</u>

GENERAL CAPITAL FUND
SCHEDULE OF LEASE PURCHASE AGREEMENTS

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
Morris County Improvement Authority - Capital Lease	8/1/05	\$ 552,750	3.69%	\$ 127,123	\$ 62,410	\$ 64,713
				\$ 127,123	\$ 62,410	\$ 64,713

REF.

C

C-5

C

Maturity Schedule:

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Lease Obligation Balance</u>
				\$ 127,123
9	08/01/14	\$ 62,410	\$ 4,691	64,713
10	08/01/15	64,713	2,388	-

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

C-10

ORDINANCE NO.	ORDINANCE DATE	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	AMOUNT ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE 12/31/13	DECREASED	BALANCE 12/31/14
7-2003	9/4/03	Various Capital Improvements	7/7/2005	\$ 133,000	5/9/14	5/8/15	0.57%	\$ 36,700	\$ 18,350	\$ 18,350
8-2003	10/16/03	Improvements to Randall Avenue	7/7/2005	57,000	5/9/14	5/8/15	0.57%	17,250	8,625	8,625
8-2005	10/20/05	Various Capital Improvements	7/7/2006	380,250	5/9/14	5/8/15	0.57%	150,500	75,250	75,250
15-2006	6/22/06	Various Capital Improvements	5/14/2009	250,000	5/9/14	5/8/15	0.57%	187,500	31,250	156,250
10-2007	7/12/07	Various Capital Improvements	5/15/2008	540,000	5/9/14	5/8/15	0.57%	408,056	58,293	349,763
16-2008	7/17/08	School Traffic Speed Limit Signs	5/14/2009	7,600	5/9/14	5/8/15	0.57%	5,700	950	4,750
17-2008	7/17/08	Iron Mountain Road	5/14/2009	630,000	5/9/14	5/8/15	0.57%	473,079	78,847	394,232
6-2009	6/17/09	Improvements to Beach Facilities	5/13/2010	96,900	5/9/14	5/8/15	0.57%	87,210	9,690	77,520
13-2009	8/20/09	Improvements to Various Roads	5/13/2010	237,500	5/9/14	5/8/15	0.57%	213,750	23,750	190,000
1-2010	4/1/10	Various Capital Improvements	5/13/2010	319,250	5/9/14	5/8/15	0.57%	287,325	31,925	255,400
8-2011	8/18/11	Twsp Driveway, Blueberry and Irondale Road Impr, Fire Dept. Equip., DPW Equipment, School Sidewalks, Speed Tables	5/10/2012	180,000	5/9/14	5/8/15	0.57%	180,000	18,000	162,000
								\$ 2,047,070	\$ 354,930	\$ 1,692,140
REF.								C	C-6	C

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-11

IMPROVEMENT DESCRIPTION	NO.	ORDINANCE		BALANCE 12/31/13		CAPITAL IMPROVEMENT FUND	PAID OR CHARGED	BALANCE 12/31/14	
		DATE	AMOUNT	FUNDED	UNFUNDED			FUNDED	UNFUNDED
Improvements to Randall Avenue	8-2003	10/16/03	\$ 210,000		\$ 2,517		\$ 105	\$ 2,412	
Various Capital Improvements	10-2004	10/16/04	658,000		1,806			1,806	
Various Capital Improvements	8-2005	10/20/05	844,662		34,803		(912)	35,715	
Various Capital Improvements	15-2006	6/22/06	590,000		51,761		4,060	47,701	
Acquisition of Canfield Open Space	1-2007	2/1/07	12,480,000		108,026			108,026	
Road Reconstruction and Overlay	10-2007	7/12/07	780,000		2,835		105	2,730	
Canfield Flashers	16-2008	7/17/08	20,000		4,052		130	3,922	
Iron Mountain Road Reconstruction	17-2008	7/17/08	805,000		80		80	-	
Iron Mountain Road Reconstruction - Phase III	16-2010	11/10/10	60,000	\$ 4,321				\$ 4,321	
Improvements to Beach Facilities	6-2009	6/17/09	182,000		3,019		105	2,914	
Repaving Roads and Speed Tables	13-2009	8/20/09	250,000		9,467		4,405	5,062	
Various Capital Improvements	1-2010	4/01/10	767,000		1,684		105	1,579	
Sidewalk and Curb Repair	6-2010	6/17/10	48,475	3,628				3,628	
Twsp Driveway, Blueberry and Irondale Road Impr, Fire Dept. Equip., DPW Equipment, School Sidewalks, Speed Tables	8-2011	8/18/11	198,000		12,655		9,435	3,220	
Firehouse Roof, Civic Center Generator, Rec Parking Lot, Sidwalk Repairs for Delores Place, Randolph Ave., and Township Sidewalks	16-2012	6/21/12	916,000	255,505	618,339		104,150	151,355	618,339
Resurfacing S.1st and N1st Streets, Municipal Facilities Improvements, DPW Equipment	12-2014	5/15/14	120,000			\$ 120,000	119,911	89	-
Resurfacing S.1st and N1st Streets, Municipal Facilities Improvements, DPW Equipment - Additional Appropriation	22-2014	8/14/14	50,000			50,000	21,319	28,681	-
REF.									
				\$ 263,454	\$ 851,044	\$ 170,000	\$ 262,998	\$ 188,074	\$ 833,426
				C	C	C-8		C	C

C-2	Cash Disbursements	\$ 249,063
C-7	Prior Year Encumbrances Canceled	(1,017)
C-7	Encumbured	14,952
		<u>\$ 262,998</u>

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

C-12

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/14</u>
Green Acres	\$ 50,000	\$ 50,000
Sidewalk Improvements	730	730
Park Development	1,563	1,563
Reserve for Fire Department Roof	5	5
	\$ 52,298	\$ 52,298
REF.	C	C

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE TO OUTSIDE AGENCIES

C-13

	<u>REF.</u>	
Balance December 31, 2013	C	\$ <u>6,397</u>
Balance December 31, 2014	C	\$ <u>6,397</u>
Due to Seller for Acquisition of Property		\$ 5,245
Due to Ferromonte Historical Society		<u>1,152</u>
		<u>\$ 6,397</u>

WATER UTILITY FUND

WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

D-4

	<u>REF.</u>	<u>OPERATING</u>		<u>CAPITAL</u>
Balance December 31, 2013	D	\$ 125,924		\$ 19,017
Increased by Receipts:				
Water Rents	D-5	\$ 539,217		
Capital Improvement Fund	D-11		\$ 26,000	
Interfunds Returned	A:D	70,583		26,000
Miscellaneous	D-2	<u>10,025</u>	<u>619,825</u>	<u>-</u>
			745,749	<u>52,000</u>
				<u>71,017</u>
Decreased by Disbursements:				
2013 Appropriation Reserve	D-7	19,232		
Interfunds Advanced-Current Fund	A	38,875		
Interfunds Advanced-Sewer Operating Fund	E	52,000		
Interfunds Advanced-Garbage District	F			
2014 Appropriations	D-3:10	<u>399,210</u>	<u>509,317</u>	<u>\$ 25,715</u>
				<u>25,715</u>
Balance December 31, 2014	D	<u>\$ 236,432</u>		<u>\$ 45,302</u>

WATER UTILITY FUND
SCHEDULE OF CASH - COLLECTOR

D-5

REF.

Increased by Receipts:

Consumer Accounts Receivable Collections	D-6	<u>\$ 539,217</u>
		539,217

Decreased by Disbursements:

Payment to Treasurer	D-4	<u>\$ 539,217</u>
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WATER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE AND LIENS

D-6

	<u>REF.</u>	
Balance December 31, 2013	D	\$ 88,074
Increased by:		
Water Rents Levied		<u>553,038</u>
		641,112
Decreased by:		
Collection	D-5	<u>539,217</u>
Balance December 31, 2014	D	<u>\$ 101,895</u>
Consumer Accounts Receivable		\$ 62,838
Water Liens		<u>39,057</u>
		<u>\$ 101,895</u>

WATER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

D-7

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages	\$ 24,807	\$ 24,807		\$ 24,807
Other Expenses	147,975	147,975	\$ 19,232	128,743
Statutory Expenses	5,080	5,080		5,080
 TOTALS	 <u>\$ 177,862</u>	 <u>\$ 177,862</u>	 <u>\$ 19,232</u>	 <u>\$ 158,630</u>

REF.

D

D-4

D-1

Appropriation Reserves	\$ 175,521
Encumbrances	<u>2,341</u>
	<u>\$ 177,862</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
DECEMBER 31, 2014

D-8

Balance December 31, 2013	D	<u>\$ 2,209,439</u>
Balance December 31, 2014	D	<u>\$ 2,209,439</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-9

<u>ORDINANCE DATE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE 12/31/13</u>	<u>BALANCE 12/31/12</u>
7/1/99	Hurd Street Water Mains Sec IV and Indian Falls Road	\$ 157,980	\$ 157,980
10/03/02	Water System Infrastructure Improvements	135,000	135,000
7/10/03	Water Main Extension on Hurn Street	210,000	210,000
12/16/04	Water Main Replacement	47,269	47,269
12/20/11	Water System Improvement	50,000	50,000
5/17/12	Water Meters	\$ 455,000	455,000
		<u>\$ 1,055,249</u>	<u>\$ 1,055,249</u>
	REF.	D	D

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	DATE	ORIGINAL AMOUNT	12/31/13 BALANCE		CAPITAL IMPROVEMENT FUND	PAID OR CHARGED	12/31/14 BALANCE	
				UNFUNDED	FUNDED			UNFUNDED	FUNDED
5-02	Water System Infrastructure Improvements	10/03/02	165,000		\$ 939			\$	939
2-03	Water Main Extension on Hurn Street	7/10/03	210,000		1,427				1,427
13-11	Water System Improvement	12/20/11	50,000		1,584				1,584
13-12	Water Meters	5/17/12	455,000	\$ 9,900			\$ 105	\$ 9,795	
13-14	Xenia Couort Water Main and Utility Truck	5/15/14	29,000			\$ 29,000	25,610		3,390
				\$ 9,900	\$ 3,950	\$ 29,000	25,715	\$ 9,795	\$ 7,340
REF.				D	D	D-11	D-4	D	D

WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER CAPITAL IMPROVEMENT FUND

D-11

	<u>REF.</u>	
Balance December 31, 2013	D	\$ 29,110
Increased by:		
2014 Budget Appropriation	D-2:3	<u>26,000</u>
		55,110
Decreased by:		
Improvement Authorizations	D-10	<u>29,000</u>
Balance December 31, 2014	D	<u>\$ 26,110</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

D-12

REF.

Balance December 31, 2013	D	\$ 2,687,635
Increased by:		
Serial Bonds Paid by Water Operating Budget	D-3:14	<u>43,200</u>
		2,730,835
Balance December 31, 2014	D	<u>\$ 2,730,835</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

D-13

ORDINANCE NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	BALANCE <u>12/31/13</u>	BALANCE <u>12/31/14</u>
	Hurd Street Water Mains Sec IV and Indian Falls Road	7/1/99	\$ 3,730	\$ 3,730
5-02	Water System Infrastructure Improvements	10/03/02	63,250	63,250
2-03	Water Main Extension on Hurn Street	7/10/03	10,500	10,500
1-04	Water Main Replacement	12/16/04	37,769	37,769
13-11	Water System Improvement	12/20/11	50,000	50,000
13-12	Water Meters	5/17/12	23,000	23,000
			<u>\$ 188,249</u>	<u>\$ 188,249</u>
REF.			D	D

WATER CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

D-14

<u>ORDINANCE NO.</u>	<u>ORDINANCE DATE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>AMOUNT ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
13-2014	5/17/12	Water Meters	9/5/13	\$ 432,000	5/9/14	5/8/15	0.57%	\$ 388,800	\$ 43,200	\$ 345,600
								\$ 388,800	\$ 43,200	\$ 345,600
		REF.						D	D-12	D

SEWER UTILITY FUND

SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

E-4

	<u>REF.</u>	<u>OPERATING</u>		<u>CAPITAL</u>
Balance December 31, 2013	D	\$ 295,604		\$ 117,219
Increased by Receipts:				
Sewer Rents	E-5	\$ 441,875		
Interfunds Returned	E	78,762		
Miscellaneous	E-2	<u>17,178</u>	<u>537,815</u>	<u>-</u>
		833,419	-	<u>117,219</u>
Decreased by Disbursements:				
2013 Appropriation Reserve	E-7	-		
Interfunds Advanced	E		40,000	
2014 Appropriations	E-3:10	<u>398,063</u>	<u>398,063</u>	<u>58,305</u>
Balance December 31, 2014	D	<u>\$ 435,356</u>		<u>18,914</u>

SEWER UTILITY FUND
SCHEDULE OF CASH - COLLECTOR

E-5

	<u>REF.</u>	
Increased by Receipts:		
Prepaid Rents	E	\$ 1,837
Consumer Accounts Receivable Collections	E-6	<u>440,038</u>
		441,875
 Decreased by Disbursements:		
Payment to Treasurer	E-4	<u>\$ 441,875</u>

SEWER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE AND LIENS

E-6

	<u>REF.</u>	
Balance December 31, 2013	E	\$ 51,776
Increased by:		
Sewer Rents Levied		<u>445,074</u>
		496,850
Decreased by:		
Prior Year Prepaid Rents	E	\$ 1,666
Collection	E-4	<u>440,038</u>
		<u>441,704</u>
Balance December 31, 2014	E	<u>\$ 55,146</u>
Consumer Accounts Receivable		\$ 45,670
Water Liens		<u>9,476</u>
		<u>\$ 55,146</u>

SEWER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

E-7

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Other Expenses	\$ 1,507	\$ 1,507	\$ 565	\$ 942
TOTALS	<u>\$ 1,507</u>	<u>\$ 1,507</u>	<u>\$ 565</u>	<u>\$ 942</u>

REF.

E

E-1

Appropriation Reserves	\$ 942			
Encumbrances	<u>565</u>		<u>\$ 565</u>	
	<u>\$ 1,507</u>		<u>\$ 565</u>	

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
DECEMBER 31, 2014

E-8

Balance December 31, 2013	D	<u>\$ 2,089,805</u>
Balance December 31, 2014	D	<u>\$ 2,089,805</u>

SEWER UTILITTY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

E-9

<u>ORDINANCE DATE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE 12/31/13</u>	<u>BALANCE 12/31/14</u>
12/20/00	Refunding Bond Ordinance	\$ 300,000	\$ 300,000
07/19/01	Installation of Sanitary Sewer System	150,000	150,000
10/20/05	Installation of Sanitary Sewer Lines	500,000	500,000
		<u>\$ 950,000</u>	<u>\$ 950,000</u>
	REF.	E	E

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

E-10

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE 12/31/13</u>		<u>EXPENDED</u>	<u>BALANCE 12/31/14</u>	
			<u>FUNDED</u>	<u>UNFUNDED</u>		<u>FUNDED</u>	<u>UNFUNDED</u>
Refunding Bond Ordinance	12/20/00	\$ 300,000	\$ 8,393			\$ 8,393	
Installation of Sanitary Sewer System	07/19/01	150,000	6,047		\$ 5,738	309	
Installation of Sanitary Sewer Lines	10/20/05	500,000		\$ 211,068	61,674		\$ 149,394
			\$ 14,440	\$ 211,068	\$ 67,412	\$ 8,702	\$ 149,394
REF.			E	E	E-4	E	E
				E-4 Encumbured	\$ 58,305 9,107		
					\$ 67,412		

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER CAPITAL IMPROVEMENT FUND

E-11

	<u>REF.</u>	
Balance December 31, 2013	E	<u>\$ 12,018</u>
Balance December 31, 2014	E	<u>\$ 12,018</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

E-12

	<u>REF.</u>		
Balance December 31, 2013	E		\$ 1,420,305
Increased by:			
Bond Anticipation Notes Payment	E-14	\$ 42,000	
Serial Bonds Paid by Sewer Operating Budget	E-15	40,000	
NJ Envir. Infra. Trust Loans Paid by Sewer Operating Budget	E-16	<u>70,000</u>	<u>152,000</u>
			1,572,305
Balance December 31, 2014	E		<u>\$ 1,572,305</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

E-13

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/14</u>
Installation of Sanitary Sewer System	07/19/01	\$ 7,500	\$ 7,500
Installation of Sanitary Sewer Lines	10/20/05	80,000	80,000
		<u>\$ 87,500</u>	<u>\$ 87,500</u>
REF.		E	E

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

E-14

<u>ORDINANCE NO.</u>	<u>ORDINANCE DATE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>AMOUNT ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
9-05	10/20/05	Installation of Sanitary Sewer Lines	5/15/2008	\$ 420,000	5/9/14	5/8/15	0.57%	\$ 336,000	\$ 42,000	\$ 294,000
								\$ 336,000	\$ 42,000	\$ 294,000
REF.								E	E-12	E

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

E-15

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
Sewer Utility Bonds	10/1/03	\$ 921,000	9/15/15	\$ 25,000	3.900%	\$ 746,000	\$ 25,000	\$ 721,000
			9/15/16	25,000	4.000%			
			9/15/17	25,000	4.000%			
			9/15/18	35,000	4.125%			
			9/15/19	115,000	4.125%			
			9/15/20	115,000	4.200%			
			9/15/21	125,000	4.250%			
			9/15/22	125,000	4.300%			
			9/15/23	131,000	4.400%			
Sewer Utility Refunding Bonds	10/1/03	\$ 300,000	9/15/15	\$ 15,000	3.900%	150,000	15,000	135,000
			9/15/16	15,000	4.000%			
			9/15/17	15,000	4.000%			
			9/15/18	15,000	4.125%			
			9/15/19	15,000	4.125%			
			9/15/20	15,000	4.200%			
			9/15/21	15,000	4.250%			
			9/15/22	15,000	4.300%			
			9/15/23	15,000	4.400%			
						\$ 896,000	\$ 40,000	\$ 856,000

E

E-12

E

SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PROGRAMS

E-16

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
New Jersey Wastewater Treatment Trust Loan Program Department of Environmental Protection	1997	2015-2017	\$65,000 to \$80,000	5.0%	\$ 300,000	\$ 70,000	\$ 230,000
					<u>\$ 300,000</u>	<u>\$ 70,000</u>	<u>\$ 230,000</u>
REF.					E	E-12	C

SPECIAL DISTRICT (GARBAGE) FUND

SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF CASH - TREASURER

F-4

	<u>REF.</u>		
Balance December 31, 2013	D		\$ 185,832
Increased by Receipts:			
Collections of District Taxes	F-5	\$ 401,007	
Miscellaneous	F-2	<u>156</u>	<u>401,163</u>
			586,995
Decreased by Disbursements:			
Interfund Advanced - Current Fund	F	17,999	
2013 Appropriation Reserve	F-7	148	
2014 Appropriations	F-3	<u>353,956</u>	<u>372,103</u>
Balance December 31, 2014	D		<u>\$ 214,892</u>

SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF CASH - COLLECTOR

F-5

REF.

Increased by Receipts:

Consumer Accounts Receivable Collections

F-6

\$ 401,007

401,007

Decreased by Disbursements:

Payment to Treasurer

F-4

\$ 401,007

SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF DISTRICT TAX ACCOUNTS RECEIVABLE AND LEINS

F-6

REF.

Increased by:

District Tax Levied
Additional Tax

\$ 400,812	
<u>195</u>	<u>\$ 401,007</u>
	401,007

Decreased by:

Collection

F-5

<u>\$ 401,007</u>

SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

F-7

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Contractual Services	\$ 15,405	\$ 15,405		\$ 15,405
Other Expenses	8,707	8,707	\$ 148	8,559
Salaries and Wages	9,110	9,110		9,110
Statutory Expenditures	1,247	1,247		1,247
TOTALS	<u>\$ 34,469</u>	<u>\$ 34,469</u>	<u>148</u>	<u>\$ 34,321</u>

REF.	F	F	F-4	F-1
------	---	---	-----	-----

Appropriation Reserve	\$ 34,321
Encumbrances	<u>148</u>
	<u>\$ 34,469</u>

SCHEDULE OF GENERAL FIXED ASSETS

GENERAL FIXED ASSETS
SCHEDULE OF ADDITIONS AND DELETIONS
DECEMBER 31, 2014

G-1

	<u>BALANCE</u> <u>12/31/13</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/14</u>
General Fixed Assets:				
Buildings and Improvements	\$ 2,066,568			\$ 2,066,568
Vehicles	1,888,246			1,888,246
Machinery and Equipment	278,280	\$ 5,885		284,165
Total General Fixed Assets	<u>\$ 4,233,094</u>	<u>\$ 5,885</u>	<u>-</u>	<u>\$ 4,238,979</u>
Investment In General Fixed Assets	<u>\$ 4,233,094</u>	<u>\$ 5,885</u>	<u>-</u>	<u>\$ 4,238,979</u>

**PART III
SUPPLEMENTARY INFORMATION**

General Comments

**Report on Internal Control over Financial Reporting
and Compliance and Other Matters based on an
Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Schedule of Federal/State Awards

Status of Prior Audit Findings

Schedule of Findings and Responses

GENERAL COMMENTS

Scope of Audit

The audit of the financial statements of the Township of Mine Hill, County of Morris, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (i) of paragraph (a) of subsection (1) of Section 5 of P.L.1971, C.198(C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2(pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.40A:11-4 (as amended) states, "Every contract or agreement for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2011, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$36,000 for Qualified Purchasing Agents (QPA), and \$17,500 for units without QPA's.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

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

The system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not determine whether any clear-cut violations existed.

My examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory thresholds "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.40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method of 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 8, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2013, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2014, at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500, and the rate of 6% per annum for and upon any amount in excess of \$10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

The governing body, on January 8, 2014 adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2014, include real property taxes from the 2014 tax levy.

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

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

<u>Year</u>	<u>Number of Liens</u>
2014	22
2013	22
2012	22

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 taxpaying basis.

Verification of Delinquent Taxes and Other Charges

Verification notices were mailed to confirm balances as of November 10, 2014. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

Type of Receivable - Real Property Tax				
Date of Circulars - November 10, 2014-Real Estate				
Verification <u>Type</u>	Request <u>Form</u>	Total No. <u>of Items</u>	Total No. of <u>Circular</u>	Total No. <u>Returned</u>
2014 Property Tax	Positive	1,507	60	10
2015 Property Tax	Positive	1,507	60	10
2014 Delinquent Tax	Negative	167	25	8

N.J.A.C. 5:30-5 (Technical Accounting Directives)

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of Mine Hill to these new directives are as follows:

<u>Requirement</u>	FY 2014 Required <u>Implementation</u>	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System	X	

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

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2014</u>	<u>%</u>	<u>YEAR 2013</u>	<u>%</u>
Fund Balance Utilized	\$ 465,000	3.63%	\$ 270,000	2.12%
Miscellaneous - From Other Than				
Local Property Tax Levies	902,187	7.04%	1,094,491	8.59%
Collection of Delinquent Taxes and				
Tax Title Liens	241,200	1.88%	325,711	2.56%
Collection of Current Tax Levy	<u>11,207,318</u>	<u>87.45%</u>	<u>11,056,721</u>	<u>86.74%</u>
Total Income	<u>12,815,705</u>	<u>100.00%</u>	<u>12,746,923</u>	<u>100.00%</u>

EXPENDITURES

Budget Expenditures:				
Municipal Purposes	4,258,853	34.06%	4,214,345	34.44%
County Taxes	1,123,742	8.99%	1,141,419	9.33%
Local and Regional Taxes	7,026,693	56.19%	6,820,927	55.75%
Municipal Open Space Tax	11,243	0.09%	13,272	0.11%
Deferred Charges	10,066	0.08%	25,749	0.21%
Other Expenditures	<u>74,435</u>	<u>0.60%</u>	<u>20,180</u>	<u>0.16%</u>
Total Expenditures	<u>12,505,032</u>	<u>100.00%</u>	<u>12,235,892</u>	<u>100.00%</u>

Excess (Deficit) Revenue Over Expenditures	310,673		511,031	
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Adjustments to Income Before Fund Balance:

Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>23,167</u>		<u>21,200</u>	

Statutory Excess To Fund Balance	333,840		532,231	
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Fund Balance January 1	753,514		491,283	
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Less:

Utilization as Anticipated Revenue	<u>465,000</u>		<u>270,000</u>	
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Fund Balance December 31	<u>\$ 622,354</u>		<u>\$ 753,514</u>	
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COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
WATER UTILITY FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2014</u>	<u>%</u>	<u>YEAR 2013</u>	<u>%</u>
Operating Surplus	\$ 50,600	6.75%	\$ 30,000	4.45%
Rents	530,152	70.74%	536,569	79.60%
Miscellaneous	10,025	1.34%	8,505	1.26%
Other Credits to Income	<u>158,630</u>	<u>21.17%</u>	<u>99,017</u>	<u>14.69%</u>
Total Income	749,407	100.00%	674,091	100.00%

EXPENDITURES

Budget Expenditures:				
Operating	<u>517,248</u>	100.00%	<u>567,434</u>	100.00%
Excess in Revenue	232,159		106,657	
Statutory Excess To Fund Balance	232,159		106,657	
Fund Balance January 1	214,253		137,596	
Less:				
Utilization as Anticipated Revenue	<u>50,600</u>		<u>30,000</u>	
Fund Balance December 31	<u>\$ 395,812</u>		<u>\$ 214,253</u>	

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

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2014</u>	<u>%</u>	<u>YEAR 2013</u>	<u>%</u>
Rents	408,314	89.85%	423,090	96.63%
Miscellaneous	45,178	9.94%	13,796	3.15%
Other Credits to Income	<u>942</u>	<u>0.21%</u>	<u>973</u>	<u>0.22%</u>
Total Income	454,434	100.00%	437,859	100.00%

EXPENDITURES

Budget Expenditures:				
Operating	<u>414,674</u>	100.00%	<u>352,435</u>	100.00%
Excess in Revenue	39,760		85,424	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>11,451</u>		<u>10,500</u>	
Statutory Excess To Fund Balance	51,211		95,924	
Fund Balance January 1	115,670		19,746	
Less:				
Utilization as Anticipated Revenue	<u>-</u>		<u>-</u>	
Fund Balance December 31	<u>\$ 166,881</u>		<u>\$ 115,670</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
SPECIAL GARBAGE DISTRICT FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2014</u>	<u>%</u>	<u>YEAR 2013</u>	<u>%</u>
Operating Surplus	\$ 20,000	4.39%	\$ -	0.00%
District Tax	401,007	88.04%	382,871	94.77%
Miscellaneous	156	0.03%	59	0.01%
Other Credits to Income	<u>34,321</u>	<u>7.54%</u>	<u>21,066</u>	<u>5.21%</u>
Total Income	455,484	100.00%	403,996	100.00%

EXPENDITURES

Budget Expenditures:				
Operating	<u>397,000</u>	100.00%	<u>377,000</u>	100.00%
Excess in Revenue	58,484		26,996	
Fund Balance January 1	41,363		14,367	
Less:				
Utilization as Anticipated Revenue	<u>20,000</u>		<u>-</u>	
Fund Balance December 31	<u>\$ 79,847</u>		<u>\$ 41,363</u>	

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>\$2.574</u>	<u>\$2.549</u>	<u>\$2.478</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.753	\$0.742	\$0.721
Municipal Open Space Tax	\$0.002	\$0.003	\$0.003
County	\$0.254	\$0.257	\$0.258
Local School	\$1.475	\$1.461	\$1.410
Special District Garbage Tax	\$0.090	\$0.086	\$0.086

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2014	\$445,346,900
2013	\$440,688,500
2012	\$438,266,000

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2014	\$11,467,941	\$11,207,319	97.72%
2013	\$11,347,555	\$11,056,721	97.43%
2012	\$10,927,696	\$10,593,177	96.93%

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>Dec.31 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>
2014	\$378,274	\$253,339	\$631,613	5.51%
2013	\$376,176	\$252,946	\$629,122	5.54%
2012	\$343,766	\$314,801	\$658,567	6.03%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2014 by foreclosure or deed as a result of liquidation of tax title liens.

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized</u> <u>In Budget of Succeeding Year</u> <u>Regular</u>
2014	\$ 622,354	\$ 465,000
2013	\$ 753,514	\$ 465,000
2012	\$ 491,283	\$ 270,000
2011	\$ 482,777	\$ 270,000
2010	\$ 432,944	\$ 270,000

Water Utility Fund

2014	\$ 395,812	\$ 124,100
2013	\$ 214,253	\$ 50,600
2012	\$ 137,596	\$ 30,000
2011	\$ 155,837	\$ 68,375
2010	\$ 164,237	\$ 8,400

Sewer Utility Fund

2014	\$ 166,881	None
2013	\$ 115,670	None
2012	\$ 19,746	None
2011	\$ 10,647	\$ 10,000
2010	\$ 34,111	\$ 35,978

Special Garbage District Fund

2014	\$ 79,847	\$ 30,000
2013	\$ 41,363	\$ 20,000
2012	\$ 14,367	None
2011	\$ 59,447	\$ 50,000
2010	\$ 60,922	\$ 13,000

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>	<u>Name Of Corporate Surety</u>
Sam Morris	Mayor		
David Bloom	Council President		
Conrad Pepperman	Council Member		
Bret Coranato	Council Member		
Fred Willis	Council Member		
Kristine Kanzenbach	Council Member		

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Amanda G. Macchia	Township Clerk; Assessment Search Officer; Registrar of Vital Statistics		
Judith O'Brian	Tax Collector; Utility Collector; Tax Search Officer; Deputy Registrar	\$1,000,000	Blanket Coverage; NJ Intergovernmental Insurance Fund
Katelyn Wild	Acting Certified Municipal Finance Officer/Treasurer	\$1,000,000	Blanket Coverage; NJ Intergovernmental Insurance Fund
Joseph Ferraris	Assessor		
Anthony Bucco	Attorney		

The minimum bond coverage required for the Tax Collector and the Municipal Court personnel based on their respective prior years' tax levies and Court income, would be as follows:

<u>Collector</u>	
<u>Year</u>	<u>Amount</u>
2014	\$107,869

There are public employees' blanket bonds providing coverage to municipal officials and employees not specifically bonded. The municipal officials and employees are covered by a "faithful performance blanket position bond" in the amount of \$1,000,000. provided through the NJIIF by Fidelity and Deposit Insurance Company.

All the bonds were examined and were properly executed.



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Anthony Ardito, CPA, RMA, CMFO, PSA
Douglas R. Williams, CPA, RMA, PSA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

The Honorable Mayor and
Members of the Township Council
Township of Mine Hill
County of Morris, New Jersey
10 Baker Street
Mine Hill, New Jersey 07830

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey, the regulatory-basis financial statements of the Township of Mine Hill in the County of Warren, State of New Jersey, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Township of Mine Hill's basic financial statements, and have issued our report thereon dated April 30, 2015, which indicated that the financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

-Continued-

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

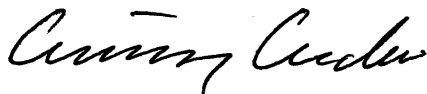
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
April 30, 2015

SCHEDULE OF FEDERAL/STATE AWARDS

SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>CFDA</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>FUND REF.</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/14</u>	<u>RECEIPTS PROGRAM</u>	<u>OTHER</u>	<u>DISBURSEMENTS</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/14</u>	<u>TOTAL DISBURSEMENTS</u>
US Department of Transportation: NJ Transportation Trust Fund Act-Safe Route to	20.205	\$ 195,500	2013	A	\$ (16,255)	\$ 18,265			\$ 2,010	16,255
					<u>\$ (16,255)</u>	<u>\$ 18,265</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 2,010</u>	<u>\$ 16,255</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS.

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

SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>STATE GRANTOR/ PROGRAM TITLE</u>	<u>ACCOUNT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>FUND REF.</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/14</u>	<u>RECEIPTS PROGRAM</u>	<u>OTHER</u>	<u>DISBURSEMENTS</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/14</u>
<u>DEPT. OF ENVIR. PROTECTION</u>									
Solid Waste Admin.-Clean Communities Program	4900-765-178911	\$ 6,836	2014 2013	A A	\$ 5,466	\$ 6,836		\$ 4,102 5,466	\$ 2,734 -
Recycling Tonnage Grant	752-042-4900-004-178840	\$ 4,907	2014 2011	A A	4,907 2,661				4,907 2,661
<u>OTHER STATE AIDS</u>									
County Trust Grant-Bridget Snith House Recreation Trails Grant	N/A	N/A \$ 24,365	N/A 2013	A	(11,850) (1,549)			1,250	(11,850) (2,799)
TOTAL STATE ASSISTANCE					\$ (365)	\$ 6,836	-	\$ 10,818	\$ (4,347)

SEE ACCOMPANYING NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS.

Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 04-04.

TOWNSHIP OF MINE HILL

NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2014

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations. However, the Township was not subject to the single audit provisions of Federal OMB Circular A-133 or New Jersey OMB Circular NJOMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2014 as grant expenditures were less than the single audit thresholds of \$500,000, identified in the Circulars.

NOTE 3. RELATIONSHIP TO THE FINANCIAL STATEMENTS

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

STATUS OF PRIOR AUDIT FINDINGS

STATUS OF PRIOR AUDIT FINDINGS

CY

Occurrence

2013-1 We recommend the all means should be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Finding is Repeated in 2014

2013-2 We recommend that the township conduct a physical inventory or appraisal of the fixed assets. Periodic updates should occur to safeguard township assets.

Finding is Cleared in 2014

SCHEDULE OF FINDINGS AND RESPONSES
GENERAL FINDINGS

SCHEDULE OF FINDINGS AND RESPONSES

GENERAL FINDINGS

YEAR ENDED DECEMBER 31, 2014

Summary of Auditor's Results

The Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The audit did not disclose any material weaknesses in the internal controls of the Township.

The audit did not disclose any noncompliance that is material to the financial statements of the Township.

The Township was not subject to the single audit provisions of Federal OMB Circular A-133 or New Jersey OMB Circular NJOMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2014 as grant expenditures were less than the single audit thresholds of \$500,000, identified in the Circulars.

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

Finding

2014-1 * Over \$378,000 of tax title liens remain outstanding as of December 31, 2014. Property tax levies on these properties are added to liens in excess of \$17,000 annually, of which the township has to bear the full cost of the related local school and county tax levies.

We recommend that all statutory means should be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

2014-2 The current fund claims bank account is utilized for the payment of purchase orders for all funds, however account was not reimbursed from the other funds.

We recommend that the township reimburse the current fund claims account from other funds and reconcile to ensure the claims account is cleared to zero on a monthly basis.

2014-3 The current fund and sewer fund appropriations were over-expended by \$23,167 and \$11,451, respectively.

We recommend that the Township implement controls to ensure budget appropriations are not over-expended.

(*) Prior Year Finding