

TOWNSHIP OF MOUNT OLIVE
MORRIS COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF MOUNT OLIVE

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TOWNSHIP OF MOUNT OLIVE
MORRIS COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Mount Olive
Mount Olive, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Mount Olive, as of December 31, 2015 and 2014, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit 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 entity'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 entity'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 of the financial statements, the financial statements are prepared by the Township of Mount Olive on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 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 significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Mount Olive as of December 31, 2015 and 2014, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 16 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Township’s Trust Funds, and represent 23 percent and 22 percent of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2015 and 2014.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Township of Mount Olive as of December 31, 2015 and 2014, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2015 in accordance with the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

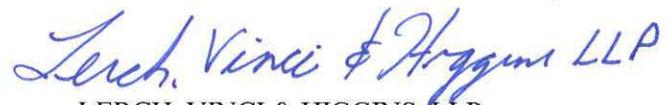
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Mount Olive as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Mount Olive.

The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

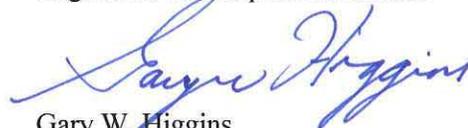
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 20, 2016 on our consideration of the Township of Mount Olive's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Mount Olive's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary W. Higgins
Registered Municipal Accountant
RMA Number CR00405

Fair Lawn, New Jersey
June 20, 2016

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Regular Fund			
Cash	A-4	\$ 8,671,093	\$ 7,552,424
Change Funds	A-5	1,600	1,600
Due from the State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	<u>26,756</u>	<u>27,027</u>
		<u>8,699,449</u>	<u>7,581,051</u>
Receivables and Other Assets with Full Reserves			
Delinquent Taxes Receivable	A-7	757,359	760,626
Tax Title Liens Receivable	A-8	631,582	519,609
Property Acquired for Taxes - Assessed Valuation	A-9	5,005,494	4,977,194
Revenue Accounts Receivable	A-10	<u>27,676</u>	<u>26,919</u>
		<u>6,422,111</u>	<u>6,284,348</u>
Total Regular Fund		<u>15,121,560</u>	<u>13,865,399</u>
Federal and State Grant Fund			
Cash	A-4	121,328	91,977
Grants Receivable	A-25	<u>379,124</u>	<u>240,570</u>
Total Federal and State Grant Fund		<u>500,452</u>	<u>332,547</u>
Total Assets		<u>\$ 15,622,012</u>	<u>\$ 14,197,946</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund			
Appropriation Reserves	A-3,A-11	\$ 555,485	\$ 513,426
Encumbrances Payable	A-12	466,180	445,155
Prepaid Taxes	A-15	1,006,262	291,786
Reserve for Tax Appeals	A-20	105,747	148,177
Reserve for Outside Lien Holders	A-16	22,959	
State Fees Payable	A-14	11,555	9,044
Reserve for Tax Sale Premiums	A-19	<u>1,191,400</u>	<u>1,461,950</u>
		3,359,588	2,869,538
Reserve for Receivables and Other Assets	A	6,422,111	6,284,348
Fund Balance	A-1	<u>5,339,861</u>	<u>4,711,513</u>
Total Regular Fund		<u>15,121,560</u>	<u>13,865,399</u>
Federal and State Grant Fund			
Encumbrances Payable	A-13	197,041	153,279
Reserve for Grants and Donations - Unappropriated	A-26		97,056
Reserve for Grants and Donations - Appropriated	A-24	<u>303,411</u>	<u>82,212</u>
Total Federal and State Grant Fund		<u>500,452</u>	<u>332,547</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 15,622,012</u>	<u>\$ 14,197,946</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

REVENUES AND OTHER INCOME	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Fund Balance Utilized	A-2	\$ 3,444,493	\$ 2,632,405
Miscellaneous Revenue Anticipated	A-2	6,178,255	5,664,667
Receipts from Delinquent Taxes	A-2	756,892	919,684
Receipts from Current Taxes	A-2	95,903,525	94,231,982
Non-Budget Revenue	A-2	610,837	970,734
Other Credits to Income			
Tax Sale Premium Escheated	A-19	2,550	29,200
Unexpended Balances of Appropriation Reserves	A-11	<u>583,011</u>	<u>241,172</u>
Total Revenues and Other Income		<u>107,479,563</u>	<u>104,689,844</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	9,902,524	9,601,813
Other Expenses	A-3	9,521,507	8,854,271
Capital Improvements	A-3	198,650	213,680
Municipal Debt Service	A-3	5,262,504	4,862,653
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,465,141	2,383,744
County Taxes	A-17	7,142,866	7,615,907
County Taxes - Added Taxes	A-17	133,403	53,983
County Taxes - Open Space Preservation	A-17	297,961	315,455
Local District School Taxes	A-18	65,909,046	64,857,316
Sanitation District Taxes	A-22	1,943,563	1,920,900
Sanitation District Taxes - Added Taxes	A-22	16,036	14,503
Municipal - Open Space Preservation	A-21	586,851	586,851
Municipal - Open Space Preservation - Added Taxes	A-21	10,444	3,860
Refund of Prior Year Revenue	A-4	13,726	13,867
Prior Year Senior Citizens Deduction Disallowed	A-6	<u>2,500</u>	<u>9,000</u>
Total Expenditures		<u>103,406,722</u>	<u>101,307,803</u>
Excess in Revenue		<u>4,072,841</u>	<u>3,382,041</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Excess in Revenue (Brought Forward)		\$ 4,072,841	\$ 3,382,041
FUND BALANCE, JANUARY 1	A	<u>4,711,513</u>	<u>3,961,877</u>
		8,784,354	7,343,918
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>3,444,493</u>	<u>2,632,405</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 5,339,861</u>	<u>\$ 4,711,513</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Reference</u>	<u>2015 Anticipated Budget</u>	<u>Added by NJS 40A:4-87</u>	<u>Realized in 2015</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 3,444,493	-	\$ 3,444,493	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-10	23,900		24,316	\$ 416
Fees and Permits					
Other	A-2	175,000		185,894	10,894
Fines and Costs - Municipal Court	A-10	330,000		359,017	29,017
Interest and Costs on Taxes	A-10	210,000		190,189	(19,811)
Interest on Investments and Deposits	A-10	3,000		13,647	10,647
Water Tower Rental - NYNEX	A-10	325,000		256,294	(68,706)
Interest on Developers' Deposit Fees	A-10	2,000		2,900	900
Life Hazard Use Fees	A-10	60,000		74,480	14,480
Fire Prevention Inspection Fees	A-10	72,000		69,350	(2,650)
Additional Fire Prevention - Chester	A-10	25,000		41,875	16,875
New Fire Prevention Fees - Hackettstown	A-10	35,000		29,765	(5,235)
Consolidated Municipal Property Tax Relief	A-10	111,171		111,171	
Energy Receipts Tax	A-10	1,855,060		1,855,060	
Reserve for Garden State Trust Fund	A-10	66,707		66,707	
Watershed Moratorium Aid	A-10	9,165		9,165	
Uniform Construction Code Fees	A-10	500,000		485,874	(14,126)
Interlocal Health Agreement	A-10	177,037		177,037	
Interlocal Animal Control Agreement-Byram	A-10	7,500		10,772	3,272
Interlocal Court Agreement	A-10	54,122		54,122	
Interlocal Animal Control Agreement-Washington	A-10	6,100		6,100	
Public and Private Revenues Offset					
With Appropriations					
Recycling Tonnage Grant	A-26	70,947		70,947	
Highlands Council Grant	A-25		\$ 25,000	25,000	
Click it or Ticket	A-25		4,000	4,000	
Body Armor Replacement Grant	A-25		6,413	6,413	
NJ Sustainable Grant	A-25		10,000	10,000	
Drunk Driving Enforcement Fund	A-25		15,677	15,677	
Bulletproof Vest Partnership	A-25		2,326	2,326	
Drive Sober or Get Pulled Over	A-25		5,000	5,000	

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	2015 <u>Anticipated</u> <u>Budget</u>	<u>Added</u> by NJS 40A:4-87	<u>Realized</u> in 2015	<u>Excess or</u> <u>(Deficit)</u>
Public and Private Revenues Offset					
With Appropriations (Continued)					
Baptist Church - Historic Preservation	A-25		\$ 162,260	\$ 162,260	
Donation - Givaudan	A-26	\$ 25,609		25,609	
Donation - Cablevision	A-25	2,000		2,000	
Donation - Benjamin Moore	A-25		1,200	1,200	
Clean Communities Program	A-25		65,849	65,849	
Donation - BASF	A-26	500		500	
Other Special Items:					
Cable TV Franchise Fees	A-10	104,953		104,953	
Hotel Tax Revenues	A-10	225,000		268,693	\$ 43,693
Due from Mt. Olive Child Care - Lease	A-10	98,497		103,422	4,925
Due from Solid Waste Collection District - Debt Service	A-10	20,250		20,250	
Due From Sports Organizations - Debt Payback	A-10	50,000		96,971	46,971
General Capital Fund Surplus	A-10	118,444		118,444	
Sewer Operating Surplus	A-10	350,000		350,000	
Sanitation District Surplus	A-10	295,006		295,006	
Due from Open Space Trust Fund - Debt Service	A-10	400,000		400,000	-
	A-1	<u>5,808,968</u>	<u>297,725</u>	<u>6,178,255</u>	<u>71,562</u>
Receipts from Delinquent Taxes	A-7	<u>725,000</u>		<u>756,892</u>	<u>31,892</u>
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for:					
Municipal Purposes	A-2	18,325,130		20,908,838	2,583,708
Minimum Library Tax	A-2	979,517		979,517	-
		<u>19,304,647</u>		<u>21,888,355</u>	<u>2,583,708</u>
Budget Totals		<u>\$ 29,283,108</u>	<u>\$ 297,725</u>	32,267,995	<u>\$ 2,687,162</u>
Non-Budget Revenue	A-2, A-4			<u>610,837</u>	
				<u>\$ 32,878,832</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 95,903,525
Allocated to School, County and Special District Taxes	A-17,A-18,A-21,A-22	<u>76,040,170</u>
		19,863,355
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,025,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 21,888,355</u>
Fees and Permits - Other		
Township Clerk	A-10	\$ 3,643
Board of Health	A-10	132,451
Registrar	A-10	4,998
SMA Clinic, Shots and Screenings	A-10	6,858
Police Department	A-10	3,284
Tax Search Officer	A-10	50
Tax Assessor	A-10	525
Engineering	A-10	5,025
Planning Board	A-10	11,475
Zoning Board	A-10	13,130
Water Testing	A-10	<u>4,455</u>
	A-2	<u>\$ 185,894</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
Miscellaneous Receipts		\$ 54,423
CBS Outdoor Lease Agreement		7,542
Sale of Assets		35,551
Comcast Cable Franchise Fees		1,918
Verizon Franchise Fees		46,699
NSF Fees		900
Prior Year Refunds		19,043
Paragon In-Lieu Tax		351,125
Abiding Peace In-Lieu Tax		59,300
Hackettstown Medical Rental		14,400
Administrative Fee- Seniors and Veterans		2,215
Inspection Fines		950
Off Duty Administrative Fee		<u>16,771</u>
	A-2,A-4	<u>\$ 610,837</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015 Appropriated</u>		<u>2015 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Mayor and Council					
Salaries & Wages	\$ 67,000	\$ 67,000	\$ 66,569	\$ 431	
Other Expenses	24,082	24,082	23,142	940	
Township Clerk					
Salaries & Wages	214,845	207,345	200,130	2,215	\$ 5,000
Other Expenses	23,850	23,850	14,583	9,267	
Business Administration					
Salaries & Wages	291,212	301,712	300,984	728	
Other Expenses	89,950	79,950	64,314	10,636	5,000
Financial Administration					
Salaries & Wages	196,639	196,639	195,735	904	
Other Expenses	24,030	24,030	23,708	322	
Annual Audit	33,709	33,709	31,659	2,050	
Revenue Administration (Tax Collection)					
Salaries & Wages	71,648	71,648	71,648	-	
Other Expenses	8,240	8,240	6,833	1,407	
Assessment of Taxes					
Salaries & Wages	139,775	139,775	139,775	-	
Other Expenses	35,020	35,020	31,463	3,557	
Legal Services & Costs					
Other Expenses	284,737	261,737	194,202	37,535	30,000
Engineering Services					
Salaries & Wages	33,865	33,865	32,994	871	
Other Expenses	20,850	20,850	16,833	4,017	
Industrial and Economic Development Committee					
Other Expenses	3,000	3,000	890	2,110	
Open Space Committee					
Other Expenses	225	225		225	
Mount Olive Historical Society					
Other Expenses	1,250	1,250		1,250	
Ethics Board					
Other Expenses	500	500		-	500
Information Technology Support					
Other Expenses	108,234	108,234	85,639	22,595	
LAND USE ADMINISTRATION					
Municipal Land Use Law (NJS 40:55D-1)					
Planning Board					
Salaries & Wages	152,604	162,854	159,596	3,258	
Other Expenses	61,000	61,000	39,640	21,360	
INSURANCE					
General Liability	253,097	253,097	253,097	-	
Workers Compensation	297,113	297,113	289,609	-	7,504
Employee Group Health	3,117,687	3,149,687	3,126,055	23,632	
Employee Group Health - Waiver	35,000	35,000	28,039	-	6,961
PUBLIC SAFETY					
Police					
Salaries & Wages	5,920,987	5,920,987	5,850,991	69,996	
Other Expenses	204,000	204,000	193,336	10,664	
Emergency Management System					
Salaries & Wages	8,038	8,038	8,038	-	
Other Expenses	19,142	19,142	16,331	2,811	
Fire					
Other Expenses					
Flanders Fire Company	88,020	88,020	87,905	115	
Budd Lake Fire Company	105,371	105,371	104,866	505	
Fire Hydrant Rental	16,000	16,000	15,612	388	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 Appropriated		2015 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY (Continued)					
Fire (Continued)					
Contribution to Volunteer Fire Companies					
Flanders Fire Company	\$ 45,000	\$ 45,000	\$ 45,000	-	
Budd Lake Fire Company	45,000	45,000	45,000	-	
First Aid Organization - Contributions					
Budd Lake Rescue Squad	35,000	35,000	35,000	-	
Flanders Rescue Squad	35,000	35,000	35,000	-	
First Aid Organization					
Other Expenses					
Budd Lake Rescue Squad	65,000	65,000	64,655	\$ 345	
Flanders Rescue Squad	39,400	39,400	39,204	196	
Uniform Fire Safety Act (PL 1983, Ch. 183)					
Fire Prevention					
Salaries & Wages	176,262	176,262	170,078	2,184	\$ 4,000
Other Expenses	30,760	30,760	27,748	3,012	
PUBLIC WORKS FUNCTIONS					
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	914,282	926,282	897,146	14,136	15,000
Other Expenses	604,780	644,780	616,725	28,055	
Street Signs					
Other Expenses	55,550	55,550	46,351	9,199	
Buildings and Grounds					
Salaries & Wages	576,242	576,242	571,833	4,409	
Other Expenses	389,000	389,000	322,983	66,017	
Fleet Maintenance					
Salaries & Wages	209,942	209,942	202,635	2,307	5,000
Other Expenses	150,000	150,000	98,317	31,683	20,000
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries & Wages	474,269	474,269	450,612	8,657	15,000
Other Expenses	3,297	3,297	3,107	190	
Environmental Committee (R.S. 40:56A-1 et seq)					
Other Expenses	1,500	1,500	350	1,150	
Animal Control					
Other Expenses	50,000	50,000	50,000	-	
Division of Senior Social Services					
Salaries & Wages	83,533	78,533	66,584	6,949	5,000
Other Expenses	13,355	13,355	11,653	1,702	
Mount Olive Municipal Alliance Commission - Other Expenses	7,500	7,500		7,500	

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015 Appropriated</u>		<u>2015 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
Uniform Construction Code					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4-17)					
Inspection of Buildings					
Salaries & Wages	\$ 370,137	\$ 370,137	\$ 368,778	\$ 1,359	
Other Expenses	38,620	38,620	20,625	17,995	
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	165,000	166,000	166,000	-	
Street Lighting	145,000	145,000	130,149	14,851	
Gas (Natural or Propane)	42,000	42,000	38,431	3,569	
Telecommunications	159,000	166,500	165,942	558	
Vehicle Fuel	374,000	305,500	239,444	51,056	\$ 15,000
Accumulated Absence Trust Fund	150,000	150,000	150,000	-	
Municipal Court					
Salaries and Wages	242,436	242,436	226,852	8,084	7,500
Other Expenses	11,210	11,210	7,000	4,210	
Public Defender (P.L. 1977, C. 256)					
Other Expenses	27,600	27,600	23,750	3,850	
Salary and Wage Adjustment	30,000	30,000	-	-	30,000
Total Operations Within "CAPS"	<u>17,710,395</u>	<u>17,709,645</u>	<u>17,011,168</u>	<u>527,012</u>	<u>171,465</u>
Detail:					
Salaries & Wages	9,933,774	9,954,024	9,778,343	126,488	51,500
Other Expenses	7,776,621	7,755,621	7,232,825	400,524	119,965
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Charges					
Public Employees Retirement System	602,582	602,582	602,582	-	
Social Security System (O.A.S.I.)	779,097	779,097	730,942	28,155	20,000
Police and Firemen's Retirement System of NJ	1,100,712	1,100,712	1,100,712	-	
Deferred Contribution Retirement Program	2,000	2,750	2,468	282	-
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>2,484,391</u>	<u>2,485,141</u>	<u>2,436,704</u>	<u>28,437</u>	<u>20,000</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>20,194,786</u>	<u>20,194,786</u>	<u>19,447,872</u>	<u>555,449</u>	<u>191,465</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
INSURANCE (N.J.S.A. 40A:4-45.3(OO))					
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	989,517	989,517	989,481	36	
Length of Service Award Program (LOSAP)	155,000	155,000	155,000	-	
Health Insurance	99,795	99,795	99,795	-	
Total Other Operations Excluded from "CAPS"	<u>1,244,312</u>	<u>1,244,312</u>	<u>1,244,276</u>	<u>36</u>	<u>-</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015 Appropriated</u>		<u>2015 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Interlocal Municipal Service Agreements					
Health Services	\$ 177,037	\$ 177,037	\$ 177,037	-	
Animal Control Services - Byram	7,500	7,500	7,500	-	
Court	54,121	54,121	54,121	-	
Animal Control Services - Washington	6,100	6,100	6,100	-	-
Total Interlocal Municipal Service Agreements	244,758	244,758	244,758	-	-
Public and Private Programs Offset by Revenues					
Highlands Council Grant		25,000	25,000		
Recycling Tonnage Grant	70,947	70,947	70,947		
Drunk Driving Enforcement Fund		15,677	15,677		
Body Armor Fund		6,413	6,413		
New Jersey Sustainable Grant		10,000	10,000		
Drive Sober/Get Pulled Over		5,000	5,000		
Click it or Ticket		4,000	4,000		
Bulletproof Vest		2,326	2,326		
Phase II Baptist Church Renovations		162,260	162,260		
Donation - Cablevision	2,000	2,000	2,000		
Donation - Givaudan	25,609	25,609	25,609		
Donation - Benjamin Moore		1,200	1,200		
Donation - BASF	500	500	500		
Clean Communities Program	-	65,849	65,849	-	-
Total Public and Private Programs Offset by Revenues	99,056	396,781	396,781	-	-
Total Operations Excluded from "CAPS"	1,588,126	1,885,851	1,885,815	\$ 36	-
Detail:					
Other Expenses	1,588,126	1,885,851	1,885,815	36	-
CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"					
Capital Improvement Fund	198,650	198,650	198,650	-	-
Total Capital Improvements Excluded from "CAPS"	198,650	198,650	198,650	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	4,055,000	4,055,000	4,055,000		
Interest on Bonds	667,857	667,857	658,061		\$ 9,796
Interest on Notes	-	-	-		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	150,788	150,788	150,788		
Wastewater Loan:					
Principal	293,244	293,244	293,244		
Interest	9,528	9,528	5,282		4,246
Morris County Improvement Program Lease Program					
Principal	95,000	95,000	95,000		
Interest	5,129	5,129	5,129	-	-
Total Municipal Debt Service Excluded from "CAPS"	5,276,546	5,276,546	5,262,504	-	14,042

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015 Appropriated</u>		<u>2015 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 7,063,322	\$ 7,361,047	\$ 7,346,969	\$ 36	\$ 14,042
Subtotal General Appropriations	27,258,108	27,555,833	26,794,841	555,485	205,507
Reserve for Uncollected Taxes	<u>2,025,000</u>	<u>2,025,000</u>	<u>2,025,000</u>	-	-
Total General Appropriations	<u>\$ 29,283,108</u>	<u>\$ 29,580,833</u>	<u>\$ 28,819,841</u>	<u>\$ 555,485</u>	<u>\$ 205,507</u>
<u>Reference</u>	A-2		A		

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 29,283,108	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	<u>297,725</u>	
		<u>\$ 29,580,833</u>	
Cash Disbursed	A-4		\$ 26,789,396
Less Refunds	A-4		<u>857,516</u>
			25,931,880
Federal and State Grants Appropriated	A-24		396,781
Encumbrances Payable	A-12		466,180
Reserve for Uncollected Taxes	A-2		<u>2,025,000</u>
			<u>\$ 28,819,841</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 6,637	\$ 16,259
OTHER TRUST FUND			
Cash	B-3	<u>6,398,036</u>	<u>6,801,549</u>
OPEN SPACE TRUST FUND			
Cash	B-3	<u>245,727</u>	<u>104,756</u>
LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) TRUST FUND (Unaudited)			
Investments	B	1,835,663	1,863,319
Contribution Receivable	B	<u>135,228</u>	<u>146,235</u>
		<u>1,970,891</u>	<u>2,009,554</u>
 Total Assets		 <u>\$ 8,621,291</u>	 <u>\$ 8,932,118</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-5	-	\$ 13
Reserve for Animal Control Expenditures	B-4	<u>\$ 6,637</u>	<u>16,246</u>
		<u>6,637</u>	<u>16,259</u>
OTHER TRUST FUND			
Escrow Deposits	B-6	4,743,552	5,144,185
Due to the State of New Jersey	B-8	8,779	1,580
Reserve for Payroll and Payroll Deductions	B-9	5,926	4,317
Miscellaneous Reserves	B-7	<u>1,639,779</u>	<u>1,651,467</u>
		<u>6,398,036</u>	<u>6,801,549</u>
OPEN SPACE TRUST FUND			
Reserve for Open Space	B-10	<u>245,727</u>	<u>104,756</u>
LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) TRUST FUND (Unaudited)			
Reserve for Investments in Length of Service Award Program	B	<u>1,970,891</u>	<u>2,009,554</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 8,621,291</u>	 <u>\$ 8,932,118</u>

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

	<u>Reference</u>	2015 Budget (Memorandum)	2015 Realized	Excess or (Deficit)
Amount to be Raised by Taxation	B-3	\$ 586,851	\$ 597,295	\$ 10,444
		<u>\$ 586,851</u>	<u>\$ 597,295</u>	<u>\$ 10,444</u>
	<u>Reference</u>	B-2	B-3,B-10	

STATEMENT OF EXPENDITURES - REGULATORY BASIS - OPEN SPACE TRUST FUND

	<u>Reference</u>	2015 Budget (Memorandum)	2015 Paid or Charged	Excess or (Deficit)
Reserve for Future Use	B-3	\$ 186,851	\$ 56,324	\$ 130,527
Debt Service	B-3	400,000	400,000	-
		<u>\$ 586,851</u>	<u>\$ 456,324</u>	<u>\$ 130,527</u>
	<u>Reference</u>	B-1	B-3,B-10	

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Cash	C-2,C-3	\$ 1,506,961	\$ 1,754,393
Deferred Charges to Future Taxation			
Funded	C-4	17,347,153	22,018,968
Unfunded	C-8	5,086,861	1,377,963
Department of Transportation Grant Receivable	C-5	60,000	289,800
Hazard Mitigation Grant Receivable	C-13	90,000	90,000
Community Development Block Grant Receivable	C-15	46,100	
Due from County of Morris Historic Preservation Trust Fund	C-6	<u>186,122</u>	<u>315,816</u>
 Total Assets		 <u>\$ 24,323,197</u>	 <u>\$ 25,846,940</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 17,100,000	\$ 21,239,000
Wastewater Loans Payable	C-16	-	293,244
Green Trust Loan Payable	C-17	-	117,922
Garden State Preservation Trust Loan Payable	C-18	202,153	228,802
MCIA Loan Payable	C-19	45,000	140,000
Bond Anticipation Notes	C-20	3,474,070	-
Improvement Authorizations			
Funded	C-9	55,784	660,879
Unfunded	C-9	1,870,035	1,368,554
Capital Improvement Fund	C-11	2,699	44
Encumbrances Payable	C-12	1,486,518	1,642,551
Reserve for Recreation Improvements	C-14	37,500	37,500
Fund Balance	C-1	<u>49,438</u>	<u>118,444</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 24,323,197</u>	 <u>\$ 25,846,940</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$1,612,791 and \$1,377,963, respectively (See Exhibit C-21).

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Balance, January 1	C	\$ 118,444	\$ 28,113
Increased By:			
Cancellation of Funded Improvement Authorizations	C-9	<u>60,838</u>	<u>151,121</u>
		179,282	179,234
Decreased by:			
Historic Preservation Receivable Cancelled	C-1	-	32,677
New Jersey Department of Transportation Receivable Cancelled	C-5	11,400	
Utilized as Current Fund Revenue	C-7	<u>118,444</u>	<u>28,113</u>
Balance, December 31	C	<u>\$ 49,438</u>	<u>\$ 118,444</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 704,351	\$ 702,985
Receivables With Full Reserves Consumer Accounts Receivable	D-7	<u>124,907</u>	<u>61,907</u>
Total Operating Fund		<u>829,258</u>	<u>764,892</u>
CAPITAL FUND			
Cash	D-5,D-6	611,330	892,706
Fixed Capital Authorized and Uncompleted	D-16	1,647,951	1,024,208
Fixed Capital	D-8	<u>7,504,248</u>	<u>7,207,393</u>
Total Capital Fund		<u>9,763,529</u>	<u>9,124,307</u>
Total Assets		<u>\$ 10,592,787</u>	<u>\$ 9,889,199</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
LIABILITIES, RESERVES AND FUND BALANCES			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-3,14	\$ 40,690	\$ 50,360
Encumbrances Payable	D-9	66,615	51,460
Accrued Interest on Bonds and Loans	D-10	<u>7,221</u>	<u>7,472</u>
		114,526	109,292
Reserve for Receivables	D	124,907	61,907
Fund Balance	D-1	<u>589,825</u>	<u>593,693</u>
Total Operating Fund		<u>829,258</u>	<u>764,892</u>
CAPITAL FUND			
Serial Bonds	D-15	946,000	1,086,000
NJEIT Loan Payable	D-13	315,185	334,298
Encumbrances Payable	D-17	676,558	267,740
Improvement Authorizations:			
Funded	D-18	-	601,945
Unfunded	D-18	875,393	77,500
Capital Improvement Fund	D-19	1,000	1,000
Reserve for Amortization	D-12	6,930,014	6,733,803
Fund Balance	D-4	<u>19,379</u>	<u>22,021</u>
Total Capital Fund		<u>9,763,529</u>	<u>9,124,307</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 10,592,787</u>	<u>\$ 9,889,199</u>

There were bonds and notes authorized but not issued at December 31, 2015 and 2014 of \$961,000 and \$77,500, respectively, (See Exhibit D-21)

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - REGULATORY BASIS - WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	D-2	\$ 109,094	\$ 40,000
Rents	D-2	1,494,241	1,480,426
Other Budget Revenues	D-2	106,969	176,332
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	<u>55,785</u>	<u>95,688</u>
 Total Revenues and Other Income		 <u>1,766,089</u>	 <u>1,792,446</u>
EXPENDITURES			
Budget Appropriations			
Operating	D-3	1,348,732	1,320,943
Capital Improvements	D-3	46,500	32,500
Debt Service	D-3	194,556	102,474
Deferred Charges and Statutory Expenditures	D-3	<u>71,075</u>	<u>96,674</u>
 Total Expenditures		 <u>1,660,863</u>	 <u>1,552,591</u>
 Excess in Revenue		 105,226	 239,855
 FUND BALANCE, JANUARY 1	D	 <u>593,693</u>	 <u>393,838</u>
		698,919	633,693
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>109,094</u>	<u>40,000</u>
 FUND BALANCE, DECEMBER 31	D	 <u>\$ 589,825</u>	 <u>\$ 593,693</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Reference</u>	2015 <u>Anticipated</u>	2015 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	D-1	\$ 109,094	\$ 109,094	
Rents	D-1, D-7	1,450,000	1,494,241	\$ 44,241
Miscellaneous	D-1	80,000	84,948	4,948
Fund Balance - Capital Fund	D-1, D-4	<u>22,021</u>	<u>22,021</u>	<u>-</u>
		<u>\$ 1,661,115</u>	<u>\$ 1,710,304</u>	<u>\$ 49,189</u>
<u>Analysis of Miscellaneous Budget Revenue</u>	<u>Reference</u>	D-3		
Miscellaneous Fees				
Tower Rental Fees			\$ 73,631	
Connection Fees			587	
Pool Permits			1,320	
Interest on Delinquent Rents			8,990	
Miscellaneous			<u>420</u>	
 Total Miscellaneous Revenue	 D-1, D-2, D-5		 <u>\$ 84,948</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015 Appropriated</u>		<u>2015 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 451,577	\$ 475,577	\$ 468,621	\$ 6,956	
Other Expenses	899,255	873,155	840,171	32,984	
Capital Improvement Fund	46,500	46,500	46,500		
DEBT SERVICE					
Payment of Bond Principal	140,000	140,000	140,000		
Interest on Bonds	33,960	33,960	33,718		\$ 242
Principal and Interest on Loans	20,847	20,847	20,838		9
STATUTORY EXPENDITURES					
Contribution to Public Employee Retirement System	34,431	34,431	34,430		1
Social Security System	34,545	36,645	35,895	750	-
	<u>\$ 1,661,115</u>	<u>\$ 1,661,115</u>	<u>\$ 1,620,173</u>	<u>\$ 40,690</u>	<u>\$ 252</u>
	<u>Reference</u>	<u>D-2</u>	<u>D-2</u>	<u>D</u>	
Cash Disbursements	D-5		\$ 1,518,761		
Less: Refunds	D-5		<u>647</u>		
			1,518,114		
Encumbrances Payable	D-9		66,615		
Accrued Interest on Bonds and Notes	D-10		<u>35,444</u>		
			<u>\$ 1,620,173</u>		

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Balance, January 1	D	\$ 22,021	
Increased By:			
Cancellation of Improvement Authorizations	D-18	<u>19,379</u>	<u>\$ 22,021</u>
		41,400	22,021
Decreased By:			
Anticipated as Revenue in the Water Utility Operating Fund	D-2,11	<u>22,021</u>	<u>-</u>
Balance, December 31	D	<u>\$ 19,379</u>	<u>\$ 22,021</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
OPERATING FUND			
Cash	E-8	\$ 2,846,077	\$ 2,541,008
Receivables With Full Reserves			
Consumer Accounts Receivable	E-10	168,575	187,886
Utility Liens Receivable	E-11	<u>6,429</u>	<u>2,650</u>
		<u>175,004</u>	<u>190,536</u>
Total Operating Fund		<u>3,021,081</u>	<u>2,731,544</u>
ASSESSMENT TRUST FUND			
Cash	E-8	376,521	790,719
Assessments Receivable	E-12	-	3,316
Assessment Liens Receivable	E-25	<u>1,645</u>	<u>1,645</u>
Total Assessment Trust Fund		<u>378,166</u>	<u>795,680</u>
CAPITAL FUND			
Cash	E-8,E-9	4,125	48,687
Fixed Capital	E-17	33,660,327	33,251,450
Fixed Capital Authorized and Uncompleted	E-16	<u>-</u>	<u>30,932</u>
Total Capital Fund		<u>33,664,452</u>	<u>33,331,069</u>
Total Assets		<u>\$ 37,063,699</u>	<u>\$ 36,858,293</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	E-4,E-15	\$ 122,884	\$ 134,554
Encumbrances Payable	E-13	207,103	332,664
Accounts Payable	E-24	-	53,137
Accrued Interest on Bonds and Notes	E-19	<u>4,622</u>	<u>23,065</u>
		334,609	543,420
Reserve for Receivables	E	175,004	190,536
Fund Balance	E-1	<u>2,511,468</u>	<u>1,997,588</u>
Total Operating Fund		<u>3,021,081</u>	<u>2,731,544</u>
ASSESSMENT TRUST FUND			
Serial Bonds	E-21	378,000	613,000
Wastewater Loans Payable	E-14	-	167,251
Reserve for Assessment Interest and Costs	E-26	166	166
Fund Balance	E-6	<u>-</u>	<u>15,263</u>
		<u>378,166</u>	<u>795,680</u>
CAPITAL FUND			
Serial Bonds	E-20	654,000	1,019,000
Wastewater Loans Payable	E-14	50,001	95,001
Reserve for Amortization	E-18	32,956,326	32,168,381
Encumbrances Payable	E-23	-	23,432
Fund Balance	E-7	<u>4,125</u>	<u>25,255</u>
Total Capital Fund		<u>33,664,452</u>	<u>33,331,069</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 37,063,699</u>	<u>\$ 36,858,293</u>

There were no bonds and notes authorized but not issued at December 31, 2015 and 2014.

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	E-2	\$ 563,141	\$ 544,176
Sewer Rents and Liens	E-2	3,638,977	3,715,074
Other Budget Revenues	E-2	427,817	856,180
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	E-15	<u>162,964</u>	<u>59,165</u>
 Total Revenues and Other Income		 <u>4,792,899</u>	 <u>5,174,595</u>
 EXPENDITURES			
Budget Appropriations			
Operating	E-4	2,525,634	2,536,882
Capital Improvements	E-4	325,000	405,000
Deferred Charges and Statutory Expenditures	E-1	415,078	449,226
Debt Service	E-4	<u>450,166</u>	<u>507,705</u>
 Total Expenditures		 <u>3,715,878</u>	 <u>3,898,813</u>
 Excess in Revenue		 1,077,021	 1,275,782
 FUND BALANCE, JANUARY 1	E	 <u>1,997,588</u>	 <u>1,265,982</u>
		3,074,609	2,541,764
Decreased by:			
Utilized as Anticipated Revenue	E-1	<u>563,141</u>	<u>544,176</u>
 FUND BALANCE, DECEMBER 31	E	 <u>\$ 2,511,468</u>	 <u>\$ 1,997,588</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	2015 <u>Anticipated</u>	2015 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	E-1	\$ 563,141	\$ 563,141	
Rents	E-1,E-10	3,575,000	3,638,977	\$ 63,977
Miscellaneous	E-2	250,000	336,271	86,271
Reimbursement - Mt. Olive School District	E-1,E-8	40,000	50,662	10,662
Interest on Assessments	E-1,E-8	250	366	116
Sewer Capital Fund Balance	E-1,E-7	25,755	25,255	(500)
Sewer Assessment Surplus	E-1,E-6	<u>15,263</u>	<u>15,263</u>	<u>-</u>
		<u>\$ 4,469,409</u>	<u>\$ 4,629,935</u>	<u>\$ 160,526</u>
	<u>Reference</u>	E-4		
Analysis of Rents				
Consumer Accounts Receivable	E-10		<u>\$ 3,638,977</u>	
Analysis of Miscellaneous Revenues				
Miscellaneous Fees				
Interest on Delinquent Rents			\$ 62,329	
Connection Fees			273,458	
Prior Year Refund			4	
Return Check Fees			<u>480</u>	
Total Miscellaneous Fees	E-1,E-2,E-8		<u>\$ 336,271</u>	

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

	<u>Reference</u>	2015 <u>Anticipated</u>	2015 <u>Realized</u>	Excess or <u>(Deficit)</u>
Assessment Cash	E-8	\$ 402,252	\$ 402,251	\$ (1)
		<u>\$ 402,252</u>	<u>\$ 402,251</u>	<u>\$ (1)</u>
	<u>Reference</u>	E-5		

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 408,087	\$ 432,087	\$ 424,597	\$ 7,490	
Other Expenses	975,858	949,758	914,707	35,051	
Musconetcong Sewerage Authority	1,371,448	1,371,448	1,143,789	-	\$ 227,659
CAPITAL IMPROVEMENTS					
Capital Outlay	825,000	825,000	245,451	79,549	500,000
DEBT SERVICE					
Payment of Bond and Loan Principal	410,000	410,000	410,000		
Interest on Bonds and Loans	66,038	66,038	40,166		25,872
STATUTORY EXPENDITURES					
Contribution to Public Employees Retirement System	31,759	31,759	31,759		-
Social Security System	31,219	33,319	32,525	794	
Surplus (General Budget)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,469,409</u>	<u>\$ 4,469,409</u>	<u>\$ 3,592,994</u>	<u>\$ 122,884</u>	<u>\$ 753,531</u>

	<u>Reference</u>	E-2	E-2	E
Cash Disbursements	E-8		\$ 3,349,471	
Less: Refunds	E-8		<u>3,746</u>	
			3,345,725	
Accrued Interest on Bonds and Notes	E-19		40,166	
Encumbrances Payable	E-13		<u>207,103</u>	
			<u>\$ 3,592,994</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY ASSESSMENT TRUST FUND**

	<u>Reference</u>	<u>2015 Budget</u>	<u>2015 Paid or Charged</u>	<u>Variance</u>
Payment of Loan Principal	E-14	\$ 167,252	\$ 167,251	\$ 1
Payment of Bond Principal	E-21	<u>235,000</u>	<u>235,000</u>	<u>-</u>
		<u>\$ 402,252</u>	<u>\$ 402,251</u>	<u>\$ 1</u>
	<u>Reference</u>	E-3		
	Cash Disbursed	E-8	<u>\$ 402,251</u>	

EXHIBIT E-6

**STATEMENT OF ASSESSMENT TRUST FUND - FUND BALANCE
SEWER UTILITY ASSESSMENT TRUST FUND**

	<u>Reference</u>	
Balance, December 31, 2014	E	\$ 15,263
Decreased by:		
Anticipated as Revenue in Sewer Operating Fund	E-2,E-8	<u>15,263</u>
Balance, December 31, 2015	E	<u>\$ -</u>

EXHIBIT E-7

**STATEMENT OF SEWER CAPITAL FUND - FUND BALANCE
SEWER UTILITY CAPITAL FUND**

	<u>Reference</u>	
Balance, December 31, 2014	E	\$ 25,255
Increased by:		
Funded Improvement Authorizations Cancelled	E-22	<u>4,125</u>
		29,380
Decreased by:		
Anticipated as Revenue in Sewer Operating Fund	E-2,E-8	<u>25,255</u>
Balance, December 31, 2015	E	<u>\$ 4,125</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SOLID WASTE COLLECTION DISTRICT FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Cash	F-4	\$ 654,933	\$ 798,039
Due from County of Morris	F-5	<u>112,114</u>	<u>62,758</u>
Total Assets		<u>\$ 767,047</u>	<u>\$ 860,797</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	F-3, F-6	\$ 46,602	\$ 100,125
Encumbrance Payable	F-7	<u>94,132</u>	<u>118,641</u>
		140,734	218,766
Fund Balance	F-1	<u>626,313</u>	<u>642,031</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 767,047</u>	<u>\$ 860,797</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS - SOLID WASTE COLLECTION DISTRICT FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	F-2	\$ 324,803	\$ 150,731
Sanitation District Taxes	F-2	1,959,599	1,935,403
Host Benefit Fees	F-2	774,010	725,706
Recycling Revenue	F-2	19,125	43,789
Bulk Item Pick-Up Fees	F-2	26,057	27,050
Yard Waste Fees	F-2	951	947
Dumpster Fees	F-2	6,500	5,070
Interlocal Agreement - Chester Borough	F-2	37,500	-
Nonbudget Revenue	F-2	949	21,562
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	F-6	<u>125,101</u>	<u>87,888</u>
 Total Revenues and Other Income		 <u>3,274,595</u>	 <u>2,998,146</u>
 EXPENDITURES			
Budget Appropriations:			
Operating	F-3	2,492,610	2,529,453
Surplus (General Budget)	F-3	315,256	52,775
Statutory Expenditures	F-3	<u>157,644</u>	<u>159,367</u>
 Total Expenditures		 <u>2,965,510</u>	 <u>2,741,595</u>
 Excess in Revenue		 309,085	 256,551
 BALANCE, JANUARY 1	F	 <u>642,031</u>	 <u>536,211</u>
		951,116	792,762
Decreased by:			
Utilized as Anticipated Revenue	F-1	<u>324,803</u>	<u>150,731</u>
 BALANCE, DECEMBER 31	F	 <u>\$ 626,313</u>	 <u>\$ 642,031</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - SOLID WASTE COLLECTION DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	F-1	\$ 324,803	\$ 324,803	-
Sanitation District Taxes	F-1,A-7	<u>1,925,000</u>	<u>1,959,599</u>	<u>\$ 34,599</u>
Host Benefit Fees -				
Transfer Station	F-1	630,000	703,973	73,973
County Reimbursement	F-1	60,000	70,037	10,037
Recycling Revenue	F-1	40,000	19,125	(20,875)
Bulk Item Pick-Up Fees	F-1	20,000	26,057	6,057
Dumpster Fees	F-1	5,000	6,500	1,500
Interlocal Agreement - Chester Borough	F-1	37,500	37,500	-
Yard Waste Fees - Stickers and Bags	F-1	<u>800</u>	<u>951</u>	<u>151</u>
		<u>793,300</u>	<u>864,143</u>	<u>70,843</u>
 Total		 <u>\$ 3,043,103</u>	 3,148,545	 <u>\$ 105,442</u>
 Nonbudget Revenue	 F-1, F-4		 <u>949</u>	
			 <u>\$ 3,149,494</u>	
 <u>Analysis of Budgeted Revenues</u>				
Cash Receipts	F-4		\$ 2,119,769	
Due from County of Morris	F-5		703,973	
Fund Balance Utilized	F-1		<u>324,803</u>	
	F-2		<u>\$ 3,148,545</u>	
 <u>Analysis of Non Budget Revenue</u>				
Sale of Bear Proof Cans			\$ 55	
Prior Year Refunds			<u>894</u>	
	F-2,F-4		<u>\$ 949</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SOLID WASTE COLLECTION DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,104,655	\$ 1,104,655	\$ 1,039,425	\$ 30,230	\$ 35,000
Other Expenses	1,430,548	1,430,548	1,378,555	11,993	40,000
Health Benefit Waiver	10,000	10,000	7,407	-	2,593
Recycling Tax	25,000	25,000	22,967	2,033	
STATUTORY EXPENDITURES					
Contribution to Public Employees					
Retirement System	73,138	73,138	73,138		
Social Security System	84,506	84,506	82,160	2,346	
Surplus (General Budget)	295,006	295,006	295,006		
Surplus (General Budget)-Downpayment Capital Ordinances	<u>20,250</u>	<u>20,250</u>	<u>20,250</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,043,103</u>	<u>\$ 3,043,103</u>	<u>\$ 2,918,908</u>	<u>\$ 46,602</u>	<u>\$ 77,593</u>
	<u>Reference</u>	F-2	F-2	F-2	F
Cash Disbursed	F-4			\$ 2,824,776	
Encumbrances Payable	F-7			<u>94,132</u>	
				<u>\$ 2,918,908</u>	

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
RECREATION UTILITY FUND
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
ASSETS			
OPERATING FUND			
Cash	G-4	\$ 184,389	\$ 89,804
Total Operating Fund		<u>184,389</u>	<u>89,804</u>
CAPITAL FUND			
Fixed Capital	G-7	<u>2,595</u>	<u>2,595</u>
Total Capital Fund		<u>2,595</u>	<u>2,595</u>
Total Assets		<u>\$ 186,984</u>	<u>\$ 92,399</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	G-3, G-6	\$ 57,263	\$ 33,537
Encumbrance Payable	G-5	<u>12,891</u>	<u>8,080</u>
Fund Balance	G-1	<u>70,154</u> <u>114,235</u>	<u>41,617</u> <u>48,187</u>
Total Operating Fund		<u>184,389</u>	<u>89,804</u>
CAPITAL FUND			
Reserve for Amortization	G-8	<u>2,595</u>	<u>2,595</u>
Total Capital Fund		<u>2,595</u>	<u>2,595</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 186,984</u>	<u>\$ 92,399</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS - RECREATION UTILITY FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	G-2	\$ 16,200	\$ 48,000
Program Fees	G-2	467,500	450,271
Non-Budget Revenue	G-2	7,566	10,768
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	G-6	<u>37,166</u>	<u>7,667</u>
 Total Revenues and Other Income		 <u>528,432</u>	 <u>516,706</u>
 EXPENDITURES			
Budget Appropriations:			
Operating	G-3	423,271	469,838
Statutory Expenditures	G-3	<u>22,913</u>	<u>20,330</u>
 Total Expenditures		 <u>446,184</u>	 <u>490,168</u>
 Excess in Revenue		 82,248	 26,538
 BALANCE, JANUARY 1	 G	 <u>48,187</u>	 <u>69,649</u>
		130,435	96,187
Decreased by:			
Utilized as Anticipated Revenue	G-1,G-2	<u>16,200</u>	<u>48,000</u>
 BALANCE, DECEMBER 31	 G	 <u>\$ 114,235</u>	 <u>\$ 48,187</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - RECREATION UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	G-1	\$ 16,200	\$ 16,200	
New Programs	G-1,G-4	214,789	207,500	\$ (7,289)
Program Fees	G-1,G-4	260,000	260,000	-
Additional New Programs	G-1	<u>105,195</u>	<u>-</u>	<u>(105,195)</u>
Total		<u>\$ 596,184</u>	483,700	<u>\$ (112,484)</u>
Nonbudget Revenue	G-1,G-4		<u>7,566</u>	
			<u>\$ 491,266</u>	
 <u>Analysis of Nonbudget Revenues</u>				
Prior Year Refund			\$ 1	
Sale of Recycling Cans			7,475	
Returned Check Fee			<u>90</u>	
	G-1,G-2,G-4		<u>\$ 7,566</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
RECREATION UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries & Wages	\$ 299,510	\$ 299,510	\$ 196,100	\$ 3,410	\$ 100,000
Other Expenses	273,761	273,761	177,819	45,942	50,000
STATUTORY EXPENDITURES					
Social Security System	<u>22,913</u>	<u>22,913</u>	<u>15,002</u>	<u>7,911</u>	<u>-</u>
Total	<u>\$ 596,184</u>	<u>\$ 596,184</u>	<u>\$ 388,921</u>	<u>\$ 57,263</u>	<u>\$ 150,000</u>
	<u>Reference</u>	G-2	G-2	G	
Cash Disbursements	G-4		\$ 376,030		
Encumbrances Payable	G-5		<u>12,891</u>		
			<u>\$ 388,921</u>		

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Land	\$ 25,722,600	\$ 25,740,400
Buildings and Building Improvements	12,668,400	12,668,400
Machinery and Equipment	<u>21,842,173</u>	<u>19,791,849</u>
Total Assets	<u>\$ 60,233,173</u>	<u>\$ 58,200,649</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 60,233,173</u>	<u>\$ 58,200,649</u>
Total Reserves	<u>\$ 60,233,173</u>	<u>\$ 58,200,649</u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Mount Olive (the "Township") was incorporated in 1871 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the seven council members are elected at-large for terms of four years. The Mayor is the Chief Executive Officer of the Township and as such presides over all public meetings and makes appointments to various boards. The Township Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Township Administrator is appointed by the Township Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Township affairs and for the day to day operations of the Township. The Township Administrator is the Chief Administrative Officer for the Township. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

B. Description of Regulatory Basis of Accounting

The financial statements of the Township of Mount Olive have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Township has the following funds and account group:

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

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

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

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

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

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

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

Water Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

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

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. **Basis of Presentation – Financial Statements (Continued)**

Solid Waste Collection District Fund – This fund is used to account for the revenues and expenditures for operation of the solid waste collection district.

Recreation Utility Fund - This fund is used to account for the revenues and expenditures for operation of the Township's recreation and recreational facilities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the recreation utility is accounted for in the capital section of the fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Township, other than those accounted for in the water, sewer and recreation utility funds. The Township's infrastructure is not reported in the account group.

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2014 balances to conform to the December 31, 2015 presentation.

Financial Statements – Regulatory Basis

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Township presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

D. **Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Township of Mount Olive follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

Utility Revenues/Receivables - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's water and sewer utility operating funds. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

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

Appropriation Reserves - Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

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

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

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

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

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Township of Mount Olive has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Township as assets with an initial, individual cost of \$500 and an estimated useful life in excess of two years.

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

Fixed Assets are stated as follows:

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

No depreciation has been provided for in the financial statements.

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

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

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

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

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

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

Trust Funds (Except for Open Space and the Sewer Assessment Trust Funds)
Capital Funds

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2015 and 2014 the Township Council increased the original budget by \$297,725 and \$117,543, respectively. The increases were funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2015 and 2014.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Township considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Cash Deposits

The Township's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2015 and 2014, the book value of the Township's deposits were \$22,333,108 and \$22,186,906 and bank and brokerage firm balances of the Township's deposits amounted to \$22,520,069 and \$22,412,586, respectively. The Township's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2015</u>	<u>2014</u>
Insured	\$ 22,520,069	\$ 22,412,586

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As of December 31, 2015 and 2014, none of the Township's bank balances were exposed to custodial credit risk.

B. Investments

The Township is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Township or bonds or other obligations of the school districts which are a part of the Township or school districts located within the Township, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Township is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2015 and 2014, the Township had the following investments:

	<u>Fair Value</u> <u>(Unaudited)</u>	
	<u>2015</u>	<u>2014</u>
Investment:		
Length of Service Awards Program	\$ 1,835,663	\$ 1,863,319

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for custodial risk. As of December 31, 2015 and 2014, \$1,835,663 and \$1,863,319 of the Township’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u> <u>(Unaudited)</u>	
	<u>2015</u>	<u>2014</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	<u>\$ 1,835,663</u>	<u>\$ 1,863,319</u>

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices. As of December 31, 2015 and 2014, the Township’s investment in Lincoln Financial, a subsidiary of Lincoln National Corporation was rated Baa2 by Moody’s Investor Services.

Concentration of Credit Risk – The Township places no limit in the amount the Township may invest in any one issuer. More than five (5) percent of the Township’s investments are in Lincoln Financial. These investments are 100% of the Township’s total investments.

The fair value of the above-listed investments were based on quoted market prices.

Interest earned in the General Capital Fund, Animal Control Trust Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the utility capital funds and utility assessment trust funds are assigned to the utility operating funds in accordance with the regulatory basis of accounting.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2015 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u> <u>Sewer</u>	<u>Total</u>
<u>2015</u>				
Property Taxes	\$ 757,359			\$ 757,359
Tax Title Liens	631,581			631,581
Utility Charges and Fees	-	\$ 124,907	\$ 168,575	293,482
Utility Liens	<u>-</u>	<u>-</u>	<u>6,429</u>	<u>6,429</u>
	<u>\$ 1,388,940</u>	<u>\$ 124,907</u>	<u>\$ 175,004</u>	<u>\$ 1,688,851</u>

In 2015, the Township collected \$756,892 and \$246,014 from delinquent taxes and utility charges and fees, which represented 59%, 100% and 97% of the delinquent tax, water and sewer charges receivable at December 31, 2014.

Receivables at December 31, 2014 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u> <u>Sewer</u>	<u>Total</u>
<u>2014</u>				
Property Taxes	\$ 760,626			\$ 760,626
Tax Title Liens	519,609			519,609
Utility Charges and Fees	-	\$ 61,907	\$ 187,886	249,793
Utility Liens	<u>-</u>	<u>-</u>	<u>2,650</u>	<u>2,650</u>
	<u>\$ 1,280,235</u>	<u>\$ 61,907</u>	<u>\$ 190,536</u>	<u>\$ 1,532,678</u>

In 2014, the Township collected \$919,684 and \$264,863 from delinquent taxes and utility charges and fees, which represented 68%, 100% and 99% of the delinquent tax, water and sewer charges receivable at December 31, 2013.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 5 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Funds are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	<u>2015</u>		<u>2014</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 5,313,105	\$ 3,050,369	\$ 4,684,486	\$ 3,444,493
Non-Cash Surplus	<u>26,756</u>	<u>-</u>	<u>27,027</u>	<u>-</u>
	<u>\$ 5,339,861</u>	<u>\$ 3,050,369</u>	<u>\$ 4,711,513</u>	<u>\$ 3,444,493</u>
Water Utility Operating Fund				
Cash Surplus	\$ 589,825	\$ 217,630	\$ 593,693	\$ 109,094
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 589,825</u>	<u>\$ 217,630</u>	<u>\$ 593,693</u>	<u>\$ 109,094</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 2,511,468	\$ 755,619	\$ 1,997,588	\$ 563,141
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,511,468</u>	<u>\$ 755,619</u>	<u>\$ 1,997,588</u>	<u>\$ 563,141</u>
Solid Waste Collection District				
Cash Surplus	\$ 626,313	\$ 292,018	\$ 642,031	\$ 324,803
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 626,313</u>	<u>\$ 292,018</u>	<u>\$ 642,031</u>	<u>\$ 324,803</u>
Recreation Utility Fund				
Cash Surplus	\$ 114,235	\$ 29,000	\$ 48,187	\$ 16,200
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 114,235</u>	<u>\$ 29,000</u>	<u>\$ 48,187</u>	<u>\$ 16,200</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 6 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2015 and 2014.

	Balance, December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
<u>2015</u>				
Land	\$ 25,740,400		\$ 17,800	\$ 25,722,600
Buildings and Building Improvements	12,668,400			12,668,400
Machinery and Equipment	<u>19,791,849</u>	<u>\$ 3,460,550</u>	<u>1,410,226</u>	<u>21,842,173</u>
	<u>\$ 58,200,649</u>	<u>\$ 3,460,550</u>	<u>\$ 1,428,026</u>	<u>\$ 60,233,173</u>
	Balance December 31, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2014</u>
<u>2014</u>				
Land	\$ 25,469,800	\$ 379,600	\$ 109,000	\$ 25,740,400
Buildings and Building Improvements	12,069,200	599,200		12,668,400
Machinery and Equipment	<u>19,454,100</u>	<u>2,133,003</u>	<u>1,795,254</u>	<u>19,791,849</u>
	<u>\$ 56,993,100</u>	<u>\$ 3,111,803</u>	<u>\$ 1,904,254</u>	<u>\$ 58,200,649</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 6 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2015 and 2014.

	Balance, December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
<u>Water Utility Fund</u>				
<u>2015</u>				
Fixed Capital				
System and System Improvements	\$ 7,207,393	\$ 296,855	\$ -	\$ 7,504,248
	Balance December 31, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2014</u>
<u>2014</u>				
Fixed Capital				
System and System Improvements	\$ 7,184,385	\$ 23,008	\$ -	\$ 7,207,393

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 6 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

	Balance, December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
<u>Sewer Utility Fund</u>				
<u>2015</u>				
Fixed Capital				
Sewer Coll. & Treatment System	\$ 24,476,290			\$ 24,476,290
Construction of Sewer Connection	1,508,302			1,508,302
MSA Capital Charges	675,018			675,018
Refunding Bond Ordinances	5,130,142			5,130,142
Pump Station Improvements	266,060			266,060
Various Improvements	892,612	\$ 408,877		1,301,489
Vehicles and Equipment	<u>303,026</u>	<u>-</u>	<u>-</u>	<u>303,026</u>
	<u>\$ 33,251,450</u>	<u>\$ 408,877</u>	<u>\$ -</u>	<u>\$ 33,660,327</u>
	Balance December 31, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2014</u>
<u>2014</u>				
Fixed Capital				
Sewer Coll. & Treatment System	\$ 24,476,290			\$ 24,476,290
Construction of Sewer Connection	1,508,302			1,508,302
MSA Capital Charges	675,018			675,018
Refunding Bond Ordinances	5,130,142			5,130,142
Pump Station Improvements	266,060			266,060
Various Improvements	754,302	\$ 138,310		892,612
Vehicles and Equipment	<u>303,026</u>	<u>-</u>	<u>-</u>	<u>303,026</u>
	<u>\$ 33,113,140</u>	<u>\$ 138,310</u>	<u>\$ -</u>	<u>\$ 33,251,450</u>

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 6 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

	Balance December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
<u>Recreation Utility Fund</u>				
<u>2015</u>				
Fixed Capital				
Various Equipment & Improvements	\$ 2,595	\$ -	\$ -	\$ 2,595
	<u>2,595</u>	<u>-</u>	<u>-</u>	<u>2,595</u>
	Balance December 31, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2014</u>
<u>2014</u>				
Fixed Capital				
Various Equipment & Improvements	\$ 2,595	\$ -	\$ -	\$ 2,595
	<u>2,595</u>	<u>-</u>	<u>-</u>	<u>2,595</u>

NOTE 7 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

The Township's debt is summarized as follows:

	<u>2015</u>	<u>2014</u>
Issued		
General		
Bonds, Notes and Loans	\$ 20,821,223	\$ 22,018,968
Water Utility		
Bonds and Loans	1,261,185	1,420,298
Sewer Utility		
Bonds and Loans	704,001	1,114,001
Sewer Utility Assessment		
Bonds and Loans	<u>378,000</u>	<u>780,251</u>
	23,164,409	25,333,518
Less: Funds Temporarily Held to Pay Bonds and Notes	<u>376,521</u>	<u>790,719</u>
Net Debt Issued	<u>22,787,888</u>	<u>24,542,799</u>
Authorized But Not Issued		
General		
Bonds and Notes	1,612,791	1,377,963
Water Utility		
Bonds and Notes	<u>961,000</u>	<u>77,500</u>
	<u>2,573,791</u>	<u>1,455,463</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 25,361,679</u>	<u>\$ 25,998,262</u>

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of .74% and .75% at December 31, 2015 and 2014, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2015</u>			
General Debt	\$ 22,434,014	\$ 45,000	\$ 22,389,014
School Debt	40,830,000	40,830,000	
Utility Debt	<u>3,304,186</u>	<u>3,304,186</u>	<u>-</u>
Total	<u>\$ 66,568,200</u>	<u>\$ 44,179,186</u>	<u>\$ 22,389,014</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2014</u>			
General Debt	\$ 23,396,931	\$ 140,000	\$ 23,256,931
School Debt	45,550,000	45,550,000	
Utility Debt	<u>3,392,550</u>	<u>3,392,550</u>	<u>-</u>
Total	<u>\$ 72,339,481</u>	<u>\$ 49,082,550</u>	<u>\$ 23,256,931</u>

Statutory Borrowing Power

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

	<u>2015</u>	<u>2014</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 106,296,596	\$ 107,449,465
Less: Net Debt	<u>22,389,014</u>	<u>23,256,931</u>
Remaining Borrowing Power	<u>\$ 83,907,582</u>	<u>\$ 84,192,534</u>

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

The Township's long-term debt consisted of the following at December 31:

General Obligation Bonds

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

	<u>2015</u>	<u>2014</u>
\$1,430,000, 2005 Bonds, through April 1, 2015.		\$ 160,000
\$7,190,000, 2005 Refunding Bonds refunded on April 28, 2015		3,160,000
\$3,279,000, 2006 Bonds, due in annual installments of \$230,000 through May 15, 2016.	\$ 230,000	1,609,000
\$3,405,000, 2007 Bonds, due in annual installments of \$230,000 through March 15, 2017 at 3.75%	460,000	690,000

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

	<u>2015</u>	<u>2014</u>
\$4,105,000, 2009 Refunding Bonds, due in annual installments of \$590,000 through February 15, 2016 at 4.00%	\$ 590,000	\$ 1,180,000
\$1,537,000, 2011 Bonds, due in annual installments of \$190,000 to \$200,000 through April 15, 2020 at 3.00% to 3.50%	982,000	1,157,000
\$1,460,000, 2011 Refunding Bonds, due in annual installments of \$250,000 through April 15, 2017 at 3.00%	500,000	740,000
\$3,815,000, 2012 Refunding Bonds, due in annual installments of \$365,000 to \$665,000 through February 15, 2019 at 3.00% through 4.00%	1,765,000	2,440,000
\$4,603,000, 2012 Bonds, due in annual installments of \$630,000 to \$650,000 through November 1, 2020 at 2.00%	3,228,000	3,778,000
\$6,325,000, 2014 Bonds, due in annual installments of \$500,000 to \$900,000 through October 15, 2022 at 3.00% through 4.00%	5,875,000	6,325,000
\$3,470,000, 2015 Refunding Bonds, due in annual installments of \$205,000 to \$950,000 through May 15, 2021 at 2.00% through 4.00%	<u>3,470,000</u>	<u>-</u>
	<u>\$ 17,100,000</u>	<u>\$ 21,239,000</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Utility Bonds

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

Sewer Utility Bonds

Sewer Capital Fund	<u>2015</u>	<u>2014</u>
\$2,957,000, 2005 Refunding Bonds refunded on April 28, 2015.		\$ 927,000
\$142,000, 2012 Bonds, due in annual installments of \$30,000 to \$32,000 through November 1, 2017, interest at 2.00%	\$ 62,000	92,000
\$592,000, 2015 Refunding Bonds installments of \$130,000 to \$327,000 through May 15, 2018, interest at 2.00% to 4.00%	<u>592,000</u>	<u>-</u>
Total Sewer Capital Fund	<u>654,000</u>	<u>1,019,000</u>
 Sewer Assessment Trust Fund		
\$668,000, 2005 Bonds refunded on April 28, 2015.		193,000
\$700,000, 2012 Bonds, due in annual installments of \$140,000 November 1, 2017, interest at 2.00%	280,000	420,000
\$98,000, 2015 Refunding Bonds installments of \$98,000 through May 15, 2016, interest at 2.00%	<u>98,000</u>	<u>-</u>
Total Sewer Assessment Trust Fund	<u>378,000</u>	<u>613,000</u>
Total Sewer Utility Bonds	<u>\$ 1,032,000</u>	<u>\$ 1,632,000</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Utility Bonds (Continued)

Water Utility Bonds

	<u>2015</u>	<u>2014</u>
\$333,000, 2012 Bonds, due in annual installments of \$73,000 to \$75,000 through November 1, 2017, interest at 2.00%	\$ 148,000	\$ 223,000
\$863,000, 2014 Bonds, due in annual installments of \$65,000 to \$125,000 through October 15, 2022, interest at 3.00% to 4.00%	<u>798,000</u>	<u>863,000</u>
Total Water Utility Bonds	<u>\$ 946,000</u>	<u>\$ 1,086,000</u>

Garden State Preservation Trust Loan Payable

The Township has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing relating to the Turkey Brook Park Development Project in the Township for recreational and conservation purposes. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. The loan balance outstanding at December 31, which is included in the General Capital Fund, is as follows:

	<u>2015</u>	<u>2014</u>
\$500,000, 2002 Loan due in semi-annual installments of \$13,524 to \$15,392 through July 2022, interest at 2.00%	<u>\$ 202,153</u>	<u>\$ 228,802</u>

Green Trust Loan Payable

The Township has entered into loan agreements with the New Jersey Department of Environmental Protection for the financing relating to the acquisition and condemnation of land in the Township for recreational and conservation purposes. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. The loan balances outstanding at December 31, which is included in the General Capital Fund, is as follows:

	<u>2015</u>	<u>2014</u>
\$1,884,294, 1996 Loan due in semi-annual installments of \$58,669 to \$59,256 through December, 2015, interest at 2.00%	<u>\$ -</u>	<u>\$ 117,922</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Wastewater Loans Payable

The Township has entered into three loan agreements with the New Jersey Department of Environmental Protection and Energy Fund and the New Jersey Wastewater Treatment Trust for the financing relating to the cost of the Township's Wastewater Treatment System Projects. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued in the General Capital Fund and pledges and utilizes sewer fees to pay debt service in the Sewer Utility Capital Fund. The loan balances outstanding at December 31, which is included in the General Capital Fund and Sewer Utility Fund, are as follows:

	<u>2015</u>	<u>2014</u>
\$7,001,920, 1995 Loan due in semi-annual installments of \$4,377 to \$456,119 through August 2015, interest at 4.6% to 5.25%		\$ 460,495
\$1,231,851, 1996 Loan due in semi-annual installments of \$50,001 through August 2016, interest at 5.0% to 5.25%	\$ 50,001	95,001
	<u>\$ 50,001</u>	<u>\$ 555,496</u>
General Capital Fund		\$ 293,244
Sewer Utility Fund	\$ 50,001	262,252
	<u>\$ 50,001</u>	<u>\$ 555,496</u>

New Jersey Environmental Infrastructure Trust (NJEIT)

The Township has entered into a loan agreement with the NJEIT for water supply system improvements. The Township pledges water utility fees to pay debt service in the Water Utility Capital Fund. The loan balances in the Water Utility Capital Fund at December 31 are as follows:

	<u>2015</u>	<u>2014</u>
\$382,200, 2011 Loan due in semi-annual installments of \$4,858 to \$15,798 through August 2031, interest at .22% to 3.14%	\$ 315,185	\$ 334,298

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Loan Revenue Bonds (MCIA)

The Township has entered into a loan agreement with the Morris County Improvement Authority for the financing relating to the funding of the Township's early retirement incentive pension program. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. The loan balance outstanding at December 31, which is included in the General Capital Fund, is as follows:

	<u>2015</u>	<u>2014</u>
\$650,000 2003 Loan due in annual installments of \$45,000 through February 2016, interest at 5.75%	\$ <u>45,000</u>	\$ <u>140,000</u>

The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2015 is as follows:

Calendar Year	General		Water Utility		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 4,122,185	\$ 520,319	\$ 159,135	\$ 33,543	\$ 645,001	\$ 24,315	\$ 5,504,498
2017	3,527,730	407,829	212,161	30,066	307,000	11,340	4,496,126
2018	3,093,287	303,309	139,196	24,971	130,000	2,600	3,693,363
2019	2,558,856	214,340	139,242	21,325	-	-	2,933,763
2020	1,979,436	138,363	144,299	16,468	-	-	2,278,566
2021-2025	2,065,659	113,624	345,742	21,340	-	-	2,546,365
2026-2030	-	-	100,753	3,482	-	-	104,235
2031-2032	-	-	20,657	191	-	-	20,848
Total	<u>\$ 17,347,153</u>	<u>\$ 1,697,784</u>	<u>\$ 1,261,185</u>	<u>\$ 151,386</u>	<u>\$ 1,082,001</u>	<u>\$ 38,255</u>	<u>\$ 21,577,764</u>

Refunding of Debt

On May 20, 2015, the Township issued \$4,160,000 in General Obligation Refunding Bonds having interest rates of 2.00% to 4.00%. These bonds were issued in order to refund certain principal maturities and certain interest payments of various General Obligation Bonds of the Township. The refunded bonds have call dates of August 15, 2015 (\$3,095,000) and May 15, 2016 (\$1,149,000). The total bond principal defeased was \$4,244,000 and the total interest payments defeased to the call date was \$66,764. The net proceeds of \$4,349,977 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the refunding met the requirements of an in-substance debt defeasance and the refunded bond liability was removed from the General Capital Fund and Sewer Utility Capital Fund. This refunding resulted in the issuance \$84,000 less in bonds and resulted in an increase of cash flows over the life of these bond issues in the amount \$183,152; however, the economic gain (difference between the present value of the old and new debt service payments) was \$168,033. The refunding was undertaken to reduce total debt service payments over the next 7 years by \$183,152.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The Township's long-term capital debt activity for the years ended December 31, 2015 and 2014 were as follows:

	Balance, December 31, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2015</u>	Due Within <u>One Year</u>
<u>2015</u>					
General Capital Fund					
Bonds Payable	\$ 21,239,000	\$ 3,470,000	\$ 7,609,000	\$ 17,100,000	\$ 4,050,000
Intergovernmental Loans Payable	<u>779,968</u>	<u>-</u>	<u>532,815</u>	<u>247,153</u>	<u>72,185</u>
General Capital Fund Long-Term Liabilities	<u>\$ 22,018,968</u>	<u>\$ 3,470,000</u>	<u>\$ 8,141,815</u>	<u>\$ 17,347,153</u>	<u>\$ 4,122,185</u>
Water Utility Capital Fund					
Bonds Payable	\$ 1,086,000		\$ 140,000	\$ 946,000	\$ 140,000
Intergovernmental Loans	<u>334,298</u>	<u>-</u>	<u>19,113</u>	<u>315,185</u>	<u>19,135</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 1,420,298</u>	<u>\$ -</u>	<u>\$ 159,113</u>	<u>\$ 1,261,185</u>	<u>\$ 159,135</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 1,019,000	\$ 592,000	\$ 957,000	\$ 654,000	\$ 357,000
Intergovernmental Loans	<u>95,001</u>	<u>-</u>	<u>45,000</u>	<u>50,001</u>	<u>50,001</u>
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 1,114,001</u>	<u>\$ 592,000</u>	<u>\$ 1,002,000</u>	<u>\$ 704,001</u>	<u>\$ 407,001</u>
Sewer Utility Assessment Fund					
Bonds Payable	\$ 613,000	\$ 98,000	\$ 333,000	\$ 378,000	\$ 238,000
Intergovernmental Loans	<u>167,251</u>	<u>-</u>	<u>167,251</u>	<u>-</u>	<u>-</u>
Sewer Utility Assessment Fund Long-Term Liabilities	<u>\$ 780,251</u>	<u>\$ 98,000</u>	<u>\$ 500,251</u>	<u>\$ 378,000</u>	<u>\$ 238,000</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<u>2014</u>					
General Capital Fund					
Bonds Payable	\$ 18,609,000	\$ 6,325,000	\$ 3,695,000	\$ 21,239,000	\$ 4,150,000
Intergovernmental Loans Payable	<u>1,295,222</u>	<u>-</u>	<u>515,254</u>	<u>779,968</u>	<u>437,817</u>
General Capital Fund Long-Term Liabilities	<u>\$ 19,904,222</u>	<u>\$ 6,325,000</u>	<u>\$ 4,210,254</u>	<u>\$ 22,018,968</u>	<u>\$ 4,587,817</u>
Water Utility Capital Fund					
Bonds Payable	\$ 293,000	\$ 863,000	\$ 70,000	\$ 1,086,000	\$ 140,000
Intergovernmental Loans	<u>353,396</u>	<u>-</u>	<u>19,098</u>	<u>334,298</u>	<u>19,113</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 646,396</u>	<u>\$ 863,000</u>	<u>\$ 89,098</u>	<u>\$ 1,420,298</u>	<u>\$ 159,113</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 1,384,000		\$ 365,000	\$ 1,019,000	\$ 365,000
Intergovernmental Loans	<u>153,332</u>	<u>-</u>	<u>58,331</u>	<u>95,001</u>	<u>45,000</u>
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 1,537,332</u>	<u>\$ -</u>	<u>\$ 423,331</u>	<u>\$ 1,114,001</u>	<u>\$ 410,000</u>
Sewer Utility Assessment Fund					
Bonds Payable	\$ 848,000		\$ 235,000	\$ 613,000	\$ 235,000
Intergovernmental Loans	<u>331,815</u>	<u>-</u>	<u>164,564</u>	<u>167,251</u>	<u>167,252</u>
Sewer Utility Assessment Fund Long-Term Liabilities	<u>\$ 1,179,815</u>	<u>\$ -</u>	<u>\$ 399,564</u>	<u>\$ 780,251</u>	<u>\$ 402,252</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Township's short-term debt activity for the years ended December 31, 2015 and 2014 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2014</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2015</u>
<u>2015</u>						
<u>General Capital Fund</u>						
Various Improvements	0.65%	10/14/2016		\$ 3,405		\$ 3,405
Various Improvements	0.65%	10/14/2016		14,663		14,663
Various Improvements	0.65%	10/14/2016		850,000		850,000
Various Improvements	0.65%	10/14/2016		6,002		6,002
Various Improvements	0.65%	10/14/2016	-	2,600,000	-	2,600,000
Total Bond Anticipation Notes Payable			\$ -	\$ 3,474,070	\$ -	\$ 3,474,070

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2013</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2014</u>
<u>2014</u>						
<u>General Capital Fund</u>						
Various Improvements	1.25%	10/24/2014	\$ 170,000		\$ 170,000	
Various Municipal						
Building Improvements	1.25%	10/24/2014	19,000		19,000	
Various Improvements	1.25%	10/24/2014	1,231,000		1,231,000	
Dan Jordan Field Improvements	1.25%	10/24/2014	21,376		21,376	
Various Improvements	1.25%	10/24/2014	1,900,000	-	1,900,000	-
Total Bond Anticipation Notes Payable			\$ 3,341,376	\$ -	\$ 3,341,376	\$ -

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

NOTE 8 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>2015</u> <u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
Tinc Farm Water Storage Tank	\$ 29,658	2016
Public Safety Simulcast Radio Infrastructure	104,309	2016
Garbage Truck Roll Off Conversion	76,526	2016
Two Plow, Dump Body and Sander Trucks	110,900	2016
Sports Field Lighting and Installation at Turkey Brook Park Baseball Field No. 2	190,450	2016
Stabilization of Seward House	103,000	2016
Splash Pad at Turkey Brook Park	447,000	2016
1.0 MG Tinc Farm Water Storage Tank	646,900	2016

<u>2014</u> <u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
Design and Construction of Fuel Depot	\$ 16,035	2015
Improvement of the Indian Spring Well House	46,227	2015
Cloverhill Wastewater Treatment Plant	73,888	2015
Tinc Farm Water Storage Tank	43,100	2015
Emergency Medical Vehicle	154,676	2015
Reconstruction of Mt. Olive Baptist Church	165,822	2015
Public Safety Simulcast Radio Infrastructure	104,309	2015
Bounding and Grounding of Power lines	44,444	2015
Plow, Dump Body and Sander	118,400	2015
Garbage Truck Roll Off Conversion	76,526	2015
Fire Service Apparatus	809,677	2015

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 9 OPERATING LEASES

The Township leases two vehicles under noncancelable operating leases. Lease payments for the year ended December 31, 2015 were \$5,958. The future minimum lease payments for these leases are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2016	\$ 7,944
2017	7,944
2018	<u>1,986</u>
	<u>\$ 17,874</u>

NOTE 10 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$3,441,548 and \$3,569,006 at December 31, 2015 and 2014, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

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

As of December 31, 2015 and 2014, the Township has reserved in the Other Trust Fund \$-0- and \$-0-, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities (Continued)

The Township's changes in other long-term liabilities for the years ended December 31, 2015 and 2014 were as follows:

	Balance, December 31, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2015</u>	Due Within <u>One Year</u>
<u>2015</u>					
Compensated Absences	\$ 3,569,006	\$ 22,542	\$ 150,000	\$ 3,441,548	\$ 100,000
Net Pension Liability - PERS	17,338,546	3,120,806	754,643	19,704,709	-
Net Pension Liability - PFRS	18,026,941	7,731,196	1,198,528	24,559,609	-
Total Other Long-Term Liabilities	<u>\$38,934,493</u>	<u>\$ 10,874,544</u>	<u>\$ 2,103,171</u>	<u>\$ 47,705,866</u>	<u>\$ 100,000</u>

	Balance, December 31, <u>2013</u>	Prior Period Adjustment (A)	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<u>2014</u>						
Compensated Absences	\$ 3,357,588		\$ 369,285	\$ 157,867	\$ 3,569,006	\$ 95,000
Net Pension Liability - PERS		\$ 17,226,518	853,937	741,909	17,338,546	-
Net Pension Liability - PFRS	-	19,832,972	-	1,806,031	18,026,941	-
Total Other Long-Term Liabilities	<u>\$ 3,357,588</u>	<u>\$37,059,490</u>	<u>\$ 1,223,222</u>	<u>\$ 2,705,807</u>	<u>\$ 38,934,493</u>	<u>\$ 95,000</u>

(A) Represents the proportionate share of the Township's net pension liability of the state sponsored employer retirement systems resulting from the requirements of Governmental Accounting Standards Board's Statement No. 68 "Accounting and Financial Reporting for Pensions".

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Township employees who are eligible for pension coverage.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Township employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Basis of Accounting

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

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj/treasury/doinvest.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, which was rolled forward to June 30, 2014, the aggregate funded ratio for all the State administered retirement systems, including CPFPPF, PERS and PFRS is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The CPFPPF system is 65.4 percent funded with an unfunded actuarial accrued liability of \$ 1.7 billion. The aggregate funded ratio and unfunded accrued liability for the local PERS system is 52.08 percent and \$18.7 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PFRS is 62.4 percent and \$13.9 billion, respectively.

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return for all the retirement systems except CPFPPF (2.00%) and (b) changes to projected salary increases 2.15-5.40 percent based on age for PERS and 3.95-9.62 percent based on age for PFRS.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 10.0% for PFRS, 5.50% for DCRP and 6.92% for fiscal year 2015 for PERS of employee's annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the year ended December 31, 2015 for CPFPF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2015, 2014 and 2013, the Township, was required to contribute for normal cost pension contributions, accrued liability pension contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2015	\$ 1,100,712	\$ 741,909	\$ 2,468
2014	1,088,430	656,736	1,399
2013	1,213,065	678,853	960

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2015 and 2014, the Township had a liability of \$19,704,709 and \$17,338,546, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and 2013, respectively. The Township's proportionate share of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Township's proportionate share was 0.087776 percent, which was a decrease of 0.004830 percent from its proportionate share measured as of June 30, 2014 of 0.092606 percent.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2015 and 2014, the pension system has determined the Township's pension expense to be \$1,203,398 and \$967,306, respectively, for PERS based on the actuarial valuation which is more than the actual contributions reported in the Township's financial statements of \$741,909 and \$656,736, respectively. At December 31, 2015 and 2014, the Township's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Township's financial statements are from the following sources:

	2015		2014	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 470,070			
Changes of Assumptions	2,116,061		\$ 545,217	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 316,804		\$ 1,033,283
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>325,763</u>	<u>767,273</u>	<u>399,132</u>	<u>-</u>
Total	<u>\$ 2,911,894</u>	<u>\$ 1,084,077</u>	<u>\$ 944,349</u>	<u>\$ 1,033,283</u>

At December 31, 2015 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2016	\$ 320,886
2017	320,886
2018	320,886
2019	579,207
2020	285,952
Thereafter	<u>-</u>
	<u>\$ 1,827,817</u>

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2015</u>	<u>2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases:		
2012-2021	2.15-4.40% Based on Age	2.15-4.40% Based on Age
Thereafter	3.15-5.40% Based on Age	3.15-5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Actuarial Assumptions

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2014 and 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 and 2014 are summarized in the following table:

<u>Asset Class</u>	<u>2015</u>		<u>2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Core Bonds			1.00%	2.49%
Intermediate-Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	-0.40%		
REIT	4.25%	5.12%		

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Discount Rate</u>
2015	4.90%
2014	5.39%

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

* The municipal bond return rate used is 3.80% and 4.29% as of June 30, 2015 and 2014, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Township's proportionate share of the PERS net pension liability as of December 31, 2015 calculated using the discount rate of 4.90%, as well as what the Township's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's Proportionate Share of the PERS Net Pension Liability	<u>\$ 24,489,759</u>	<u>\$ 19,704,079</u>	<u>\$ 15,691,799</u>

The sensitivity analysis was based on the proportionate share of the Township's net pension liability at December 31, 2015. A sensitivity analysis specific to the Township's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Police and Firemen’s Retirement System (PFRS)

At December 31, 2015 and 2014, the Township had a liability of \$24,559,609 and \$18,026,941, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and 2013, respectively. The Township’s proportionate share of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Township’s proportionate share was 0.147447 percent, which was an increase of 0.004139 percent from its proportionate share measured as of June 30, 2014 of 0.143308 percent.

For the years ended December 31, 2015 and 2014, the pension system has determined the Township pension expense to be \$2,092,771 and \$1,130,028, respectively, for PFRS based on the actuarial valuation which is more than the actual contributions reported in the Township’s financial statements of \$1,100,712 and \$1,088,430, respectively. At December 31, 2015 and 2014, the Township’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Township’s financial statements are from the following sources:

	<u>2015</u>		<u>2014</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 211,834		
Changes of Assumptions	\$ 4,534,314		\$ 676,793	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		427,438		\$ 1,839,589
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	453,953	528,068	-	654,700
Total	<u>\$ 4,988,267</u>	<u>\$ 1,167,340</u>	<u>\$ 676,793</u>	<u>\$ 2,494,289</u>

At December 31, 2015 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2016	\$ 716,335
2017	716,335
2018	716,335
2019	1,176,232
2020	495,690
Thereafter	-
	<u>\$ 3,820,927</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Police and Firemen’s Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PFRS</u>	<u>2015</u>	<u>2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases:		
2012-2021	2.60-9.48%	3.95-8.62%
	Based on Age	Based on Age
Thereafter	3.60-10.48%	4.95-9.62%
	Based on Age	Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2015 and 2014 are summarized in the following table:

<u>Asset Class</u>	<u>2015</u>		<u>2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Core Bonds			1.00%	2.49%
Intermediate-Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	-0.40%		
REIT	4.25%	5.12%		

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Year</u>	<u>Discount Rate</u>
2015	5.79%
2014	6.32%

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2045
Municipal Bond Rate *	From July 1, 2045 and Thereafter

* The municipal bond return rate used is 3.80% and 4.29% as of June 30, 2015 and 2014, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Township's proportionate share of the PFRS net pension liability as of December 31, 2015 calculated using the discount rate of 5.79%, as well as what the Township's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79 percent) or 1-percentage-point higher (6.79 percent) than the current rate:

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 32,377,362</u>	<u>\$ 24,559,609</u>	<u>\$ 18,184,930</u>

The sensitivity analysis was based on the proportionate share of the Township's net pension liability at December 31, 2015. A sensitivity analysis specific to the Township's net pension liability was not provided by the pension system.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Township by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Township's proportionate share percentage determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2015 and 2014, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$0.147447 and \$0.143308, respectively. For the years ended December 31, 2015 and 2014, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$2,153,795 and \$1,941,199, respectively, which is more than the actual contributions the State made on behalf of the Township of \$268,655 and \$245,959, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Township. The plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2014 OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$173.9 million for 10,355 eligible retired members for Fiscal Year 2015. This benefit covers the Police and Firemen's Retirement System.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$44.3 million in Fiscal Year 2015 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Township's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2015, 2014 and 2013 were \$1,104,760, \$947,807 and \$802,784, respectively, which equaled the required contributions for each year.

NOTE 13 RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Township has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Township should they occur.

The Township of Mount Olive is a member of the Morris County Municipal Joint Insurance Fund (MJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The MJIF and MEL coverage amounts are on file with the Township.

The relationship between the Township and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 13 RISK MANAGEMENT (Continued)

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ -	\$ 16,861	\$ 24,320	\$ 104,801
2014	-	16,251	10,004	112,260
2013	-	15,922	19,838	106,013

NOTE 14 CONTINGENT LIABILITIES

The Township is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Township’s Attorney, the potential claims against the Township not covered by insurance policies would not materially affect the financial condition of the Township.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2015 and 2014. Amounts claimed have not yet been determined. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be material. As of December 31, 2015 and 2014, the Township reserved \$105,747 and \$148,177, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

Federal and State Awards - The Township participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Township may be required to reimburse the grantor government. As of December 31, 2015 and 2014, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Township believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Township.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 15 FEDERAL ARBITRAGE REGULATIONS

The Township is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. The Township has calculated and determined there is no arbitrage earnings due to the IRS as of December 31, 2014.

NOTE 16 LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)-UNAUDITED

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

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

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

The Township of Mount Olive has contributed \$1,572 and \$1,572 for 2015 and 2014, respectively, for each eligible volunteer fire company and rescue squad member into the Plan. The total Township contributions were \$135,228 and \$146,235 for 2015 and 2014, respectively.

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

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 16 LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)-UNAUDITED (Continued)

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 17 SUBSEQUENT EVENTS

Debt Authorized

As of June 20, 2016, the Township adopted two bond ordinances authorizing the issuance \$5,856,230 in bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Township has not issued nor awarded the sale of said bonds or notes.

CURRENT FUND

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF CURRENT CASH - TREASURER**

	<u>Current Fund</u>	<u>State and Federal Grant Fund</u>
Balance, December 31, 2014	\$ 7,552,424	\$ 91,977
Increased by Receipts:		
Taxes Receivable	\$ 96,251,838	
Tax Title Liens	3,813	
Non-Budget Revenues	610,837	
State of NJ - Senior Citizens' and Vet. Deductions	110,751	
Revenue Accounts Receivable	4,618,024	
Fees Payable	60,739	
Prepaid Taxes	1,006,262	
Receipts from Open Space Trust Fund	400,000	
Receipts from General Capital Fund	118,444	
Receipts from Sewer Operating Fund	350,000	
Receipts from Sanitation District Fund	295,006	
Reserve for Outside Lienholders	961,488	
Budget Refunds	857,516	
Grants Receivable		159,598
Reserve for Grants Unappropriated		-
Tax Overpayments	204,970	
Reserve for Tax Sale Premiums	534,500	
	<u>106,384,188</u>	<u>159,598</u>
	113,936,612	251,575
Decreased by Disbursements:		
2015 Budget Appropriations	26,789,396	
2014 Appropriation Reserves	375,570	
Refund of Prior Year Revenue	13,726	
Reserve for Tax Sale Premiums	802,500	
Reserve for Outside Lienholders	938,529	
Encumbrances Payable		33,618
Reserve for Grants Appropriated		96,629
Fees Payable	58,228	
County Taxes Payable	7,574,230	
Local District School Taxes Payable	65,909,046	
Sanitation District Taxes Payable	1,959,599	
Open Space Trust Taxes Payable	597,295	
Reserve for Tax Appeals	42,430	
Tax Overpayments	204,970	
	<u>105,265,519</u>	<u>130,247</u>
Balance, December 31, 2015	<u>\$ 8,671,093</u>	<u>\$ 121,328</u>

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

	Balance, December 31, <u>2014</u>	Balance, December 31, <u>2015</u>
Tax Collector Including Water and Sewer	\$ 1,000	\$ 1,000
Planning	50	50
Police Department	50	50
Recreation	50	50
Municipal Court	200	200
Buildings/Construction	100	100
Sanitation	50	50
Municipal Beach	50	50
Township Clerk	<u>50</u>	<u>50</u>
	<u>\$ 1,600</u>	<u>\$ 1,600</u>

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

Balance, December 31, 2014		\$ 27,027
Increased by:		
Veterans Deductions Per Tax Billings - 2015	\$ 95,000	
Senior Citizen Deductions Per Tax Billings - 2015	17,500	
Senior Citizen Deductions Allowed Per Tax Collector-2015	750	
Veterans Deductions Allowed Per Tax Collector - 2015	<u>1,750</u>	
		<u>115,000</u>
		142,027
Decreased by:		
Cash Received	110,751	
Senior Citizen Deductions Disallowed Per Tax Collector-2015	1,020	
Veterans Deductions Disallowed Per Tax Collector-2015	1,000	
Senior Citizen Deductions Disallowed Per Tax Collector-2014	<u>2,500</u>	
		<u>115,271</u>
Balance, December 31, 2015		<u>\$ 26,756</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF TAXES RECEIVABLE**

Year	Balance, December 31,	2015 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	Collections		Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31,
	2014			2014	2015	2014	2015	2015	2015	
2012	\$ 1,026				\$ 1,026					-
2013	7,873				7,873					-
2014	751,727	-	\$ 7,813	\$ 2,500	-	744,180	-	\$ 1	\$ 17,859	-
	760,626	-	7,813	2,500	-	753,079	-	1	17,859	-
2015	-	\$ 96,840,813	-	2,020	\$ 291,786	95,498,759	\$ 115,000	85,137	94,792	\$ 757,359
	<u>\$ 760,626</u>	<u>\$ 96,840,813</u>	<u>\$ 7,813</u>	<u>\$ 4,520</u>	<u>\$ 291,786</u>	<u>\$ 96,251,838</u>	<u>\$ 115,000</u>	<u>\$ 85,138</u>	<u>\$ 112,651</u>	<u>\$ 757,359</u>

Analysis of 2015 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 95,200,998
Added Taxes	<u>1,639,815</u>
	<u>\$ 96,840,813</u>
Tax Levy	
County Taxes (Abstract)	\$ 7,142,866
Due County for Added and Omitted Taxes	133,403
County Open Space Preservation	<u>297,961</u>
	\$ 7,574,230
Local District School Tax (Abstract)	65,909,046
Local Sanitation District	1,943,563
Local Sanitation District - Added Taxes	<u>16,036</u>
	1,959,599
Local Open Space Levy	586,851
Local Open Space Levy-Added Taxes	<u>10,444</u>
	597,295
Local Tax for Municipal Purposes	18,325,130
Minimum Library Tax	979,517
Add Additional Tax Levied	<u>1,495,996</u>
	<u>20,800,643</u>
	<u>\$ 96,840,813</u>

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

Balance, December 31, 2014		\$ 519,609
Increased by:		
Added Tax Title Liens - Year End Penalty	\$ 3,329	
Transfers from Taxes Receivable	112,651	
Interest and Costs - Tax Sale	<u>3,328</u>	
		<u>119,308</u>
		638,917
Decreased by:		
Transferred to Foreclosed Tax Title Liens	3,522	
Collections	<u>3,813</u>	
		<u>7,335</u>
Balance, December 31, 2015		<u>\$ 631,582</u>

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

Balance, December 31, 2014		\$ 4,977,194
Increased by:		
Transfer from Tax Title Liens	\$ 3,522	
Adjustment to Assessed Valuation	<u>24,778</u>	
		<u>28,300</u>
Balance, December 31, 2015		<u>\$ 5,005,494</u>

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

	Balance, December 31, <u>2014</u>	Accrued in 2015	<u>Collected</u>	Balance, December 31, <u>2015</u>
Township Clerk				
Licenses				
Alcoholic Beverages		\$ 24,316	\$ 24,316	
Fees and Permits		3,643	3,643	
Board of Health				
Fees and Permits		132,451	132,451	
Registrar				
Fees and Permits		4,998	4,998	
SMA Clinic, Shots and Screening				
Fees and Permits		6,858	6,858	
Police Department				
Fees and Permits		3,284	3,284	
Tax Search Officer				
Fees and Permits		50	50	
Tax Assessor				
Fees and Permits		525	525	
Engineering				
Fees and Permits		5,025	5,025	
Planning Board				
Fees and Permits		11,475	11,475	
Zoning Board				
Fees and Permits		13,130	13,130	
Water Testing				
Fees and Permits		4,455	4,455	
Municipal Court				
Fines and Costs	\$ 26,919	359,774	359,017	\$ 27,676
Interest and Costs on Taxes		190,189	190,189	
Interest on Investments and Deposits		13,647	13,647	
Water Tower Rental - NYNEX		256,294	256,294	
Interest on Developers' Deposit Fees		2,900	2,900	
Life Hazard Use Fees		74,480	74,480	
Fire Prevention Inspection Fees		69,350	69,350	
Additional Fire Prevention - Chester		41,875	41,875	
New Fire Prevention Fees - Hackettstown		29,765	29,765	
Reserve for Garden State Trust Fund		66,707	66,707	
Watershed Moratorium Aid		9,165	9,165	
Consolidated Municipal Property Tax Relief		111,171	111,171	
Energy Receipts Taxes		1,855,060	1,855,060	
Uniform Construction Code Fees		485,874	485,874	
Interlocal Health Agreement		177,037	177,037	
Interlocal Court Agreement		54,122	54,122	
Interlocal Animal Control Agreement - Byram		10,772	10,772	
Interlocal Animal Control Agreement - Washington		6,100	6,100	
Cable TV Franchise Fee		104,953	104,953	
Hotel Tax Revenues		268,693	268,693	
General Capital Fund Surplus		118,444	118,444	
Sewer Operating Surplus		350,000	350,000	
Sanitation District Surplus		295,006	295,006	
Due from Open Space Trust Fund -				
Debt Service		400,000	400,000	
Due from Sports Organizations - Debt Payback		96,971	96,971	
Due from Solid Waste Collection District - Debt Service		20,250	20,250	
Due from Mt. Olive Child Care - Lease		103,422	103,422	
	<u>-</u>	<u>103,422</u>	<u>103,422</u>	<u>-</u>
	<u>\$ 26,919</u>	<u>\$ 5,782,231</u>	<u>\$ 5,781,474</u>	<u>\$ 27,676</u>
			\$ 4,618,024	
			118,444	
			350,000	
			295,006	
			<u>400,000</u>	
			<u>\$ 5,781,474</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2014 APPROPRIATION RESERVES**

	Balance, December 31, <u>2014</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
SALARIES AND WAGES				
General Government				
Township Clerk	-	\$ 1		\$ 1
Business Administration	\$ 1,751	1,751		1,751
Financial Administration	4,431	4,431		4,431
Planning Board	6,359	6,359		6,359
Public Safety				
Police	102,069	102,069	\$ 330	101,739
Fire Prevention	590	590		590
Streets and Roads				
Road Repairs and Maintenance	48,780	48,780	397	48,383
Buildings and Grounds	1,420	1,420		1,420
Fleet Maintenance	8,154	8,154		8,154
Health and Human Services				
Board of Health	6,504	6,504		6,504
Division of Senior Social Services	8,936	8,936		8,936
Code Enforcement - Inspection of Buildings	2	2		2
Municipal Court	11,408	11,408		11,408
OTHER EXPENSES				
Mayor and Council	181	1,375	318	1,057
Township Clerk	4,815	14,836	11,790	3,046
Business Administration	4,499	6,652	953	5,699
Financial Administration	624	624	-	624
Annual Audit	5,086	6,586	200	6,386
Revenue Administration	559	2,427	1,868	559
Assessment of Taxes	4,049	6,339	953	5,386
Legal Services & Costs	48,371	62,214	14,312	47,902
Engineering Services	1,000	4,196	402	3,794
Industrial and Economic Development Committee	1,050	1,850	800	1,050
Open Space Committee	225	225	-	225
Mt. Olive Historical Society	828	970	-	970
Information Technology Support	9,573	9,828	255	9,573
Planning Board	13,178	29,149	1,741	27,408
Public Safety				
Police	18,855	47,994	26,898	21,096
Emergency Management System	300	7,695	1,321	6,374
Fire				
Budd Lake Fire Company	-	5,330	5,330	-
Fire Hydrant Rental	509	977	468	509
Fire Prevention	4,614	6,483	3,709	2,774
Streets and Roads				
Road Repairs and Maintenance	11,162	89,790	52,331	37,459

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2014 APPROPRIATION RESERVES**

	Balance, December 31, <u>2014</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)				
Street Signs	\$ 616	\$ 616	-	\$ 616
Buildings and Grounds	12,831	77,002	\$ 56,012	20,990
Fleet Maintenance	44,771	57,237	6,803	50,434
Health and Human Services				
Board of Health	2,573	5,103	1,899	3,204
Environmental Committee	210	210	-	210
Division of Senior Social Services	2,453	2,453	-	2,453
Code Enforcement - Inspection of Buildings	21,177	23,066	885	22,181
Utilities				
Electricity	12,316	22,333	11,999	10,334
Street Lighting	5,647	18,953	13,150	5,803
Gas	4,749	9,234	6,460	2,774
Telecommunications	323	3,011	2,461	550
Vehicle Fuel	7,094	6,864	3,074	3,790
Municipal Court	2,527	2,897	348	2,549
Public Defender	4,500	4,900	-	4,900
Statutory Charges				
Social Security System	16,499	16,499		16,499
Deferred Contribution Retirement Program	101	101		101
Contribution to Library		257	-	257
Insurance				
Employee Group Health	31,319	31,319	1,868	29,451
Employee Group Health - Waiver	13,581	13,581		13,581
Length of Service Award Program (LOSAP)	257	157,000	146,235	10,765
	<u>\$ 513,426</u>	<u>\$ 958,581</u>	<u>\$ 375,570</u>	<u>\$ 583,011</u>
Appropriation Reserves		\$ 513,426		
Encumbrances Payable		<u>445,155</u>		
		<u>\$ 958,581</u>		

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

Balance, December 31, 2014	\$	445,155
Increased by:		
Charges to 2015 Appropriations		466,180
		911,335
Decreased by:		
Transferred to Appropriation Reserves		445,155
Balance, December 31, 2015	\$	466,180

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

Balance, December 31, 2014	\$	153,279
Increased by:		
Charges to Appropriated Grant Reserves		79,389
		232,668
Decreased by:		
Encumbrance Cancelled	\$	2,009
Cash Disbursements		33,618
		35,627
Balance, December 31, 2015	\$	197,041

STATEMENT OF STATE FEES PAYABLE

Balance, December 31, 2014	\$	9,044
Increased by:		
Cash Received		60,739
		69,783
Decreased by:		
Cash Disbursed		58,228
Balance, December 31, 2015	\$	11,555

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

Balance, December 31, 2014	\$	291,786
Increased by:		
Collection of 2016 Taxes		<u>1,006,262</u>
		1,298,048
Decreased by:		
Application to 2015 Taxes Receivable		<u>291,786</u>
Balance, December 31, 2015	\$	<u><u>1,006,262</u></u>

STATEMENT OF RESERVE FOR OUTSIDE LIENHOLDERS

Balance, December 31, 2014	\$	-
Increased By:		
Cash Receipts		<u>961,488</u>
		961,488
Decreased By:		
Cash Disbursements		<u>938,529</u>
Balance, December 31, 2015	\$	<u><u>22,959</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:			
2015 Tax Levy	\$	7,142,866	
2015 Open Space Preservation		297,961	
2015 Added and Omitted Taxes (54:4-63.1 et seq.)		<u>133,403</u>	
			\$ <u>7,574,230</u>
Decreased by:			
Cash Disbursed			<u>\$ 7,574,230</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:		
Levy - Calendar Year 2015		\$ <u>65,909,046</u>
Decreased by:		
Cash Disbursed		\$ <u>65,909,046</u>

STATEMENT OF RESERVE FOR TAX SALE PREMIUMS

Balance, December 31, 2014		\$ 1,461,950
Increased By:		
Cash Received		<u>534,500</u>
		1,996,450
Decreased By:		
Cash Disbursed	\$ 802,500	
Escheated to Township	<u>2,550</u>	
		<u>805,050</u>
Balance, December 31, 2015		\$ <u>1,191,400</u>

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2014		\$ 148,177
Decreased by:		
Cash Disbursed		<u>42,430</u>
Balance, December 31, 2015		\$ <u>105,747</u>

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

Increased by:			
2015 Tax Levy		\$ 586,851	
2015 Added Tax Levy		<u>10,444</u>	
			<u>\$ 597,295</u>
Decreased by:			
Cash Disbursed to Open Space Trust Fund			<u>\$ 597,295</u>

STATEMENT OF SANITATION DISTRICT TAXES

Increased by:			
2015 Tax Levy		\$ 1,943,563	
2015 Added Tax Levy		<u>16,036</u>	
			<u>\$ 1,959,599</u>
Decreased by:			
Cash Disbursed to Sanitation District Fund			<u>\$ 1,959,599</u>

STATEMENT OF TAX OVERPAYMENTS

Increased By:			
Overpayments Received			<u>\$ 204,970</u>
Decreased By:			
Cash Disbursements			<u>\$ 204,970</u>

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

	Balance, December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
Clean Communities Program	\$ 3,861	\$ 65,849	\$ 48,446	\$ 21,264
Click it or Ticket		4,000	4,000	-
Recreation Trails Grant	18,603		8,056	10,547
Drunk Driving Enforcement Fund	18,449	15,677	7,999	26,127
Body Armor Replacement Grant	11,451	6,413	2,858	15,006
Drive Sober or Get Pulled Over - Year End	4,810		4,810	-
Drive Sober or Get Pulled Over	-	5,000		5,000
Baptist Church Historic Preservation	-	162,260		162,260
Recycling Tonnage Grant	9,737	70,947	67,957	12,727
NJ Sustainable Grant	2,641	12,009		14,650
Bulletproof Vest Partnership	11,918	2,326	4,765	9,479
Donation - Braile Trail	742			742
Donation - Benjamin Moore	-	1,200	1,200	-
Donations - BASF	-	500	500	-
Donations - Cablevision	-	2,000	2,000	-
Donations - Givaudan	-	25,609		25,609
Highlands Council Grant	-	25,000	25,000	-
	<u>\$ 82,212</u>	<u>\$ 398,790</u>	<u>\$ 177,591</u>	<u>\$ 303,411</u>
Budget Appropriation:				
State & Federal Grants		\$ 396,781		
Encumbrances Cancelled		<u>2,009</u>		
		<u>\$ 398,790</u>		
Cash Disbursements			\$ 96,629	
Cancelled			1,573	
Encumbrances Payable			<u>79,389</u>	
			<u>\$ 177,591</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF GRANTS RECEIVABLE
FEDERAL AND STATE GRANT FUND**

	Balance, December 31, <u>2014</u>	Revenue <u>Realized</u>	<u>Decreased</u>	Balance, December 31, <u>2015</u>
Highlands Council Grant	\$ 168,914	\$ 25,000	\$ 6,059	\$ 187,855
Clean Communities Program		65,849	65,849	
Click it or Ticket		4,000	4,000	
Baptist Church Historic Preservation		162,260		162,260
Recreation Trails Grant	24,000		24,000	
Drunk Driving Enforcement Fund		15,677	15,677	
Body Armor Replacement Grant		6,413	6,413	
Budd Lake Drainage Grant	21,000		21,000	
Drive Sober or Get Pulled Over - Year End	7,500		7,500	
Drive Sober or Get Pulled Over		5,000		5,000
NJ Sustainable Grant - 2014	5,000	10,000	5,000	10,000
Donations - Cablevision		2,000	2,000	
Donations - Benjamin Moore		1,200	1,200	
Water Conservation Grant	596		91	505
Bullet Proof Vest Partnership	<u>13,560</u>	<u>2,326</u>	<u>2,382</u>	<u>13,504</u>
	<u>\$ 240,570</u>	<u>\$ 299,725</u>	<u>\$ 161,171</u>	<u>\$ 379,124</u>
Original Budget	\$ 2,000			
Chapter 159		<u>297,725</u>		
		<u>\$ 299,725</u>		
Cash Received			\$ 159,598	
Cancelled			<u>1,573</u>	
			<u>\$ 161,171</u>	

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

	Balance, December 31, <u>2014</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
Donation - Givaudan	\$ 25,609	\$ 25,609	-
Donation - BASF	500	500	-
Recycling Tonnage Grant	<u>70,947</u>	<u>70,947</u>	<u>-</u>
	<u>\$ 97,056</u>	<u>\$ 97,056</u>	<u>\$ -</u>

TRUST FUND

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF TRUST CASH - TREASURER**

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2014	\$ 16,259	\$ 6,801,549	\$ 104,756
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 3,979		
Municipal Open Space Tax Levy			\$ 597,295
Payroll and Payroll Deductions		\$ 24,116,910	
Developers Escrow Deposits		1,112,446	
Miscellaneous Reserves		550,491	
Animal Control Fees	39,833		
Current Fund Budget Appropriations	50,000	-	
Contributions	13,600	-	-
	<u>107,412</u>	<u>25,779,847</u>	<u>597,295</u>
	123,671	32,581,396	702,051
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	113,042		
Due to State of New Jersey	3,992	17,121	
Open Space Expenditures			56,324
Payments to Current Fund			400,000
Payroll and Payroll Deductions		24,115,301	
Developers Escrow Deposits Refunded		1,513,079	
Miscellaneous Reserves	-	537,859	-
	<u>117,034</u>	<u>26,183,360</u>	<u>456,324</u>
Balance, December 31, 2015	<u>\$ 6,637</u>	<u>\$ 6,398,036</u>	<u>\$ 245,727</u>

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

Balance, December 31, 2014		\$ 16,246
Increased by:		
Current Fund Budget Appropriation	\$ 50,000	
Contributions	13,600	
Animal Control Fees		
Dog License Fees	\$ 25,647	
Late Fees	4,069	
Cat License Fees	7,083	
Miscellaneous	489	
Impound/Kennel Fees	<u>2,545</u>	
	<u>39,833</u>	
		<u>103,433</u>
		119,679
Decreased by:		
Expenditures Under R.S. 4:19-15-11		<u>113,042</u>
Balance, December 31, 2015		<u><u>\$ 6,637</u></u>

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

Balance, December 31, 2014	\$	13
Increased by:		
Dog License Fees Collected		<u>3,979</u>
		3,992
Decreased by:		
Payments Made to State of New Jersey		<u>3,992</u>
Balance, December 31, 2015	\$	<u>-</u>

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

Balance, December 31, 2014	\$	5,144,185
Increased by:		
Cash Receipts		<u>1,112,446</u>
		6,256,631
Decreased by:		
Cash Disbursements		<u>1,513,079</u>
Balance, December 31, 2015	\$	<u>4,743,552</u>

**OTHER TRUST FUND
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
Unemployment Compensation	\$ 112,260	\$ 16,861	\$ 24,320	\$ 104,801
Law Enforcement	18,158	17,734	2,297	33,595
Affordable Housing	1,281,768	129,382	131,607	1,279,543
Off-Duty Police Contributions	43,745	224,948	232,308	36,385
Accumulated Absences	-	150,000	150,000	-
Accumulated Snow Removal	1,244	1,050	-	2,294
POAA	369	97	-	466
Tot Lot Donations	9,623	800	376	10,047
Detention Basin Contributions	39,700	-	-	39,700
Municipal Alliance	21,736	-	-	21,736
Tree Bank Fund	108,325	-	3,431	104,894
Food Pantry	8,708	-	8,708	-
Electronic Fees	<u>5,831</u>	<u>9,619</u>	<u>9,132</u>	<u>6,318</u>
	<u>\$ 1,651,467</u>	<u>\$ 550,491</u>	<u>\$ 562,179</u>	<u>\$ 1,639,779</u>
Cash Receipts		<u>\$ 550,491</u>		
Cash Disbursements			\$ 537,859	
Due to State of New Jersey			<u>24,320</u>	
			<u>\$ 562,179</u>	

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

Balance, December 31, 2014	\$ 1,580
Increased by:	
Unemployment Claims	<u>24,320</u>
	25,900
Decreased By:	
Cash Disbursements	<u>17,121</u>
Balance, December 31, 2015	<u>\$ 8,779</u>

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

Balance, December 31, 2014	\$ 4,317
Increased by:	
Cash Receipts	<u>24,116,910</u>
	24,121,227
Decreased by:	
Cash Disbursements	<u>24,115,301</u>
Balance, December 31, 2015	<u>\$ 5,926</u>

**TOWNSHIP OF MOUNT OLIVE
OPEN SPACE TRUST FUND
STATEMENT OF RESERVE FOR OPEN SPACE**

Balance, December 31, 2014		\$ 104,756
Increased by:		
Municipal Open Space Tax Levy	\$ 586,851	
Municipal Open Space Tax Levy - Added Taxes	<u>10,444</u>	
		<u>597,295</u>
		702,051
Decreased by:		
Payments to Current Fund - Debt Service	400,000	
Miscellaneous Cash Disbursements	<u>56,324</u>	
		<u>456,324</u>
Balance, December 31, 2015		<u>\$ 245,727</u>

GENERAL CAPITAL FUND

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

Balance, December 31, 2014		\$ 1,754,393
Increased by Receipts:		
Department of Transportation Grant Proceeds	\$ 233,400	
County of Morris Historic Preservation Trust Grant Proceeds	129,694	
Budget Appropriation - Capital Improvement Fund	198,650	
Bond Anticipation Notes	<u>3,474,070</u>	
		<u>4,035,814</u>
		5,790,207
Decreased by Disbursements:		
Improvement Authorizations	2,549,967	
Reserve for Encumbrances	1,614,835	
Payments to Current Fund	<u>118,444</u>	
		<u>4,283,246</u>
Balance, December 31, 2015		<u>\$ 1,506,961</u>

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

		Balance, December 31, <u>2015</u>
Capital Improvement Fund		\$ 2,699
Encumbrances Payable		1,486,518
Reserve for Recreation Improvements		37,500
Fund Balance		49,438
Department of Transportation Grant Receivable		(60,000)
Hazard Mitigation Grant Receivable		(90,000)
Due from County of Morris Historic Preservation Trust Fund		(186,122)
Community Development Block Grant Receivable		(46,100)
Ord.		
<u>No.</u>		
	<u>Improvement Authorizations</u>	
1-13	Various Improvements	(3)
4-13	Dan Jordan Field Improvements	(1)
5-13	Various Improvements	(17,722)
27-13	Various Baptist Church Improvements	28,835
11-14	Various Improvements	249,336
13-14	Sanitation Improvements	5,989
17-14	UPS for the Police Department	(4)
18-14	Seward House	20,960
9-15	Various Improvements	25,638
		<hr/>
		\$ 1,506,961
		<hr/> <hr/>

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

Balance, December 31, 2014		\$ 22,018,968
Increased by:		
Bonds Issued		<u>3,470,000</u>
		25,488,968
Decreased by:		
Bonds Refunded	\$ 3,554,000	
2015 Budget Appropriation		
Payment of Bond Principal	4,055,000	
Payment of Loan Principal:		
Wastewater	\$ 293,244	
Garden State Preservation Trust	26,649	
Morris County Improvement Authority	95,000	
Green Trust	<u>117,922</u>	
	<u>532,815</u>	
		<u>8,141,815</u>
Balance, December 31, 2015		<u>\$ 17,347,153</u>

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

Balance, December 31, 2014		\$ 289,800
Increased by:		
Adjustment to Grant Award		15,000
		304,800
Decreased by:		
Cash Receipts	\$ 233,400	
Cancelled - Fund Balance	11,400	
		244,800
 Balance, December 31, 2015		 \$ 60,000
<u>Analysis of Balance</u>		
Ordinance # 11-14		\$ 60,000

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

Balance, December 31, 2014		\$ 315,816
Decreased by:		
Cash Receipts		129,694
Balance, December 31, 2015		\$ 186,122

STATEMENT OF DUE TO CURRENT FUND

Increased By:		
Utilized as Current Fund Revenue - Fund Balance		\$ 118,444
Decreased By:		
Cash Disbursements to Current Fund		\$ 118,444

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2014	2015 Authori- zations	Adjustment to Grants Receivable	Balance, December 31, 2015	<u>Analysis of Balance, December 31, 2015</u>		Unexpended Improvement Authori- zations
						Bond Anticipation Notes	Expenditures	
1-13	Various Improvements	\$ 13,100			\$ 13,100	\$ 3,405	\$ 3	\$ 9,692
4-13	Dan Jordan Field Improvements	1			1		1	
5-13	Various Improvements	136,220			136,220	14,663	17,722	103,835
11-14	Various Improvements	1,220,116	-	\$ 15,000	1,205,116	850,000		355,116
17-14	UPS for the Police Department	8,526	-	-	8,526	6,002	4	2,520
9-15	Various Improvements	-	\$ 3,723,898	-	3,723,898	2,600,000	-	1,123,898
		<u>\$ 1,377,963</u>	<u>\$ 3,723,898</u>	<u>\$ 15,000</u>	<u>\$ 5,086,861</u>	<u>\$ 3,474,070</u>	<u>\$ 17,730</u>	<u>\$ 1,595,061</u>
								Improvement Authorizations- Unfunded \$ 1,870,035
								Less: Unexpended proceeds of BAN's
						Ord. 11-14	\$ 249,336	
						Ord. 9-15	<u>25,638</u>	
								<u>274,974</u>
								<u>\$ 1,595,061</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance	Amount	Balance, December 31, 2014		2015 Authorizations	Encumbrances Cancelled	Expended	Funded Authorizations Cancelled/Refunds	Balance, December 31, 2015	
					Funded	Unfunded					Funded	Unfunded
06-02	Library Construction	3/12/2002	\$	1,758,000				\$ 16,035		\$ 16,035		
33-11	Various Improvements	11/22/2011		802,966	\$ 2,000					2,000		
13-12	Various Improvements	4/27/2012		2,638,526	30,092					30,092		
1-13	Various Improvements	2/5/2013		1,318,000		\$ 9,695			\$ 3			\$ 9,692
5-13	Various Improvements	3/19/2013		2,421,025	37,398	136,220			69,783			103,835
15-13	Trail/Recreation Improvements	5/28/2013		15,000	10,775					10,775		-
27-13	Various Baptist Church Improvements	10/22/2013		212,016	17,154			11,681		-	\$ 28,835	
1-14	Various Park Improvements	1/28/2014		236,000					(1,936)	1,936		
11-14	Various Improvements	4/22/2014		4,463,600	427,577	1,220,116			1,043,241			604,452
13-14	Sanitation Improvements	5/20/2014		125,000	11,923				5,934		5,989	
17-14	UPS for the Police Department	7/8/2014		96,000		2,523			3			2,520
18-14	Seward House	8/5/2014		124,560	123,960	-			103,000		20,960	-
9-15	Various Improvements	3/17/2015		3,965,993	-	-	\$ 3,965,993		2,816,457		-	1,149,536
					<u>\$ 660,879</u>	<u>\$ 1,368,554</u>	<u>\$ 3,965,993</u>	<u>\$ 27,716</u>	<u>\$ 4,036,485</u>	<u>\$ 60,838</u>	<u>\$ 55,784</u>	<u>\$ 1,870,035</u>
CDBG Grant Receivable							\$ 46,100					
Capital Improvement Fund							195,995					
Deferred Charges Unfunded							3,723,898					
							<u>\$ 3,965,993</u>					
Encumbrances Payable									\$ 1,486,518			
Cash Disbursements									2,549,967			
									<u>\$ 4,036,485</u>			
<u>Cancelled</u>												
Fund Balance										<u>\$ 60,838</u>		

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance, December 31, 2014	Increased	Decreased	Balance, December 31, 2015
			Outstanding December 31, 2015 Date	Amount						
General Improvements	04/01/05	\$ 1,430,000				\$ 160,000		\$ 160,000		
Refunding Bonds	06/15/05	7,190,000				3,160,000		3,160,000		
General Improvements	05/15/06	3,279,000	5/15/2016	\$ 230,000	4.00	1,609,000		1,379,000	\$ 230,000	
General Improvement and Tax Appeal Refunding	03/15/07	3,405,000	3/15/2016 3/15/2017	230,000 230,000	3.75 3.75	690,000		230,000	460,000	
Refunding Bonds	04/30/09	4,105,000	2/15/2016	590,000	4.00	1,180,000		590,000	590,000	
General Improvements	04/06/11	1,537,000	4/15/2016 4/15/2017 4/15/2018 4/15/2019 4/15/2020	190,000 195,000 200,000 200,000 197,000	3.00 3.00 3.25 3.25 3.50	1,157,000		175,000	982,000	
Refunding Bonds	04/06/11	1,460,000	4/15/2016 4/15/2017	250,000 250,000	3.00 3.00	740,000		240,000	500,000	
Refunding Bonds	02/16/12	3,815,000	2/15/2016 2/15/2017 2/15/2018 2/15/2019	665,000 365,000 365,000 370,000	3.00 3.00 4.00 4.00	2,440,000		675,000	1,765,000	
General Improvements	10/17/12	4,603,000	11/1/2016 11/1/2017 11/1/2018 11/1/2019 11/1/2020	630,000 650,000 650,000 650,000 648,000	2.00 2.00 2.00 2.00 2.00	3,778,000		550,000	3,228,000	
General Improvements	10/07/14	6,325,000	10/15/2016 10/15/2017 10/15/2018 10/15/2019-22	500,000 875,000 900,000 900,000	3.00 3.00 3.00 4.00	6,325,000		450,000	5,875,000	
Refunding Bonds	04/28/15	3,470,000	5/15/2016 5/15/2017 5/15/2018 5/15/2019 5/15/2020 5/15/2021	765,000 935,000 950,000 410,000 205,000 205,000	2.00 4.00 4.00 4.00 4.00 4.00	-	\$ 3,470,000	-	3,470,000	
						\$ 21,239,000	\$ 3,470,000	\$ 7,609,000	\$ 17,100,000	

Paid by Budget Appropriation		\$ 4,055,000
Refunding Bonds Issued	\$ 3,470,000	
Bonds Refunded	-	3,554,000
	\$ 3,470,000	\$ 7,609,000

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

Balance, December 31, 2014	\$	44
Increased by:		
2015 Budget Appropriations		<u>198,650</u>
		198,694
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>195,995</u>
Balance, December 31, 2015	\$	<u>2,699</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2014	\$	1,642,551
Increased by:		
Charges to Improvement Authorizations		<u>1,486,518</u>
		3,129,069
Decreased by:		
Cancelled	\$	27,716
Cash Disbursements		<u>1,614,835</u>
		<u>1,642,551</u>
Balance, December 31, 2015	\$	<u>1,486,518</u>

**TOWNSHIP OF MOUNT OLIVE
HAZARD MITIGATION GRANT RECEIVABLE**

Balance, December 31, 2014	<u>\$ 90,000</u>
Balance, December 31, 2015	<u>\$ 90,000</u>

STATEMENT OF RESERVE FOR RECREATION IMPROVEMENTS

Balance, December 31, 2014	<u>\$ 37,500</u>
Balance, December 31, 2015	<u>\$ 37,500</u>

STATEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

Increased by:	
Awarded in 2015	<u>\$ 46,100</u>
Balance, December 31, 2015	<u>\$ 46,100</u>

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

Balance, December 31, 2014	\$ 293,244
Decreased by:	
Paid by Budget Appropriation	<u>293,244</u>
Balance, December 31, 2015	<u>\$ -</u>

STATEMENT OF GREEN TRUST LOAN PAYABLE

Balance, December 31, 2014	\$ 117,922
Decreased by:	
Paid by Budget Appropriation	<u>117,922</u>
Balance, December 31, 2015	<u>\$ -</u>

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

Balance, December 31, 2014	\$ 228,802
Decreased by:	
Paid by Budget Appropriation	<u>26,649</u>
Balance, December 31, 2015	<u>\$ 202,153</u>

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

Balance, December 31, 2014	\$ 140,000
Decreased by:	
Paid by Budget Appropriation	<u>95,000</u>
Balance, December 31, 2015	<u>\$ 45,000</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance #</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance December 31, 2015</u>
1-13	Various Improvements	10/15/2015	10/14/2016	0.65%	\$ 3,405	\$ 3,405
5-13	Various Improvements	10/15/2015	10/14/2016	0.65%	14,663	14,663
11-14	Various Improvements	10/15/2015	10/14/2016	0.65%	850,000	850,000
17-14	Various Improvements	10/15/2015	10/14/2016	0.65%	6,002	6,002
9-15	Various Improvements	10/15/2015	10/14/2016	0.65%	<u>2,600,000</u>	<u>2,600,000</u>
					<u>\$3,474,070</u>	<u>\$ 3,474,070</u>
					Issued for Cash	<u>\$3,474,070</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	Improvement Description	Balance, December 31, 2014	Increased by	Decreased by		Balance, December 31, 2015
			2015 Authorizations	Notes Issued	Additional Grants Awarded	
<u>General Improvements</u>						
1-13	Various Improvements	\$ 13,100		\$ 3,405		\$ 9,695
4-13	Dan Jordan Field Improvements	1				1
5-13	Various Improvements	136,220		14,663		121,557
11-14	Various Improvements	1,220,116		850,000	\$ 15,000	355,116
17-14	UPS for the Police Department	8,526	-	6,002		2,524
9-15	Various Improvements	-	\$ 3,723,898	2,600,000	-	1,123,898
		<u>\$ 1,377,963</u>	<u>\$ 3,723,898</u>	<u>\$ 3,474,070</u>	<u>\$ 15,000</u>	<u>\$ 1,612,791</u>

WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ 702,985	\$ 892,706
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,494,241	
Miscellaneous Fees	84,948	
Appropriation Refunds	647	
2015 Budget Appropriation - Capital Improvement Fund		\$ 46,500
Receipts from Water Utility Capital Fund	<u>22,021</u>	<u>-</u>
	<u>1,601,857</u>	<u>46,500</u>
	2,304,842	939,206
Decreased by Disbursements:		
2015 Budget Appropriations	1,518,761	
2014 Appropriation Reserves	46,035	
Accrued Interest on Bonds and Notes	35,695	
Improvement Authorizations		57,494
Encumbrances Payable		248,361
Payments made to Water Utility Operating Fund	<u> </u>	<u>22,021</u>
	<u>1,600,491</u>	<u>327,876</u>
Balance, December 31, 2015	<u>\$ 704,351</u>	<u>\$ 611,330</u>

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

	Balance, December 31, <u>2015</u>
Encumbrances Payable	\$ 676,558
Capital Improvement Fund	1,000
Fund Balance	19,379
Improvement Authorizations:	
12-14 Various Improvements	(46,051)
10-15 Various Improvements	<u>(39,556)</u>
	<u>\$ 611,330</u>

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

Balance, December 31, 2014	\$ 61,907
Increased by:	
Water Rents Levied	<u>1,557,241</u>
	1,619,148
Decreased by:	
Cash Receipts	<u>1,494,241</u>
Balance, December 31, 2015	<u>\$ 124,907</u>

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

Balance, December 31, 2014	\$ 7,207,393
Increased by:	
Transfers from Fixed Capital Authorized and Uncompleted	<u>296,855</u>
Balance, December 31, 2015	<u>\$ 7,504,248</u>

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

Balance, December 31, 2014	\$ 51,460
Increased by:	
Charges to 2015 Budget Appropriations	<u>66,615</u>
	118,075
Decreased by:	
Transfer to Appropriation Reserves	<u>51,460</u>
Balance, December 31, 2015	<u>\$ 66,615</u>

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

Balance, December 31, 2014	\$ 7,472
Increased by:	
Charged to 2015 Budget Appropriations	<u>35,444</u>
	42,916
Decreased by:	
Cash Disbursements	<u>35,695</u>
Balance, December 31, 2015	<u>\$ 7,221</u>

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

Increased by:	
Fund Balance Anticipated as Water Operating Revenue	<u>\$ 22,021</u>
Decreased by:	
Cash Disbursements	<u>\$ 22,021</u>

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

Balance, December 31, 2014		\$ 6,733,803
Increased by:		
Serial Bonds Paid by Budget	\$ 140,000	
Loans Paid by Budget	19,113	
Transferred from Deferred Reserve for Amortization	<u>46,500</u>	
		<u>205,613</u>
		6,939,416
Decreased by:		
Funded Improvement Authorizations Cancelled		<u>9,402</u>
Balance, December 31, 2015		<u>\$ 6,930,014</u>

**STATEMENT OF NJEIT LOANS PAYABLE
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2014		\$ 334,298
Decreased By:		
2015 Budget Appropriation		<u>19,113</u>
Balance, December 31, 2015		<u>\$ 315,185</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2014 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2014</u>	Transfer From Encumbrances <u>Payable</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 6,633		\$ 6,633		\$ 6,633
Other Expenses	43,272	\$ 51,460	94,732	\$ 46,035	48,697
STATUTORY EXPENDITURES					
Social Security System	<u>455</u>	<u>-</u>	<u>455</u>	<u>-</u>	<u>455</u>
	<u>\$ 50,360</u>	<u>\$ 51,460</u>	<u>\$ 101,820</u>	<u>\$ 46,035</u>	<u>\$ 55,785</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2015</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2014</u>	<u>Decreased</u>	<u>Balance, December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Water Improvements	10/17/2012	\$ 333,000	11/1/2016	\$ 75,000	2.00%	\$ 223,000	\$ 75,000	\$ 148,000
			11/1/2017	73,000	2.00%			
Water Improvements	10/7/2014	863,000	10/15/2016	65,000	3.00%	863,000	65,000	798,000
			10/15/2017	120,000	3.00%			
			10/15/2018	120,000	3.00%			
			10/15/2019	120,000	4.00%			
			10/15/2020-21	125,000	4.00%			
			10/15/2022	123,000	4.00%			
						-	-	-
						<u>\$ 1,086,000</u>	<u>\$ 140,000</u>	<u>\$ 946,000</u>
							Budget Appropriation	<u>\$ 140,000</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2014	2015 Authorizations	Decreased by		Balance, December 31, 2015
				Transferred to Fixed Capital	Cancelled	
25-07	Various Improvements	\$ 22,719		\$ 13,317	\$ 9,402	-
40-08	Various Improvements	19,493		19,493		-
19-09	Various Improvements	11,250		11,250		-
12-12	Various Improvements	3,250		3,250		-
21-12	Upgrades to Indian Spring Well House	20,451		20,451		-
7-13	Various Improvements	314,074		13,442		\$ 300,632
12-14	Various Improvements	632,971		176,096		456,875
10-15	Various Improvements	-	\$ 930,000	39,556	-	890,444
		<u>\$ 1,024,208</u>	<u>\$ 930,000</u>	<u>\$ 296,855</u>	<u>\$ 9,402</u>	<u>\$ 1,647,951</u>

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

Balance, December 31, 2014	\$ 267,740
Increased By	
Charges to Improvement Authorizations	<u>676,558</u>
	944,298
Decreased by:	
Cancelled to Improvement Authorizations	\$ 19,379
Cash Disbursements	<u>248,361</u>
	<u>267,740</u>
Balance, December 31, 2015	<u>\$ 676,558</u>

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

Ord. No. <u>Improvement Description</u>	<u>Ordinance</u>		Balance, <u>December 31, 2014</u>		2015 <u>Authorizations</u>	Encumbrances <u>Cancelled</u>	Ordinance <u>Cancelled</u>	<u>Expended</u>	Balance, <u>December 31, 2015</u>	
	<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>					<u>Funded</u>	<u>Unfunded</u>
25-07 Various Improvements	6/26/2007	774,000				\$ 19,379	\$ 19,379			
7-13 Various Improvements	3/9/2013	340,000	\$ 253,974					\$ 253,974		
12-14 Various Improvements	4/22/2014	650,000	347,971	\$ 77,500				394,022		\$ 31,449
10-15 Various Improvements	3/18/2015	930,000	-	-	\$ 930,000	-	-	86,056	-	843,944
			<u>\$ 601,945</u>	<u>\$ 77,500</u>	<u>\$ 930,000</u>	<u>\$ 19,379</u>	<u>\$ 19,379</u>	<u>\$ 734,052</u>	<u>\$ -</u>	<u>\$ 875,393</u>
					Capital Improvement Fund					\$ 46,500
					Deferred Charges to Future Revenue					<u>883,500</u>
					Fund Balance					<u>\$ 930,000</u>
										<u>\$ 19,379</u>
										Cash Disbursements
										\$ 57,494
										<u>676,558</u>
										<u>\$ 734,052</u>

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

Balance, December 31, 2014	\$ 1,000
Increased By:	
2015 Budget Appropriation	<u>46,500</u>
	47,500
Decreased By:	
Appropriated to Finance Improvement Authorizations	<u>46,500</u>
Balance, December 31, 2015	<u>\$ 1,000</u>

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

Increased By:

2015 Improvement Authorizations

\$ 46,500

Decreased By:

Transferred to Reserve for Amortization

\$ 46,500

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

<u>Ord.</u>		Balance, December 31, <u>2014</u>	2015 <u>Authorizations</u>	Balance, December 31, <u>2015</u>
<u>No.</u>	<u>Improvement Description</u>			
12-14	Various Improvements	\$ 77,500		\$ 77,500
10-15	Various Improvements	<u>-</u>	<u>\$ 883,500</u>	<u>883,500</u>
		<u>\$ 77,500</u>	<u>\$ 883,500</u>	<u>\$ 961,000</u>

SEWER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>	<u>Assessment</u>
Balance, December 31, 2014	\$ 2,541,008	\$ 48,687	\$ 790,719
Increased by Receipts:			
Consumer Rents Accounts Receivable (Net of Refunds)	\$ 3,638,977		
Assessments Receivable			\$ 3,316
Sewer Assessment Surplus Anticipated as Revenue	15,263		
Sewer Capital Fund Anticipated as Revenue	25,255		
Reimbursement from Mount Olive School District	50,662		
Miscellaneous Budget Revenues	336,271		
Interest on Assessments	366		
Budget Refunds	3,746		
	<u>4,070,540</u>	<u>-</u>	<u>-</u>
	6,611,548	48,687	794,035
Decreased by Disbursements:			
2015 Budget Appropriations	3,349,471		402,251
2014 Appropriation Reserves	304,254		
Reserve for Encumbrances	-	\$ 19,307	
Accrued Interest on Bond and Notes	58,609		
Anticipated as Revenue in Sewer Operating Fund		25,255	15,263
Accounts Payable	<u>53,137</u>	<u>-</u>	<u>-</u>
	<u>3,765,471</u>	<u>44,562</u>	<u>417,514</u>
Balance, December 31, 2015	<u>\$ 2,846,077</u>	<u>\$ 4,125</u>	<u>\$ 376,521</u>

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

	Balance, December 31, <u>2015</u>
Fund Balance	\$ <u>4,125</u>

EXHIBIT E-10

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

Balance, December 31, 2014		\$ 187,886
Increased by:		
Sewer Rents Levied		<u>3,623,267</u>
		3,811,153
Decreased by:		
Cash Collections (net of refunds)	\$ 3,638,977	
Transferred to Sewer Liens	<u>3,601</u>	
		<u>3,642,578</u>
Balance, December 31, 2015		\$ <u>168,575</u>

EXHIBIT E-11

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

Balance, December 31, 2014		\$ 2,650
Increased by:		
Transferred from Consumer Accounts Receivable	\$ 3,601	
Interest and Costs	<u>178</u>	
		<u>3,779</u>
Balance, December 31, 2015		\$ <u>6,429</u>

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

Balance, December 31, 2014	\$ 3,316
Decreased by:	
Cash Receipts for Assessments Receivable (Net of Refunds)	<u>3,316</u>
Balance, December 31, 2015	<u>\$ -</u>

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

Balance, December 31, 2014	\$ 332,664
Increased by:	
Charges to 2015 Budget Appropriations	<u>207,103</u>
	539,767
Decreased by:	
Transfer to Appropriation Reserves	<u>332,664</u>
Balance, December 31, 2015	<u>\$ 207,103</u>

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

	Sewer Assessment Trust Fund	Sewer Capital Fund	Total
Balance, December 31, 2014	\$ 167,251	\$ 95,001	\$ 262,252
Decreased by:			
Repayment of Loans by Assessment Budget	167,251		167,251
Repayment of Loans by Operating Budget	-	45,000	45,000
	<u>167,251</u>	<u>45,000</u>	<u>212,251</u>
Balance, December 31, 2015	<u>\$ -</u>	<u>\$ 50,001</u>	<u>\$ 50,001</u>

Analysis of Balance

1996 Loan	<u>\$ 50,001</u>
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**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND**

	Balance, December 31, <u>2014</u>	Transferred From Encumbrances <u>Payable</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 4,799		\$ 4,799		\$ 4,799
Other Expenses	96,871	\$ 80,417	177,288	\$ 52,007	125,281
CAPITAL IMPROVEMENTS					
Capital Outlay	32,567	252,247	284,814	252,247	32,567
STATUTORY EXPENDITURES					
Social Security System	<u>317</u>	<u>-</u>	<u>317</u>	<u>-</u>	<u>317</u>
	<u>\$ 134,554</u>	<u>\$ 332,664</u>	<u>\$ 467,218</u>	<u>\$ 304,254</u>	<u>\$ 162,964</u>
		Cash Disbursements		<u>\$ 304,254</u>	

EXHIBIT E-16

**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND**

			Decreased By		
Ord. <u>No.</u>	<u>Improvement Description</u>	Balance December 31, <u>2014</u>	Cancelled <u>Ordinance</u>	Transferred Fixed <u>Capital</u>	Balance December 31, <u>2015</u>
11-12	Various Improvements	\$ 30,932	\$ 23,432	\$ 7,500	\$ -
		<u>\$ 30,932</u>	<u>\$ 23,432</u>	<u>\$ 7,500</u>	<u>\$ -</u>

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2014	Capital Outlay <u>Expended</u>	Transferred - Fixed Capital Authorized and <u>Uncompleted</u>	Balance, December 31, 2015
11-97	Purch. Of 2 Utility Trucks and Sewer Cleaner	\$ 258,149			\$ 258,149
3-92/21-92/11-97	Sewer Coll. And Treatment System	1,020,800			1,020,800
07-93	Sewer Coll. And Treatment System	325,500			325,500
16-93	Sewer Coll. And Treatment System	19,635,575			19,635,575
10-95/20-95	Sewer Coll. And Treatment System	3,494,415			3,494,415
16-96	Construction of Sewer Connection	1,508,302			1,508,302
10-97	Musonctcong Sewer Auth. Capital Charges	675,018			675,018
12-97	Refunding Bond Ordinance	3,606,000			3,606,000
20-98	Refunding Bond Ordinance	1,524,142			1,524,142
21-01	Acquisition of Dump Truck	15,000			15,000
32-02	Various Improvements	34,111			34,111
N/A	Pump Station Improvements	266,060			266,060
N/A	Acquisition of Pick Up Truck	29,877			29,877
N/A	Various Improvements	120,650			120,650
N/A	Various Improvements - 2007	25,831			25,831
N/A	Various Improvements - 2008	131,064			131,064
N/A	Various Improvements - 2009	113,658			113,658
N/A	Various Improvements - 2009	135,000			135,000
N/A	Various Improvements - 2012	78,953			78,953
11-12	Various Improvements - 2013	75,189		\$ 7,500	82,689
N/A	Various Improvements - 2014	39,846			39,846
N/A	Various Improvements - 2015	138,310			138,310
N/A	Various Improvements - 2015	-	\$ 401,377	-	401,377
		<u>\$ 33,251,450</u>	<u>\$ 401,377</u>	<u>\$ 7,500</u>	<u>\$ 33,660,327</u>

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

Balance, December 31, 2014		\$ 32,168,381
Increased by:		
2015 Budget Appropriation		
Capital Outlay	\$ 401,377	
Bond Principal	365,000	
Loan Principal	<u>45,000</u>	
		<u>811,377</u>
		32,979,758
Decreased by:		
Funded Improvement Authorizations Cancelled		<u>23,432</u>
Balance, December 31, 2015		<u>\$ 32,956,326</u>

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

Balance, December 31, 2014		\$ 23,065
Increased by:		
Charges to 2015 Budget Appropriations:		
Interest on Bonds and Notes		<u>40,166</u>
		63,231
Decreased by:		
Cash Disbursements		<u>58,609</u>
Balance, December 31, 2015		<u>\$ 4,622</u>
	Serial Bonds	\$ 3,528
	Wastewater Loans	<u>1,094</u>
		<u>\$ 4,622</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2015</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2014</u>	<u>Increased</u> <u>Decreased</u>		<u>Balance, December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>		<u>2014</u>	<u>2015</u>	<u>2015</u>	
Sewer Refunding Bonds	5/25/2005	\$ 2,957,000				\$ 927,000		\$ 927,000	
Sewer Improvement Bonds	10/17/2012	142,000	11/1/16 11/1/17	\$ 30,000 32,000	2.00 % 2.00 %	92,000		30,000	\$ 62,000
Sewer Refunding Bonds	4/28/2015	592,000	5/15/2016 5/15/2017 5/15/2018	327,000 135,000 130,000	2.00% 4.00% 4.00%		\$ 592,000	-	592,000
						-	-	-	-
						<u>\$ 1,019,000</u>	<u>\$ 592,000</u>	<u>\$ 957,000</u>	<u>\$ 654,000</u>
					Paid by Budget Appropriation			\$ 365,000	
					Refunding Bonds Issued		\$ 592,000		
					Bonds Refunded		-	<u>592,000</u>	
							<u>\$ 592,000</u>	<u>\$ 957,000</u>	

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2015</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Sewer Refunding Bonds	5/25/2005	\$ 668,000				\$ 193,000		\$ 193,000	
Sewer Refunding Bonds	10/17/2012	700,000	11/1/16-17	\$ 140,000	2.00 %	420,000		140,000	\$ 280,000
Sewer Refunding Bonds	4/28/2015	592,000	5/15/2016	98,000	2.00%	-	\$ 98,000	-	98,000
						\$ 613,000	\$ 98,000	\$ 333,000	\$ 378,000
					Paid by Budget Appropriation			\$ 235,000	
					Refunding Bonds Issued		\$ 98,000		
					Bonds Refunded		-	98,000	
							\$ 98,000	\$ 333,000	

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

Ord. No.	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance, December 31, 2014</u>		<u>Prior Year Encumbrances</u>	<u>Ordinance Cancelled</u>	<u>Balance, December 31, 2015</u>	
				<u>Funded</u>	<u>Unfunded</u>	<u>Cancelled</u>		<u>Funded</u>	<u>Unfunded</u>
11-12	Various Improvements	4/27/2013	\$ 150,000	-	-	\$ 4,125	\$ 4,125	-	-
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,125</u>	<u>\$ 4,125</u>	<u>\$ -</u>	<u>\$ -</u>
							<u>\$ 4,125</u>		

Fund Balance

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

Balance, December 31, 2014		\$ 23,432
Decreased by:		
Cash Disbursements	\$ 19,307	
Cancelled	<u>4,125</u>	
		<u>23,432</u>
Balance, December 31, 2015		<u>\$ -</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2014	\$ 53,137
Decreased by:	
Cash Disbursements	<u>53,137</u>
Balance, December 31, 2015	<u>\$ -</u>

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

Balance, December 31, 2014	<u>\$ 1,645</u>
Balance, December 31, 2015	<u>\$ 1,645</u>

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

Balance, December 31, 2014	<u>\$ 166</u>
Balance, December 31, 2015	<u>\$ 166</u>

SOLID WASTE COLLECTION DISTRICT FUND

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

Balance, December 31, 2014		\$ 798,039
Increased by:		
Budget Revenue	\$ 2,119,769	
Non Budget Revenue	949	
Due from County of Morris	<u>654,617</u>	
		<u>2,775,335</u>
		3,573,374
Decreased by Disbursements:		
2014 Appropriation Reserves	93,665	
2015 Appropriation Expenditures	<u>2,824,776</u>	
		<u>2,918,441</u>
Balance, December 31, 2015		<u>\$ 654,933</u>

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

Balance, December 31, 2014	\$ 62,758
Increased by:	
Host Benefit Fees Realized as Revenue	703,973
	766,731
Decreased by:	
Cash Receipts	654,617
Balance, December 31, 2015	\$ 112,114

**STATEMENT OF 2014 APPROPRIATION RESERVES
SOLID WASTE COLLECTION DISTRICT FUND**

	Balance December 31, 2014	Transfer From Encumbrances Payable	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 31,379		\$ 31,379		\$ 31,379
Other Expenses	64,578	\$ 116,107	180,685	\$ 91,557	89,128
Recycling Tax	2,727	2,534	5,261	2,108	3,153
Statutory Expenditures:					
Social Security System	1,441	-	1,441	-	1,441
	\$ 100,125	\$ 118,641	\$ 218,766	\$ 93,665	\$ 125,101

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

Balance, December 31, 2014	\$ 118,641
Increased by:	
Charges to 2015 Budget	<u>94,132</u>
	212,773
Decreased by:	
Transfer to 2014 Appropriation Reserves	<u>118,641</u>
Balance, December 31, 2015	<u>\$ 94,132</u>

RECREATION UTILITY FUND

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

Balance, December 31, 2014		\$ 89,804
Increased by:		
Budget Revenue	\$ 467,500	
Non Budget Revenue	<u>7,566</u>	
		<u>475,066</u>
		564,870
Decreased by Disbursements:		
2014 Appropriation Reserves	4,451	
2015 Appropriation Expenditures	<u>376,030</u>	
		<u>380,481</u>
Balance, December 31, 2015		<u>\$ 184,389</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
RECREATION UTILITY FUND**

Balance, December 31, 2014		\$ 8,080
Increased by:		
Charges to 2015 Budget		<u>12,891</u>
		20,971
Decreased by:		
Transfer to Appropriation Reserves		<u>8,080</u>
Balance, December 31, 2015		<u>\$ 12,891</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2014 APPROPRIATION RESERVES
RECREATION UTILITY FUND**

	Balance December 31, <u>2014</u>	Transfer From Encumbrances <u>Payable</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 10,225		\$ 10,225		\$ 10,225
Other Expenses	21,333	\$ 8,080	29,413	\$ 4,451	24,962
Statutory Expenditures:					
Social Security System	<u>1,979</u>	<u>-</u>	<u>1,979</u>	<u>-</u>	<u>1,979</u>
	<u>\$ 33,537</u>	<u>\$ 8,080</u>	<u>\$ 41,617</u>	<u>\$ 4,451</u>	<u>\$ 37,166</u>

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

EXHIBIT G-7

Balance, December 31, 2014	<u>\$ 2,595</u>
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Balance, December 31, 2015	<u>\$ 2,595</u>
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EXHIBIT G-8

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

Balance, December 31, 2014	<u>\$ 2,595</u>
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Balance, December 31, 2015	<u>\$ 2,595</u>
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**TOWNSHIP OF MOUNT OLIVE
MORRIS COUNTY, NEW JERSEY**

PART II

GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & HIGGINS, LLP

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Mount Olive
Mount Olive, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of Mount Olive as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2016. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Mount Olive'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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township of Mount Olive's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Mount Olive's internal control.

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

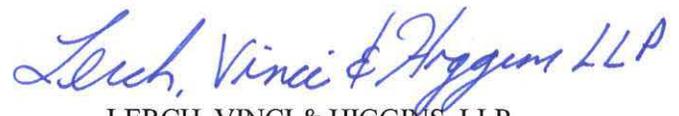
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

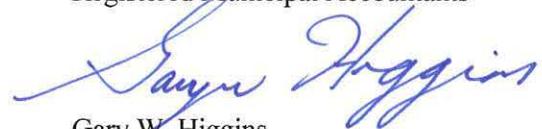
As part of obtaining reasonable assurance about whether the Township of Mount Olive's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

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 of Mount Olive'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 Township of Mount Olive's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary W. Higgins
Registered Municipal Accountant
RMA Number CR00405

Fair Lawn, New Jersey
June 20, 2016

TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2015

	<u>Grant Year</u>	<u>Federal CFDA Number</u>	<u>Grant Award Received</u>	<u>Balance, December 31, 2014</u>	<u>Revenue Realized</u>	<u>Cancelled</u>	<u>Expenditures</u>	<u>Balance, December 31, 2015</u>	<u>(Memo) Cumulative Expenditures</u>
U.S. Department of Environmental Protection Recreation Trails Grant	2013	20.219	\$ 24,000	\$ 18,603			\$ 8,056	\$ 10,547	\$ 13,453
U.S. Dept. of Housing and Urban Development Community Development Block Grant	2015	14.218		-	\$ 46,100			46,100	
U.S. Dept. of Transportation Drunk Driving Enforcement Fund	2013	20.601		3,245			3,245	-	30,077
Drunk Driving Enforcement Fund	2014	20.601		15,204			4,754	10,450	4,754
Drunk Driving Enforcement Fund	2015	20.601	15,677		15,677			15,677	-
Click it or Ticket	2015	20.602	3,803	-	4,000	\$ 197	3,803	-	3,803
Drive Sober or Get Pulled Over - Year End	2014	20.801	7,500	4,810		1,285	3,525	-	6,215
Drive Sober or Get Pulled Over	2015	20.801		-	5,000			5,000	-
Highway Aid - Ord. 5-13	2013	20.205	53,400	64,800		11,400	53,400	-	213,600
Highway Aid - Ord. 11-14	2014	20.205	180,000	225,000	15,000	-	180,000	60,000	180,000
				<u>\$ 331,662</u>	<u>\$ 85,777</u>	<u>\$ 12,882</u>	<u>\$ 256,783</u>	<u>\$ 147,774</u>	<u>\$ 451,902</u>

Note - This schedule was not subject to an audit in accordance with U.S. Uniform Guidance

TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Amount Received</u>	<u>Balance, December 31, 2014</u>	<u>2015 Revenue</u>	<u>Adjustment</u>	<u>Expended</u>	<u>Balance, December 31, 2015</u>	<u>(Memo) Cumulative Expenditures</u>
Clean Communities Program	4900-752-178810-60	2015	\$ 65,849		\$ 65,849		\$ 44,585	\$ 21,264	\$ 44,585
		2014		\$ 3,861			3,861	-	54,038
Recycling Tonnage Grant	N/A	2015	70,947	-	70,947		58,220	12,727	58,220
		2013		9,737			9,737	-	71,275
Body Armor Replacement Grant	N/A	2015	6,413	-	6,413			6,413	-
		2014		4,464				4,464	-
		2013		5,980			1,851	4,129	1,851
		2012		1,007			1,007	-	4,703
Bullet Proof Vest Partnership	N/A	2015		-	2,326			2,326	
		2014	2,382	2,737				2,737	
		2013		2,921				2,921	
		2012		2,112			617	1,495	617
		2011		4,148			4,148	-	19,000
NJ Sustainable Grant	N/A	2015		-	10,000	-		10,000	
		2013	5,000	2,641		\$ 2,009		4,650	5,350
Highlands Council Grant	N/A	2015	25,000	-	25,000	-	25,000	-	25,000
Department of Environmental Protection: Hazardous Substance Remediation		2014		90,000	-	-	-	90,000	-
				<u>\$ 129,608</u>	<u>\$ 180,535</u>	<u>\$ 2,009</u>	<u>\$ 149,026</u>	<u>\$ 163,126</u>	<u>\$ 284,639</u>

N/A - Not Available

Note - This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08.

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

**TOWNSHIP OF MOUNT OLIVE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Township of Mount Olive. The Township is defined in Note 1(A) to the Township's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Township's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Financial assistance revenues are reported in the Township's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 24,677	\$ 180,535	\$ 205,212
General Capital Fund	<u>61,100</u>	<u>-</u>	<u>61,100</u>
 Total Financial Awards	 <u>\$ 85,777</u>	 <u>\$ 180,535</u>	 <u>\$ 266,312</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Township's fiscal year and grant program year.

**TOWNSHIP OF MOUNT OLIVE
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2015**

NOTE 5 STATE LOANS OUTSTANDING

The Township's state loans outstanding at December 31, 2015, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>Federal CFDA Number/ State Account Number</u>	<u>State</u>
Garden State Preservation Trust Loan	1427-96-025	\$ 202,153
Wastewater Trust Loans	4860-510-702440-61	50,001
NJEIT Loan		<u>315,185</u>
		<u>\$ 567,339</u>

**TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Part I – Summary of Auditor's Results

Financial Statements

- A) Type of auditors' report issued on financial statements Modified - Regulatory Basis, Unaudited LOSAP Trust Fund
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified yes X no
- 2) Significant deficiency(ies) that are not considered to be material weakness(es)? yes X none reported
- C) Noncompliance material to the financial statements noted? yes X no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*

There are none.

**TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF FINDINGS AND REPOSSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

None reported.

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>			<u>Year 2014</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 3,444,493	3.20	%	\$ 2,632,405	2.51	%
Miscellaneous - From Other Than						
Local Property Tax Levies	6,789,092	6.32		6,635,401	6.34	
Collection of Delinquent Taxes and Tax Title Liens	756,892	0.70		919,684	0.88	
Collection of Current Tax Levy	95,903,525	89.23		94,231,982	90.01	
Other Credits to Income	585,561	0.55		270,372	0.26	
	<u>107,479,563</u>	<u>100.00</u>	%	<u>104,689,844</u>	<u>100.00</u>	%
EXPENDITURES						
Budget Expenditures						
Municipal Purposes	27,350,326	26.45	%	25,916,161	25.58	%
Local School Taxes	65,909,046	63.74		64,857,316	64.02	
County Taxes	7,574,230	7.32		7,985,345	7.89	
Sanitation District Taxes	1,959,599	1.89		1,935,403	1.91	
Municipal Open Space Preservation	597,295	0.58		590,711	0.58	
Other Expenditures	16,226	0.02		22,867	0.02	
	<u>103,406,722</u>	<u>100.00</u>	%	<u>101,307,803</u>	<u>100.00</u>	%
Excess in Revenue	4,072,841			3,382,041		
Fund Balance, January 1	<u>4,711,513</u>			<u>3,961,877</u>		
	8,784,354			7,343,918		
Decreased by:						
Utilized as Anticipated Revenue	<u>3,444,493</u>			<u>2,632,405</u>		
Fund Balance, December 31	<u>\$ 5,339,861</u>			<u>\$ 4,711,513</u>		

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>			<u>Year 2014</u>		
		<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 109,094	6.18	%	\$ 40,000	2.23	%
Collection of Water Rents	1,494,241	84.60		1,480,426	82.59	
Miscellaneous - From Other Than Water Rents	106,969	6.06		176,332	9.84	
Unexpended Balance of Appropriation Reserves	<u>55,785</u>	<u>3.16</u>		<u>95,688</u>	<u>5.34</u>	
 Total Income	 <u>1,766,089</u>	 <u>100.00</u>	 %	 <u>1,792,446</u>	 <u>100.00</u>	 %
EXPENDITURES						
Budget Expenditures						
Operating	1,348,732	81.21	%	1,320,943	85.08	%
Capital Improvements	46,500	2.80		32,500	2.09	
Debt Service	194,556	11.71		102,474	6.60	
Deferred Charges and Statutory Expenditures	<u>71,075</u>	<u>4.28</u>		<u>96,674</u>	<u>6.23</u>	
 Total Expenditures	 <u>1,660,863</u>	 <u>100.00</u>	 %	 <u>1,552,591</u>	 <u>100.00</u>	 %
 Excess in Revenue	 105,226			 239,855		
 Fund Balance, January 1	 <u>593,693</u>			 <u>393,838</u>		
	698,919			633,693		
Decreased by:						
Utilized as Anticipated Revenue	<u>109,094</u>			<u>40,000</u>		
 Fund Balance, December 31	 <u>\$ 589,825</u>			 <u>\$ 593,693</u>		

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>			<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 563,141	11.75 %	\$	544,176	10.52 %
Sewer User Fees	3,638,977	75.92		3,715,074	71.79
Miscellaneous - From Other Than					
Sewer Service Charges	427,817	8.93		856,180	16.55
Unexpended Balance of Appropriation Reserves	<u>162,964</u>	<u>3.40</u>		<u>59,165</u>	<u>1.14</u>
 Total Income	 <u>4,792,899</u>	 <u>100.00</u> %		 <u>5,174,595</u>	 <u>100.00</u> %
 EXPENDITURES					
Budget Expenditures					
Operating	2,525,634	67.97 %		2,536,882	65.07 %
Deferred Charges and Statutory Expenditures	415,078	11.17		449,226	11.52
Debt Service	450,166	12.11		507,705	13.02
Capital Outlay	<u>325,000</u>	<u>8.75</u>		<u>405,000</u>	<u>10.39</u>
 Total Expenditures	 <u>3,715,878</u>	 <u>100.00</u> %		 <u>3,898,813</u>	 <u>100.00</u> %
 Excess in Revenue	 1,077,021			 1,275,782	
 Fund Balance, January 1	 <u>1,997,588</u>			 <u>1,265,982</u>	
	 3,074,609			 2,541,764	
Decreased by:					
Utilized as Anticipated Revenue	<u>563,141</u>			<u>544,176</u>	
 Fund Balance, December 31	 <u>\$ 2,511,468</u>			 <u>\$ 1,997,588</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>			<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 324,803	9.92	%	\$ 150,731	5.03
Sanitation District Taxes	1,959,599	59.84		1,935,403	64.55
Host Benefit Fees - Transfer Station	774,010	23.64		725,706	24.21
Miscellaneous - Fees	91,082	2.78		98,418	3.28
Unexpended Balance of Appropriation Reserves	<u>125,101</u>	<u>3.82</u>		<u>87,888</u>	<u>2.93</u>
 Total Income	 <u>3,274,595</u>	 <u>100.00</u>	 %	 <u>2,998,146</u>	 <u>100.00</u>
EXPENDITURES					
Budget Expenditures					
Operating	2,492,610	84.05	%	2,529,453	92.26
Deferred Charges and Statutory Expenditures	157,644	5.32		159,367	5.82
Surplus (General Budget)	<u>315,256</u>	<u>10.63</u>		<u>52,775</u>	<u>1.92</u>
 Total Expenditures	 <u>2,965,510</u>	 <u>100.00</u>	 %	 <u>2,741,595</u>	 <u>100.00</u>
 Excess in Revenue	 309,085			 256,551	
 Fund Balance, January 1	 <u>642,031</u>			 <u>536,211</u>	
Decreased by:	951,116			792,762	
Utilized as Anticipated Revenue	<u>324,803</u>			<u>150,731</u>	
 Fund Balance, December 31	 <u>\$ 626,313</u>			 <u>\$ 642,031</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>			<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 16,200	3.07 %	\$	48,000	9.29 %
Program Fees	467,500	88.47		450,271	87.14
Non Budget Revenue	7,566	1.44		10,768	2.09
Unexpended Balance of Appropriation Reserves	<u>37,166</u>	<u>7.03</u>		<u>7,667</u>	<u>1.48</u>
 Total Income	 <u>528,432</u>	 <u>100.00</u> %		 <u>516,706</u>	 <u>100.00</u> %
 EXPENDITURES					
Budget Expenditures					
Operating	423,271	94.86 %		469,838	95.85 %
Statutory Expenditures	<u>22,913</u>	<u>5.14</u>		<u>20,330</u>	<u>4.15</u>
 Total Expenditures	 <u>446,184</u>	 <u>100.00</u> %		 <u>490,168</u>	 <u>100.00</u> %
 Excess in Revenue	 82,248			 26,538	
 Fund Balance, January 1	 <u>48,187</u>			 <u>69,649</u>	
	130,435			96,187	
Decreased by:					
Utilized as Anticipated Revenue	<u>16,200</u>			<u>48,000</u>	
 Fund Balance, December 31	 <u>\$ 114,235</u>			 <u>\$ 48,187</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$ 96,840,813	\$ 95,903,525	99.03%
2014	95,203,445	94,356,982	99.11%
2013	94,121,939	93,127,058	98.93%

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>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2015	\$ 631,581	\$ 757,359	\$ 1,388,940	1.434%
2014	519,609	760,626	1,280,235	1.345%
2013	446,072	905,423	1,351,495	1.436%

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2015	\$5,005,494
2014	4,977,194
2013	4,977,194

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$3.184</u>	<u>\$3.187</u>	<u>\$3.158</u>

Apportionment of Tax Rate

Municipal (Including Municipal Open Space and Library)	0.658	.660	.663
County	0.247	.266	.271
Local School	2.182	2.164	2.127
Sanitation District	0.097	.097	.097

Assessed Valuation

2015	<u>\$2,998,108,381</u>		
2014		<u>\$3,020,972,800</u>	
2013			<u>\$2,993,479,577</u>

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>	<u>Percentage of Collection</u>
2015	\$1,557,241	\$1,494,241	95.95%
2014	1,480,964	1,480,426	99.96
2013	1,505,284	1,517,579	100.81

Comparison of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>	<u>Percentage of Collection</u>
2015	\$3,623,267	\$3,638,977	100.43%
2014	3,699,466	3,713,920	100.39
2013	3,819,536	3,804,398	99.60

(1) Includes collection of prior year receivables.

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2015	\$ 5,339,861	\$ 3,050,369
	2014	4,711,513	3,444,493
	2013	3,961,877	2,632,405
	2012	2,881,794	1,975,000
	2011	2,892,650	2,200,000
Water Utility Operating Fund	2015	\$ 589,825	\$ 217,630
	2014	593,693	109,094
	2013	393,838	40,000
	2012	304,862	119,202
	2011	335,197	215,017
Sewer Utility Operating Fund	2015	\$ 2,511,468	\$ 755,619
	2014	1,997,588	563,141
	2013	1,265,982	544,176
	2012	1,247,541	347,357
	2011	1,506,695	1,134,224
Solid Waste Collection District Fund	2015	\$ 626,313	\$ 292,018
	2014	642,031	324,803
	2013	536,211	150,731
	2012	552,860	241,820
	2011	434,826	96,637
Recreation Utility Fund	2015	\$ 114,235	\$ 29,000
	2014	48,187	16,200
	2013	69,649	48,000
	2012	47,697	33,500
	2011	68,189	55,000

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Robert Greenbaum	Mayor		
Alex Roman	Council President		
Colleen Labow	Council Vice President		
John Mania	Councilman		
Daniel Amianda	Councilman		
Raymond T. Perkins	Councilman (January 1, 2015 to June 30, 2015)		
Gregory Stewart	Councilman (July 21, 2015 to December 31, 2015)		
John Ferrante	Councilman		
Joe Nicastro	Councilman		
Sean Canning	Business Administrator (January 1, 2015 to October 15, 2015)		
Laura Harris	Business Administrator (October 16, 2015 to December 31, 2015)		
Lisa Lashway	Clerk (January 1, 2015 to October 1, 2015)		
Michelle Masser	Clerk (October 2, 2015 to December 31, 2015)		
Sherry Kolody	Director of Finance, CFO and Treasurer	\$1,000,000	Fidelity and Deposit Co. Blanket Bond
Rose Barsanti	Tax/Utility Collector	1,000,000	Fidelity and Deposit Co. Blanket Bond
Fred Semrau	Attorney		
Brian J. Levine	Municipal Court Judge	1,000,000	Fidelity and Deposit Co. Blanket Bond
Michelle Armbrecht	Court Administrator	1,000,000	Fidelity and Deposit Co. Blanket Bond
Gary Lindsay	Construction Code Official		
John Marchione	Tax Assessor		

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

GENERAL COMMENTS

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

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement."

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

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

Asphalt and Concrete Supply	Improvements to International Drive Phase II
Water Testing Services	Sewage Sludge Pumping Services
Two Single Axle Dump Bodies	Snowplowing Services
Two Plows, Dump Body and Sander Trucks	Police Fingerprint and ID System
Four Police SUV's and One Animal Control Vehicle	Coating of the Tinc Farm Water Storage Tank
NJ Licensed Electrician Services	Grinder Pump Sales and Service
Tree Removal, Trimming and Stump Grinding Services	

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

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 2, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

GENERAL COMMENTS (Continued)

Collection of Interest on Delinquent Taxes and Assessments (Continued)

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for non-payment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Mount Olive, as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if delinquent is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September 24, 2015.

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

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

<u>Year</u>	<u>Tax Title</u>	<u>Sewer Rent Liens</u>	<u>Sewer Assessment Liens</u>
2015	22	5	2
2014	14	3	2
2013	5	0	0

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

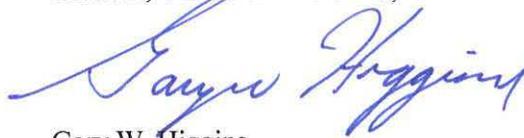
RECOMMENDATIONS

There are none.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Gary W. Higgins
Registered Municipal Accountant
RMA Number CR00405