

TOWNSHIP OF MOUNT OLIVE
MORRIS COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF MOUNT OLIVE

TABLE OF CONTENTS

<u>Exhibits</u>		<u>Page</u>
<u>PART I</u>		
	Independent Auditor's Report	1-3
A	Comparative Balance Sheets – Regulatory Basis - Current Fund	4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	6-7
A-2	Statement of Revenues – Regulatory Basis – Current Fund	8-11
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	12-17
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds	18-19
B-1	Statement of Revenues – Regulatory Basis – Open Space Trust Fund	20
B-2	Statement of Expenditures – Regulatory Basis – Open Space Trust Fund	20
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	21
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis General Capital Fund	22
D	Comparative Balance Sheets – Regulatory Basis - Water Utility Fund	23-24
D-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis – Water Utility Operating Fund	25
D-2	Statement of Revenues – Regulatory Basis - Water Utility Operating Fund	26
D-3	Statement of Expenditures – Regulatory Basis - Water Utility Operating Fund	27
D-4	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Water Utility Capital Fund	28
E	Comparative Balance Sheets – Regulatory Basis – Sewer Utility Fund	29-30
E-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis – Sewer Utility Operating Fund	31
E-2	Statement of Revenues – Regulatory Basis – Sewer Utility Operating Fund	32
E-3	Statement of Revenues – Regulatory Basis – Sewer Utility Assessment Trust Fund	32
E-4	Statement of Expenditures – Regulatory Basis – Sewer Utility Operating Fund	33
E-5	Statement of Expenditures – Regulatory Basis – Sewer Utility Assessment Trust Fund	34
E-6	Statement of Assessment Trust Fund – Fund Balance – Sewer Utility Assessment Trust Fund	34
E-7	Statement of Sewer Capital Fund – Fund Balance – Sewer Utility Capital Fund	34
F	Comparative Balance Sheets – Regulatory Basis – Solid Waste Collection District Fund	35
F-1	Comparative Statements of Operations and Change in Fund Balance – Regulatory Basis – Solid Waste Collection District Fund	36
F-2	Statement of Revenues – Regulatory Basis – Solid Waste Collection District Fund	37
F-3	Statement of Expenditures – Regulatory Basis – Solid Waste Collection District Fund	38
G	Comparative Balance Sheets – Regulatory Basis - Recreation Utility Fund	39
G-1	Comparative Statements of Operations and Change in Fund Balance – Regulatory Basis – Recreation Utility Fund	40
G-2	Statement of Revenues – Regulatory Basis – Recreation Utility Fund	41
G-3	Statement of Expenditures – Regulatory Basis – Recreation Utility Fund	42
H	Comparative Balance Sheets – Regulatory Basis – General Fixed Assets Account Group	43
	Notes to Financial Statements	44-80
<u>Current Fund</u>		
A-4	Statement of Current Cash - Treasurer	81
A-5	Statement of Cash – Change Funds	82
A-6	Statement of Due from the State of New Jersey for Senior Citizens' and Veterans' Deductions	82

TOWNSHIP OF MOUNT OLIVE

TABLE OF CONTENTS (Continued)

<u>Exhibits</u>		<u>Page</u>
<u>Current Fund (Continued)</u>		
A-7	Statement of Taxes Receivable	83
A-8	Statement of Tax Title Liens Receivable	84
A-9	Statement of Property Acquired for Taxes (at Assessed Valuation)	84
A-10	Statement of Revenue Accounts Receivable	85
A-11	Statement of 2013 Appropriation Reserves	86-87
A-12	Statement of Encumbrances Payable – Current Fund	88
A-13	Statement of Encumbrances Payable – State and Federal Grants Fund	88
A-14	Statement of State Fees Payable	88
A-15	Statement of Prepaid Taxes	89
A-16	Statement of Reserve for Outside Lienholders	89
A-17	Statement of County Taxes Payable	89
A-18	Statement of Local District School Taxes Payable	90
A-19	Statement of Miscellaneous Reserves and Deposits	90
A-20	Statement of Reserve for Tax Appeals	90
A-21	Statement of Open Space Preservation Taxes	91
A-22	Statement of Sanitation District Taxes	91
A-23	Statement of Tax Overpayments	91
A-24	Statement of Reserve for Appropriated Grants and Donations – Federal and State Grant Fund	92
A-25	Statement of Grants Receivable – Federal and State Grant Fund	93
A-26	Statement of Reserve for Unappropriated Grants and Donations – Federal and State Grant Fund	94
<u>Trust Fund</u>		
B-3	Statement of Trust Cash – Treasurer	95
B-4	Statement of Reserve for Animal Control Trust Fund Expenditures – Animal Control Trust Fund	96
B-5	Statement of Due to State of New Jersey – Animal Control Trust Fund	97
B-6	Statement of Developers Escrow Deposits – Other Trust Fund	98
B-7	Statement of Miscellaneous Reserves – Other Trust Fund	98
B-8	Statement of Due to State of New Jersey Unemployment Compensation – Other Trust Fund	99
B-9	Statement of Reserve for Payroll and Payroll Deductions – Other Trust Fund	99
B10	Statement of Reserve for Open Space – Open Space Trust Fund	100
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash	101
C-3	Analysis of General Capital Cash	102
C-4	Statement of Deferred Charges to Future Taxation – Funded	103
C-5	Statement of Department of Transportation Grant Receivable	104
C-6	Statement of Due from County of Morris Historic Preservation Trust Fund	104
C-7	Statement of Due to Current Fund	104

TOWNSHIP OF MOUNT OLIVE

TABLE OF CONTENTS
(Continued)

<u>Exhibits</u>		<u>Page</u>
<u>General Capital Fund (Continued)</u>		
C-8	Statement of Deferred Charges to Future Taxation – Unfunded	105
C-9	Statement of Improvement Authorizations	106
C-10	Statement of General Serial Bonds	107
C-11	Statement of Capital Improvement Fund	108
C-12	Statement of Encumbrances Payable	108
C-13	Hazard Mitigation Grant Receivable	109
C-14	Statement of Reserve for Recreation Improvements	109
C-15	Statement of Due from Open Space Trust Fund	109
C-16	Statement of Wastewater Loans Payable	110
C-17	Statement of Green Trust Loan Payable	110
C-18	Statement of Garden State Preservation Trust Loan Payable	111
C-19	Statement of Morris County Improvement Authority (MCIA) Loan Payable	111
C-20	Statement of Bond Anticipation Notes	112
C-21	Statement of Community Development Block Grant Receivable	113
C-22	Statement of Bonds and Notes Authorized But Not Issued	114
<u>Water Utility Fund</u>		
D-5	Statement of Water Utility Cash – Treasurer – Water Utility Operating Fund	115
D-6	Analysis of Water Capital Cash – Water Utility Capital Fund	116
D-7	Statement of Consumer Accounts Receivable – Water Utility Operating Fund	116
D-8	Statement of Fixed Capital – Water Utility Capital Fund	116
D-9	Statement of Encumbrances Payable – Water Utility Operating Fund	117
D-10	Statement of Accrued Interest on Bonds and Notes – Water Utility Operating Fund	117
D-11	Statement of Due from Water Utility Capital Fund – Water Utility Operating Fund	117
D-12	Statement of Reserve for Amortization – Water Utility Capital Fund	118
D-13	Statement of NJEIT Loans Payable – Water Utility Capital Fund	118
D-14	Statement of 2013 Appropriation Reserves – Water Utility Operating Fund	119
D-15	Statement of General Serial Bonds – Water Utility Capital Fund	120
D-16	Statement of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund	121
D-17	Statement of Encumbrances Payable – Water Utility Capital Fund	121
D-18	Statement of Improvement Authorizations – Water Utility Capital Fund	122
D-19	Statement of Capital Improvement Fund – Water Utility Capital Fund	123
D-20	Statement of Deferred Reserve for Amortization – Water Utility Capital Fund	124
D-21	Statement of Bonds and Notes Authorized But Not Issued – Water Utility Capital Fund	125

TOWNSHIP OF MOUNT OLIVE

TABLE OF CONTENTS (Continued)

<u>Exhibits</u>		<u>Page</u>
<u>Sewer Utility Fund</u>		
E-8	Statement of Sewer Utility Cash	126
E-9	Analysis of Sewer Capital Cash – Sewer Utility Capital Fund	127
E-10	Statement of Consumer Accounts Receivable – Sewer Utility Operating Fund	127
E-11	Statement of Sewer Liens – Sewer Utility Assessment Trust Fund	127
E-12	Statement of Assessments Receivable – Sewer Utility Assessment Trust Fund	128
E-13	Statement of Prospective Assessments Funded – Sewer Utility Assessment Trust Fund	129
E-14	Statement of Encumbrances Payable – Sewer Utility Operating Fund	130
E-15	Statement of Wastewater Loans Payable – Sewer Utility Capital Fund	131
E-16	Statement of Appropriation Reserves – Sewer Utility Operating Fund	131
E-17	Statement of Fixed Capital Authorized and Uncompleted – Sewer Utility Capital Fund	132
E-18	Statement of Fixed Capital – Sewer Utility Capital Fund	133
E-19	Statement of Reserve for Prospective Assessments Funded – Sewer Utility Assessment Trust Fund	134
E-20	Statement of Reserve for Amortization – Sewer Utility Capital Fund	134
E-21	Statement of Accrued Interest on Bonds and Loans – Sewer Utility Operating Fund	135
E-22	Statement of Serial Bonds – Sewer Utility Capital Fund	136
E-23	Statement of Serial Bonds – Sewer Utility Assessment Trust Fund	137
E-24	Statement of Due to Sewer Operating Fund – Sewer Utility Assessment Trust Fund	138
E-25	Statement of Improvement Authorizations - Sewer Utility Capital Fund	139
E-26	Statement of Encumbrances Payable – Sewer Utility Capital Fund	140
E-27	Statement of Accounts Payable – Sewer Utility Operating Fund	141
E-28	Statement of Sewer Assessment Trust Fund – Sewer Utility Assessment Trust Fund	141
E-29	Statement of Reserve for Assessment Interest and Costs	141
E-30	Statement of Bonds and Notes Authorized But Note Issued – Sewer Utility Capital Fund	141
<u>Solid Waste Collection District Fund</u>		
F-4	Statement of Cash – Solid Waste Collection District Fund	142
F-5	Statement of Due from County of Morris - Solid Waste Collection District Fund	143
F-6	Statement of 2013 Appropriation Reserves – Solid Waste Collection District Fund	143
F-7	Statement of Encumbrances Payable – Solid Waste Collection District Fund	144
<u>Recreation Utility Fund</u>		
G-4	Statement of Cash – Recreation Utility Fund	145
G-5	Statement of Encumbrances Payable – Recreation Utility Fund	145
G-6	Statement of 2013 Appropriation Reserves – Recreation Utility Fund	146
G-7	Statement of Fixed Capital – Recreation Utility Capital Fund	147
G-8	Statement of Reserve for Amortization – Recreation Utility Capital Fund	147

TOWNSHIP OF MOUNT OLIVE

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
 <u>Part II</u>	
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	148-149
Schedule of Expenditures of Federal Awards, Schedule A	150
Schedule of Expenditures of State Financial Assistance, Schedule B	151
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	152-153
Schedule of Findings and Responses	154-157
 <u>Part III</u>	
Comparative Statements of Operations and Changes in Fund Balance - Current Fund	158
Comparative Statements of Operations and Changes in Fund Balance - Water Utility Operating Fund	159
Comparative Statements of Operations and Changes in Fund Balance - Sewer Utility Operating Fund	160
Comparative Statements of Operations and Changes in Fund Balance – Solid Waste Collection District Fund	161
Comparative Statements of Operations and Changes in Fund Balance – Recreation Utility Fund	162
Comparison of Tax Levies and Collection Currently	163
Delinquent Taxes and Tax Title Liens	163
Property Acquired by Tax Title Lien Liquidation	163
Comparative Schedule of Tax Rate Information	164
Comparison of Water Utility Levies	164
Comparison of Sewer Utility Levies	164
Comparative Schedule of Fund Balances	165
Officials in Office and Surety Bonds	166
General Comments	167-168
Recommendations	169

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

**PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2014**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA
KEVIN LOMSKI, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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, 2014 and 2013, 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, 2014, 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 and presented 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 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 requirement that the Township of Mount Olive prepare and present its financial statements on the regulatory basis of accounting as discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph above, 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, 2014 and 2013, 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 15 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, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Township's Trust Funds, and represent 22 percent and 24 percent of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2014 and 2013.

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, 2014 and 2013, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2014 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, schedule of expenditures of state financial assistance 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.

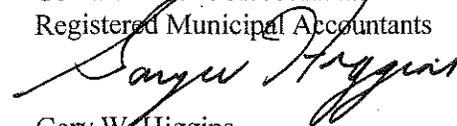
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 5, 2015 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 5, 2015

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Regular Fund			
Cash	A-4	\$ 7,552,424	\$ 6,033,259
Change Funds	A-5	1,600	1,600
Due from the State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	<u>27,027</u>	<u>29,277</u>
		<u>7,581,051</u>	<u>6,064,136</u>
Receivables and Other Assets with Full Reserves			
Delinquent Taxes Receivable	A-7	760,626	905,423
Tax Title Liens Receivable	A-8	519,609	446,072
Property Acquired for Taxes - Assessed Valuation	A-9	4,977,194	4,977,194
Revenue Accounts Receivable	A-10	<u>26,919</u>	<u>67,068</u>
		<u>6,284,348</u>	<u>6,395,757</u>
Total Regular Fund		<u>13,865,399</u>	<u>12,459,893</u>
Federal and State Grant Fund			
Cash	A-4	91,977	66,645
Grants Receivable	A-25	<u>240,570</u>	<u>240,921</u>
Total Federal and State Grant Fund		<u>332,547</u>	<u>307,566</u>
Total Assets		<u>\$ 14,197,946</u>	<u>\$ 12,767,459</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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund			
Appropriation Reserves	A-3,A-11	\$ 513,426	\$ 199,325
Encumbrances Payable	A-12	445,155	581,337
Prepaid Taxes	A-15	291,786	306,114
Reserve for Tax Appeals	A-20	148,177	83,533
State Fees Payable	A-14	9,044	-
Reserve for Tax Sale Premiums	A-19	<u>1,461,950</u>	<u>931,950</u>
		2,869,538	2,102,259
Reserve for Receivables and Other Assets	A	6,284,348	6,395,757
Fund Balance	A-1	<u>4,711,513</u>	<u>3,961,877</u>
Total Regular Fund		<u>13,865,399</u>	<u>12,459,893</u>
Federal and State Grant Fund			
Encumbrances Payable	A-13	153,279	132,942
Reserve for Grants and Donations - Unappropriated	A-26	97,056	
Reserve for Grants and Donations - Appropriated	A-24	<u>82,212</u>	<u>174,624</u>
Total Federal and State Grant Fund		<u>332,547</u>	<u>307,566</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 14,197,946</u>	<u>\$ 12,767,459</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, 2014 AND 2013

REVENUES AND OTHER INCOME	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Fund Balance Utilized	A-2	\$ 2,632,405	\$ 1,975,000
Miscellaneous Revenue Anticipated	A-2	5,664,667	6,175,775
Receipts from Delinquent Taxes	A-2	919,684	1,058,075
Receipts from Current Taxes	A-2	94,231,982	93,127,058
Non-Budget Revenue	A-2	970,734	456,651
Other Credits to Income			
Tax Sale Premium Escheated	A-19	29,200	700
Unexpended Balances of Appropriation Reserves	A-11	241,172	290,633
		<hr/>	<hr/>
Total Revenues and Other Income		104,689,844	103,083,892
		<hr/>	<hr/>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	9,601,813	9,150,181
Other Expenses	A-3	8,854,271	8,762,862
Capital Improvements	A-3	213,680	177,505
Municipal Debt Service	A-3	4,862,653	5,145,091
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,383,744	2,512,107
County Taxes	A-17	7,615,907	7,698,019
County Taxes - Added Taxes	A-17	53,983	52,076
County Taxes - Open Space Preservation	A-17	315,455	362,579
Local District School Taxes	A-18	64,857,316	63,669,713
Sanitation District Taxes	A-22	1,920,900	1,903,007
Sanitation District Taxes - Added Taxes	A-22	14,503	950
Municipal - Open Space Preservation	A-21	586,851	586,851
Municipal - Open Space Preservation - Added Taxes	A-21	3,860	3,833
Refund of Prior Year Revenue	A-4	13,867	1,680
Prior Year Senior Citizens Deduction Disallowed	A-6	9,000	2,355
		<hr/>	<hr/>
Total Expenditures		101,307,803	100,028,809
		<hr/>	<hr/>
Excess in Revenue		3,382,041	3,055,083
		<hr/>	<hr/>

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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Excess in Revenue (Brought Forward)		\$ 3,382,041	\$ 3,055,083
FUND BALANCE, JANUARY 1	A	<u>3,961,877</u>	<u>2,881,794</u>
		7,343,918	5,936,877
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>2,632,405</u>	<u>1,975,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 4,711,513</u>	<u>\$ 3,961,877</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, 2014

	<u>Reference</u>	2014 <u>Anticipated</u> <u>Budget</u>	<u>Added</u> by NJS 40A:4-87	<u>Realized</u> in 2014	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	A-1	\$ 2,632,405	-	\$ 2,632,405	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-10	23,900		24,004	\$ 104
Fees and Permits					
Other	A-2	175,000		179,980	4,980
Fines and Costs - Municipal Court	A-10	350,000		350,256	256
Interest and Costs on Taxes	A-10	200,000		239,642	39,642
Interest on Investments and Deposits	A-10	3,000		3,950	950
Water Tower Rental - NYNEX	A-10	350,000		337,247	(12,753)
Interest on Developers' Deposit Fees	A-10	2,000		2,700	700
Life Hazard Use Fees	A-10	27,000		97,957	70,957
Fire Prevention Inspection Fees	A-10	72,000		82,211	10,211
Additional Fire Prevention - Chester	A-10	25,000		32,022	7,022
New Fire Prevention Fees - Hackettstown	A-10	51,324		39,852	(11,472)
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	575,000		639,570	64,570
Interlocal Health Agreement	A-10	173,558		173,558	
Interlocal Animal Control Agreement-Byram	A-10	7,500		10,598	3,098
Interlocal Court Agreement	A-10	53,060		53,060	
Public and Private Revenues Offset					
With Appropriations					
Highlands Council Grant	A-24	57,000		57,000	
Click it or Ticket	A-24		\$ 4,000	4,000	
Body Armor Replacement Grant	A-24		4,464	4,464	
Year End Drive Sober or Get Pulled Over	A-24	4,400		4,400	
Drunk Driving Enforcement Fund	A-24		15,204	15,204	
Budd Lake Drainage	A-24		21,000	21,000	
Bulletproof Vest Partnership	A-24		2,737	2,737	
Drive Sober or Get Pulled Over - Year End Holiday	A-24		7,500	7,500	

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, 2014

	<u>Reference</u>	2014 Anticipated <u>Budget</u>	<u>Added</u> by NJS <u>40A:4-87</u>	Realized <u>in 2014</u>	Excess or <u>(Deficit)</u>
Public and Private Revenues Offset					
With Appropriations (Continued)					
Drive Sober or Get Pulled Over -					
Labor Day	A-24		\$ 5,000	\$ 5,000	
Donation - Cablevision	A-24		2,000	2,000	
Donation - American Legion	A-24		500	500	
Donation - Benjamin Moore	A-24		1,100	1,100	
Clean Communities Program	A-24		54,038	54,038	
Donation - BASF	A-24	\$ 500		500	
Other Special Items:					
Cable TV Franchise Fees	A-10	98,267		98,267	
Hotel Tax Revenues	A-10	230,000		238,568	\$ 8,568
Due from Mt. Olive Child Care - Lease	A-10	93,807		98,497	4,690
Due from Solid Waste Collection District -	A-10				
Debt Service		52,775		52,775	-
Due From Sports Organizations -					
Down Payment	A-10	11,800		21,800	10,000
Due From Sports Organizations -					
Debt Payback	A-10	42,000		51,643	9,643
General Capital Fund Surplus	A-10	28,112		28,113	1
Due from Open Space Trust Fund -					
Debt Service	A-10	<u>586,851</u>		<u>586,851</u>	-
	A-1	<u>5,335,957</u>	<u>117,543</u>	<u>5,664,667</u>	<u>211,167</u>
Receipts from Delinquent Taxes	A-7	<u>850,000</u>		<u>919,684</u>	<u>69,684</u>
Amount to be Raised by Taxes for Support					
of Municipal Budget Local Tax for:					
Municipal Purposes	A-2	18,211,564		19,883,094	1,671,530
Minimum Library Tax	A-2	<u>1,030,113</u>		<u>1,030,113</u>	-
		<u>19,241,677</u>		<u>20,913,207</u>	<u>1,671,530</u>
Budget Totals		<u>\$ 28,060,039</u>	<u>\$ 117,543</u>	30,129,963	<u>\$ 1,952,381</u>
Non-Budget Revenue	A-2, A-4			<u>970,734</u>	
				<u>\$ 31,100,697</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, 2014

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 94,356,982
Less: Reserve for Tax Appeals	A-20	<u>125,000</u>
	A-1	94,231,982
Allocated to School, County and Special District Taxes	A-17, A-18, A-21, A-22	<u>75,368,775</u>
		18,863,207
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,050,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 20,913,207</u>
Fees and Permits - Other		
Township Clerk	A-10	\$ 2,635
Board of Health	A-10	96,149
Registrar	A-10	4,698
SMA Clinic, Shots and Screenings	A-10	21,577
Police Department	A-10	18,611
Tax Search Officer	A-10	20
Tax Assessor	A-10	780
Engineering	A-10	6,475
Planning Board	A-10	10,968
Zoning Board	A-10	13,270
Water Testing	A-10	<u>4,797</u>
	A-2	<u>\$ 179,980</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, 2014**

Reference

Analysis of Non-Budget Revenue		
Miscellaneous Receipts		\$ 16,764
Premium on Bonds/Notes		672,374
CBS Outdoor Lease Agreement		7,357
Sale of Assets		14,900
Comcast Cable Franchise Fees		1,986
Verizon Franchise Fees		42,510
Return of Funds from LOSAP		49,561
Duplicate Tax Bills		200
NSF Fees		900
Prior Year Refunds		76,576
Abiding Peace In-Lieu Tax		50,685
Hackettstown Medical Rental		14,400
Administrative Fee- Seniors and Veterans		2,300
Inspection Fines		950
Off Duty Administrative Fee		<u>19,271</u>
	A-2,A-4	<u>\$ 970,734</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, 2014

	2014 Appropriated		2014 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Mayor and Council					
Salaries & Wages	\$ 67,000	\$ 67,000	\$ 67,000	-	
Other Expenses	20,025	21,025	20,844	\$ 181	
Township Clerk					
Salaries & Wages	208,218	208,219	208,219	-	
Other Expenses	37,841	37,841	33,026	4,815	
Business Administration					
Salaries & Wages	272,616	272,616	270,865	1,751	
Other Expenses	101,250	101,250	96,751	4,499	
Financial Administration					
Salaries & Wages	200,451	200,451	196,020	4,431	
Other Expenses	24,080	24,080	23,456	624	
Annual Audit	33,709	33,709	28,623	5,086	
Revenue Administration (Tax Collection)					
Salaries & Wages	70,244	70,244	70,244	-	
Other Expenses	8,500	8,500	7,941	559	
Assessment of Taxes					
Salaries & Wages	137,043	137,044	137,044	-	
Other Expenses	30,820	30,820	26,771	4,049	
Legal Services & Costs					
Other Expenses	302,237	302,237	233,866	48,371	\$ 20,000
Engineering Services					
Salaries & Wages	32,981	32,981	32,981	-	
Other Expenses	15,857	16,857	15,857	1,000	
Industrial and Economic Development Committee					
Other Expenses	3,000	3,000	950	1,050	1,000
Open Space Committee					
Other Expenses	225	225		225	
Mount Olive Historical Society					
Other Expenses	1,250	1,250	422	828	
Ethics Board					
Other Expenses	500	500		-	500
Information Technology Support					
Other Expenses	52,622	52,622	43,049	9,573	
Municipal Beach					
Salaries & Wages	15,000	15,000	15,000	-	
LAND USE ADMINISTRATION					
Municipal Land Use Law (NJS 40:55D-1)					
Planning Board					
Salaries & Wages	174,668	163,661	149,802	6,359	7,500
Other Expenses	56,800	56,800	43,622	13,178	
INSURANCE					
General Liability	237,597	237,597	237,233		364
Workers Compensation	278,919	278,919	278,492		427
Employee Group Health	2,952,901	2,952,901	2,896,582	31,319	25,000
Employee Group Health - Waiver	46,865	46,865	33,284	13,581	
PUBLIC SAFETY					
Police					
Salaries & Wages	5,835,169	5,805,169	5,703,100	102,069	
Other Expenses	182,652	182,652	163,797	18,855	
Emergency Management System					
Salaries & Wages	7,568	7,568	7,568		
Other Expenses	18,118	18,118	17,818	300	
Fire					
Other Expenses					
Flanders Fire Company	75,927	75,927	75,927		
Budd Lake Fire Company	101,703	101,703	101,703		
Fire Hydrant Rental	16,000	16,000	15,491	509	

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, 2014

	<u>2014 Appropriated</u>		<u>2014 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY (Continued)					
Fire (Continued)					
Contribution to Volunteer Fire Companies					
Flanders Fire Company	\$ 45,000	\$ 45,000	\$ 45,000		
Budd Lake Fire Company	45,000	45,000	45,000		
First Aid Organization - Contributions					
Budd Lake Rescue Squad	35,000	35,000	35,000		
Flanders Rescue Squad	35,000	35,000	35,000		
First Aid Organization					
Other Expenses					
Budd Lake Rescue Squad	65,000	65,000	65,000		
Flanders Rescue Squad	27,000	27,000	27,000		
Uniform Fire Safety Act (PL 1983, Ch. 183)					
Fire Prevention					
Salaries & Wages	147,676	147,676	147,086	\$ 590	
Other Expenses	27,898	27,898	23,284	4,614	
PUBLIC WORKS FUNCTIONS					
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	976,364	976,364	927,584	48,780	
Other Expenses	572,293	572,293	561,131	11,162	
Street Signs					
Other Expenses	44,550	44,550	43,934	616	
Buildings and Grounds					
Salaries & Wages	413,656	413,656	412,236	1,420	
Other Expenses	274,470	319,470	306,639	12,831	
Fleet Maintenance					
Salaries & Wages	206,760	206,760	198,606	8,154	
Other Expenses	135,500	135,500	90,729	44,771	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries & Wages	467,520	467,520	461,016	6,504	
Other Expenses	3,297	3,297	724	2,573	
Environmental Committee (R.S. 40:56A-1 et seq)					
Other Expenses	1,500	1,500	1,290	210	
Animal Control					
Other Expenses	60,505	60,505	60,505		
Division of Senior Social Services					
Salaries & Wages	101,146	101,146	92,210	8,936	
Other Expenses	13,235	13,235	10,782	2,453	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014 Appropriated</u>		<u>2014 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	\$ 287,253	\$ 287,258	\$ 287,256	\$ 2	
Other Expenses	88,735	88,735	67,558	21,177	
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	175,000	165,000	152,684	12,316	
Street Lighting	145,000	145,000	139,353	5,647	
Gas (Natural or Propane)	40,000	43,000	38,251	4,749	
Telecommunications	120,000	126,000	125,677	323	
Vehicle Fuel	374,000	369,000	361,906	7,094	
Accumulated Absence Trust Fund	100,000	100,000	100,000		
Municipal Court					
Salaries and Wages	235,740	235,740	224,332	11,408	
Other Expenses	10,410	10,410	7,883	2,527	
Public Defender (P.L. 1977, C. 256)					
Other Expenses	25,100	25,100	20,600	4,500	
Total Operations Within "CAPS"	16,919,964	16,919,964	16,368,604	496,569	\$ 54,791
Detail:					
Salaries & Wages	9,650,313	9,609,313	9,409,563	192,250	7,500
Other Expenses	7,269,651	7,310,651	6,959,041	304,319	47,291
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Charges					
Public Employees Retirement System	581,468	581,468	522,195	-	59,273
Social Security System (O.A.S.I.)	742,094	742,094	708,595	16,499	17,000
Police and Firemen's Retirement System of NJ	1,163,665	1,163,665	1,088,430		75,235
Deferred Contribution Retirement Program	2,500	2,500	1,399	101	1,000
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	2,489,727	2,489,727	2,320,619	16,600	152,508
Total General Appropriations for Municipal Purposes Within "CAPS"	19,409,691	19,409,691	18,689,223	513,169	207,299
OPERATIONS - EXCLUDED FROM "CAPS"					
INSURANCE (N.J.S.A. 40A:4-45.3(OO))					
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,030,113	1,030,113	1,029,856	257	
Length of Service Award Program (LOSAP)	140,000	140,000	140,000	-	
Health Insurance	7,237	7,237	7,237	-	
Total Other Operations Excluded from "CAPS"	1,177,350	1,177,350	1,177,093	257	-

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 Appropriated		2014 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Interlocal Municipal Service Agreements					
Health Services	\$ 173,558	\$ 173,558	\$ 173,558		
Animal Control Services - Byram	7,500	7,500	7,500		
Court	53,060	53,060	53,060		
Total Interlocal Municipal Service Agreements	234,118	234,118	234,118	-	-
Public and Private Programs Offset by Revenues					
Highlands Council Grant	57,000	57,000	57,000		
Drunk Driving Enforcement Fund		15,204	15,204		
Body Armor Fund		4,464	4,464		
Year End Drive Sober/Get Pulled Over	4,400	11,900	11,900		
Drive Sober/Get Pulled Over		5,000	5,000		
Click it or Ticket		4,000	4,000		
Bulletproof Vest		2,737	2,737		
Budd Lake Drainage		21,000	21,000		
Donation - Cablevision		2,000	2,000		
Donation - Benjamin Moore		1,100	1,100		
Donation - BASF	500	500	500		
Clean Communities Program		54,038	54,038		
Donation - American Legion	-	500	500		
Total Public and Private Programs Offset by Revenues	61,900	179,443	179,443	-	-
Total Operations Excluded from "CAPS"	1,473,368	1,590,911	1,590,654	\$ 257	-
Detail:					
Other Expenses	1,473,368	1,590,911	1,590,654	257	-
CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"					
Capital Improvement Fund	213,680	213,680	213,680	-	-
Total Capital Improvements Excluded from "CAPS"	213,680	213,680	213,680	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	3,695,000	3,695,000	3,695,000		
Interest on Bonds	577,065	577,065	577,062		\$ 3
Interest on Notes	41,768	41,768	41,767		1
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	150,789	150,789	150,788		1
Wastewater Loan:					
Principal	288,530	288,530	288,530		
Interest	18,722	18,722	14,605		4,117
Morris County Improvement Program Lease Program					
Principal	85,000	85,000	85,000		
Interest	9,901	9,901	9,901		
Total Municipal Debt Service Excluded from "CAPS"	4,866,775	4,866,775	4,862,653	-	4,122

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014 Appropriated</u>		<u>2014 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
DEFERRED CHARGES:					
Deferred Charges to Future Taxation - Unfunded Ord. No. 13-2012	\$ 46,525	\$ 46,525	\$ 46,525	-	-
Total Deferred Charges	<u>46,525</u>	<u>46,525</u>	<u>46,525</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>6,600,348</u>	<u>6,717,891</u>	<u>6,713,512</u>	\$ 257	\$ 4,122
Subtotal General Appropriations	26,010,039	26,127,582	25,402,735	513,426	211,421
Reserve for Uncollected Taxes	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,050,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 28,060,039</u>	<u>\$ 28,177,582</u>	<u>\$ 27,452,735</u>	<u>\$ 513,426</u>	<u>\$ 211,421</u>
<u>Reference</u>	A-2			A	

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 28,060,039	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	<u>117,543</u>	
		<u>\$ 28,177,582</u>	
Cash Disbursed	A-4		\$ 25,513,712
Less Refunds	A-4		<u>735,575</u>
			24,778,137
Federal and State Grants Appropriated	A-24		179,443
Encumbrances Payable	A-12		445,155
Reserve for Uncollected Taxes	A-2		<u>2,050,000</u>
			<u>\$ 27,452,735</u>

TOWNSHIP OF MOUNT OLIVE
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
 AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 16,259	\$ 15,207
OTHER TRUST FUND			
Cash	B-3	6,801,549	6,125,302
OPEN SPACE TRUST FUND			
Cash	B-3	104,756	107,119
LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) TRUST FUND (Unaudited)			
Investments	B	1,863,319	1,769,570
Contribution Receivable	B	146,235	151,670
		<u>2,009,554</u>	<u>1,921,240</u>
Total Assets		<u>\$ 8,932,118</u>	<u>\$ 8,168,868</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-5	\$ 13	\$ 14
Reserve for Animal Control Expenditures	B-4	<u>16,246</u>	<u>15,193</u>
		<u>16,259</u>	<u>15,207</u>
OTHER TRUST FUND			
Escrow Deposits	B-6	5,144,185	4,425,507
Due to the State of New Jersey	B-8	1,580	5,703
Reserve for Payroll and Payroll Deductions	B-9	4,317	6,514
Miscellaneous Reserves	B-7	<u>1,651,467</u>	<u>1,687,578</u>
		<u>6,801,549</u>	<u>6,125,302</u>
OPEN SPACE TRUST FUND			
Reserve for Open Space	B-10	<u>104,756</u>	<u>107,119</u>
LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) TRUST FUND (Unaudited)			
Reserve for Investments in Length of Service Award Program	B	<u>2,009,554</u>	<u>1,921,240</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,932,118</u>	<u>\$ 8,168,868</u>

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

		2014		
	<u>Reference</u>	Budget (Memorandum)	2014 Realized	Excess or (Deficit)
Amount to be Raised by Taxation	B-3	\$ 586,851	\$ 590,711	\$ 3,860
		<u>\$ 586,851</u>	590,711	<u>\$ 3,860</u>
Non-Budget Revenue	<u>Reference</u>	B-3	B-2	40,616
			<u>\$ 631,327</u>	
Analysis of Non-Budget Revenue				
Interest on Investments and Deposits			\$ 18	
Reimbursement for BASF Expenses			18,598	
Reserve for Land Sale Proceeds			<u>22,000</u>	
			<u>\$ 40,616</u>	

EXHIBIT B-2

STATEMENT OF EXPENDITURES - REGULATORY BASIS - OPEN SPACE TRUST FUND

		2014	2014	
	<u>Reference</u>	Budget (Memorandum)	Paid or Charged	Excess or (Deficit)
Reserve for Future Use	B-3		\$ 46,839	\$ (46,839)
Debt Service	B-3	\$ 586,851	586,851	-
		<u>\$ 586,851</u>	<u>\$ 633,690</u>	<u>\$ (46,839)</u>
	<u>Reference</u>	B-1	B-3	

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	C-2,C-3	\$ 1,754,393	\$ 1,264,406
Deferred Charges to Future Taxation			
Funded	C-4	22,018,968	19,904,222
Unfunded	C-8	1,377,963	3,614,451
Department of Transportation Grant Receivable	C-5	289,800	225,000
Hazard Mitigation Grant Receivable	C-13	90,000	-
Community Development Block Grant Receivable	C-21		25,958
Due from County of Morris Historic Preservation Trust Fund	C-6	<u>315,816</u>	<u>279,257</u>
 Total Assets		 <u>\$ 25,846,940</u>	 <u>\$ 25,313,294</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 21,239,000	\$ 18,609,000
Wastewater Loans Payable	C-16	293,244	581,774
Green Trust Loan Payable	C-17	117,922	233,523
Garden State Preservation Trust Loan Payable	C-18	228,802	254,925
MCIA Loan Payable	C-19	140,000	225,000
Bond Anticipation Notes	C-20	-	3,341,376
Improvement Authorizations			
Funded	C-9	660,879	471,277
Unfunded	C-9	1,368,554	1,066,155
Capital Improvement Fund	C-11	44	1,698
Encumbrances Payable	C-12	1,642,551	462,953
Reserve for Recreation Improvements	C-14	37,500	37,500
Fund Balance	C-1	<u>118,444</u>	<u>28,113</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 25,846,940</u>	 <u>\$ 25,313,294</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$1,377,963 and \$273,075, respectively (See Exhibit C-22).

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	C	\$ 28,113	\$ 50,685
Increased By:			
Cancellation of Funded Improvement Authorizations	C-9	<u>151,121</u>	<u>28,113</u>
		179,234	78,798
Decreased by:			
Historic Preservation Receivable Cancelled	C-6	32,677	
Utilized as Current Fund Revenue	C-7	<u>28,113</u>	<u>50,685</u>
Balance, December 31	C	<u>\$ 118,444</u>	<u>\$ 28,113</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 702,985	\$ 557,317
Receivables With Full Reserves Consumer Accounts Receivable	D-7	<u>61,907</u>	<u>61,369</u>
Total Operating Fund		<u>764,892</u>	<u>618,686</u>
CAPITAL FUND			
Cash	D-5,D-6	892,706	21,768
Fixed Capital Authorized and Uncompleted	D-16	1,024,208	419,237
Fixed Capital	D-8	<u>7,207,393</u>	<u>7,184,385</u>
Total Capital Fund		<u>9,124,307</u>	<u>7,625,390</u>
Total Assets		<u>\$ 9,889,199</u>	<u>\$ 8,244,076</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCES			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-3,14	\$ 50,360	\$ 91,360
Encumbrances Payable	D-9	51,460	70,413
Accrued Interest on Bonds and Loans	D-10	<u>7,472</u>	<u>1,706</u>
		109,292	163,479
Reserve for Receivables	D	61,907	61,369
Fund Balance	D-1	<u>593,693</u>	<u>393,838</u>
 Total Operating Fund		 <u>764,892</u>	 <u>618,686</u>
CAPITAL FUND			
Serial Bonds	D-15	1,086,000	293,000
NJEIT Loan Payable	D-13	334,298	353,396
Encumbrances Payable	D-17	267,740	50,765
Improvement Authorizations:			
Funded	D-18	601,945	7,771
Unfunded	D-18	77,500	316,178
Capital Improvement Fund	D-19	1,000	1,000
Reserve for Amortization	D-12	6,733,803	6,603,280
Fund Balance	D-4	<u>22,021</u>	<u> </u>
 Total Capital Fund		 <u>9,124,307</u>	 <u>7,625,390</u>
 Total Liabilities, Reserves and Fund Balances		 <u>\$ 9,889,199</u>	 <u>\$ 8,244,076</u>

There were bonds and notes authorized but not issued at December 31, 2014 and 2013 of \$77,500 and \$353,946, 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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	D-2	\$ 40,000	\$ 119,202
Rents	D-2	1,480,426	1,517,579
Fund Balance- Capital Fund	D-1	-	20,353
Other Budget Revenues	D-2	176,332	94,402
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	<u>95,688</u>	<u>33,988</u>
 Total Revenues and Other Income		<u>1,792,446</u>	<u>1,785,524</u>
 EXPENDITURES			
Budget Appropriations			
Operating	D-3	1,320,943	1,218,954
Capital Improvements	D-3	32,500	17,000
Debt Service	D-3	102,474	278,510
Deferred Charges and Statutory Expenditures	D-3	<u>96,674</u>	<u>62,882</u>
 Total Expenditures		<u>1,552,591</u>	<u>1,577,346</u>
 Excess in Revenue		239,855	208,178
 FUND BALANCE, JANUARY 1	D	<u>393,838</u>	<u>304,862</u>
		633,693	513,040
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>40,000</u>	<u>119,202</u>
 FUND BALANCE, DECEMBER 31	D	<u>\$ 593,693</u>	<u>\$ 393,838</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Reference</u>	2014 <u>Anticipated</u>	2014 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	D-1	\$ 40,000	\$ 40,000	
Rents	D-1, D-7	1,441,114	1,480,426	\$ 39,312
Miscellaneous	D-1	<u>80,000</u>	<u>176,332</u>	<u>96,332</u>
		<u>\$ 1,561,114</u>	<u>\$ 1,696,758</u>	<u>\$ 135,644</u>
<u>Analysis of Miscellaneous Budget Revenue</u>	<u>Reference</u>	D-3		
Miscellaneous Fees				
Tower Rental Fees			\$ 73,631	
Pool Permits			1,560	
Premium on Bond Sale			91,687	
Interest on Delinquent Rents			7,781	
Miscellaneous			<u>1,592</u>	
Total Miscellaneous Fees	D-5		<u>176,251</u>	
Interest on Investments:				
Cash Receipts	D-5		75	
Due from Water Capital Fund	D-11		<u>6</u>	
Total Interest on Investments			<u>81</u>	
Total Miscellaneous Revenue	D-1, D-2		<u>\$ 176,332</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014 Appropriated</u>		<u>2014 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	\$ 453,473	\$ 453,473	\$ 446,840	\$ 6,633	
Other Expenses	878,236	872,470	824,198	43,272	\$ 5,000
Capital Improvement Fund	32,500	32,500	32,500		
DEBT SERVICE					
Payment of Bond Principal	70,000	70,000	70,000		
Interest on Bonds	5,860	11,626	11,626		
Principal and Interest on Loans	20,848	20,848	20,848		
STATUTORY EXPENDITURES					
Deferred Charges - Various					
Ordinances	30,947	30,947	30,946		1
Contribution to Public Employee					
Retirement System	34,560	34,560	31,038		3,522
Social Security System	34,690	34,690	34,235	455	-
	<u>\$ 1,561,114</u>	<u>\$ 1,561,114</u>	<u>\$ 1,502,231</u>	<u>\$ 50,360</u>	<u>\$ 8,523</u>

	<u>Reference</u>	D-2	D-2	D
Cash Disbursements	D-5		\$ 1,438,071	
Less: Refunds	D-5		<u>676</u>	
			1,437,395	
Encumbrances Payable	D-9		51,460	
Accrued Interest on Bonds and Notes	D-10		<u>13,376</u>	
			<u>\$ 1,502,231</u>	

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	D		\$ 20,353
Increased By:			
Cancellation of Improvement Authorizations	D-12	<u>\$ 22,021</u>	<u>-</u>
		22,021	20,353
Decreased By:			
Anticipated as Revenue in the Water Utility Operating Fund	D-4	<u>-</u>	<u>20,353</u>
Balance, December 31	D	<u>\$ 22,021</u>	<u>\$ -</u>

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
OPERATING FUND			
Cash	E-8	\$ 2,541,008	\$ 1,756,253
Receivables With Full Reserves			
Consumer Accounts Receivable	E-10	187,886	205,941
Utility Liens Receivable	E-11	<u>2,650</u>	<u>-</u>
		<u>190,536</u>	<u>205,941</u>
Total Operating Fund		<u>2,731,544</u>	<u>1,962,194</u>
ASSESSMENT TRUST FUND			
Cash	E-8	790,719	650,883
Assessments Receivable	E-12	3,316	196,631
Assessment Liens Receivable	E-28	1,645	-
Prospective Assessments Funded	E-13	<u>-</u>	<u>3,108,455</u>
Total Assessment Trust Fund		<u>795,680</u>	<u>3,955,969</u>
CAPITAL FUND			
Cash	E-8,E-9	48,687	66,811
Fixed Capital	E-18	33,251,450	33,113,140
Fixed Capital Authorized and Uncompleted	E-17	<u>30,932</u>	<u>74,811</u>
Total Capital Fund		<u>33,331,069</u>	<u>33,254,762</u>
Total Assets		<u>\$ 36,858,293</u>	<u>\$ 39,172,925</u>

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	E-4,E-16	\$ 134,554	\$ 25,080
Encumbrances Payable	E-14	332,664	429,861
Accounts Payable	E-27	53,137	
Accrued Interest on Bonds and Notes	E-21	<u>23,065</u>	<u>35,330</u>
		543,420	490,271
Reserve for Receivables	E	190,536	205,941
Fund Balance	E-1	<u>1,997,588</u>	<u>1,265,982</u>
Total Operating Fund		<u>2,731,544</u>	<u>1,962,194</u>
ASSESSMENT TRUST FUND			
Serial Bonds	E-23	613,000	848,000
Wastewater Loans Payable	E-15	167,251	331,815
Reserve for Assessment Interest and Costs	E-29	166	
Reserve for Prospective Assessments Funded	E-19	-	2,719,279
Fund Balance	E-6	<u>15,263</u>	<u>56,875</u>
		<u>795,680</u>	<u>3,955,969</u>
CAPITAL FUND			
Serial Bonds	E-22	1,019,000	1,384,000
Wastewater Loans Payable	E-15	95,001	153,332
Improvement Authorizations			
Funded	E-25	-	29,813
Unfunded	E-25	-	500
Reserve for Amortization	E-20	32,168,381	31,650,119
Encumbrances Payable	E-26	23,432	36,998
Fund Balance	E-7	<u>25,255</u>	<u>-</u>
Total Capital Fund		<u>33,331,069</u>	<u>33,254,762</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 36,858,293</u>	<u>\$ 39,172,925</u>

There were bonds and notes authorized but not issued at December 31, 2014 and 2013 of \$0 and \$500, respectively, (See Exhibit E-30)

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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	E-2	\$ 544,176	\$ 347,357
Sewer Rents and Liens	E-2	3,715,074	3,804,398
Other Budget Revenues	E-2	856,180	182,864
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	E-16	<u>59,165</u>	<u>76,059</u>
 Total Revenues and Other Income		 <u>5,174,595</u>	 <u>4,410,678</u>
 EXPENDITURES			
Budget Appropriations			
Operating	E-4	2,536,882	2,653,551
Capital Improvements	E-4	405,000	270,000
Deferred Charges and Statutory Expenditures	E-4	449,226	594,305
Debt Service	E-4	<u>507,705</u>	<u>527,024</u>
 Total Expenditures		 <u>3,898,813</u>	 <u>4,044,880</u>
 Excess in Revenue		 1,275,782	 365,798
 FUND BALANCE, JANUARY 1	E	 <u>1,265,982</u>	 <u>1,247,541</u>
		2,541,764	1,613,339
Decreased by:			
Utilized as Anticipated Revenue	E-1	<u>544,176</u>	<u>347,357</u>
 FUND BALANCE, DECEMBER 31	E	 <u>\$ 1,997,588</u>	 <u>\$ 1,265,982</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Reference</u>	2014 <u>Anticipated</u>	2014 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	E-1	\$ 544,176	\$ 544,176	
Rents	E-1,E-10	3,434,662	3,715,074	\$ 280,412
Miscellaneous	E-2	50,000	724,034	674,034
Reimbursement - Mt. Olive School District	E-1,E-8	45,000	66,255	21,255
Interest on Assessments	E-1,E-8\	5,000	9,016	4,016
Sewer Assessment Surplus	E-1,E-6	<u>56,875</u>	<u>56,875</u>	<u>-</u>
		<u>\$ 4,135,713</u>	<u>\$ 5,115,430</u>	<u>\$ 979,717</u>

	<u>Reference</u>	E-4
Analysis of Rents		
Consumer Accounts Receivable	E-10	\$ 3,713,920
Liens	E-11	<u>1,154</u>
	E-2	<u>\$ 3,715,074</u>

Analysis of Miscellaneous Revenues		
Miscellaneous Fees		
Interest on Delinquent Rents		\$ 72,782
Connection Fees		650,612
Prior Year Refund		6
Return Check Fees		<u>270</u>

Total Miscellaneous Fees	E-8	723,670
--------------------------	-----	---------

Interest on Deposits:		
Sewer Operating Fund	E-8	\$ 267
Sewer Assessment Trust Fund	E-24	<u>97</u>

Total Interest on Deposits		<u>364</u>
----------------------------	--	------------

Total Miscellaneous Revenues	E-1,E-2	<u>\$ 724,034</u>
------------------------------	---------	-------------------

STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY ASSESSMENT TRUST FUND

	<u>Reference</u>	2014 <u>Anticipated</u>	2014 <u>Realized</u>	Excess or <u>(Deficit)</u>
Assessment Cash	E-8	\$ 10,388	\$ 10,388	
Deficit (Sewer Operating Budget)	E-8	<u>389,176</u>	<u>389,176</u>	<u>-</u>
		<u>\$ 399,564</u>	<u>\$ 399,564</u>	<u>\$ -</u>

Reference

E-5

The Accompanying Notes are in Integral Part of these Financial Statements

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	\$ 412,099	\$ 412,099	\$ 407,300	\$ 4,799	
Other Expenses	935,344	935,344	828,473	96,871	\$ 10,000
Musconetcong Sewerage Authority	1,406,131	1,406,131	1,199,439	-	206,692
CAPITAL IMPROVEMENTS					
Capital Outlay	405,000	405,000	372,433	32,567	
DEBT SERVICE					
Payment of Bond and Loan Principal	423,332	423,332	423,332		
Interest on Bonds and Loans	101,344	101,344	84,373		16,971
DEFERRED CHARGES					
Anticipated Deficit - Sewer Utility Assessment Trust Fund	389,176	389,176	389,176		
STATUTORY EXPENDITURES					
Contribution to Public Employees Retirement System	31,762	31,762	28,525		3,237
Social Security System	31,525	31,525	31,208	317	-
	<u>\$ 4,135,713</u>	<u>\$ 4,135,713</u>	<u>\$ 3,764,259</u>	<u>\$ 134,554</u>	<u>\$ 236,900</u>

	<u>Reference</u>	E-2	E-2	E
Cash Disbursements	E-8		\$ 3,347,966	
Less: Refunds	E-8		<u>744</u>	
			3,347,222	
Accrued Interest on Bonds and Notes	E-21		84,373	
Encumbrances Payable	E-14		<u>332,664</u>	
			<u>\$ 3,764,259</u>	

The Accompanying Notes are in Integral Part of these Financial Statements

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

	<u>Reference</u>	2014 <u>Budget</u>	2014 Paid or <u>Charged</u>	<u>Variance</u>
Payment of Bond Principal	E-23	\$ 235,000	\$ 235,000	-
Payment of Loan Principal	E-15	<u>164,564</u>	<u>164,564</u>	<u>\$ -</u>
		<u>\$ 399,564</u>	<u>\$ 399,564</u>	<u>\$ -</u>
	<u>Reference</u>	E-3		
	Cash Disbursed	E-8	<u>\$ 399,564</u>	

EXHIBIT E-6

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

	<u>Reference</u>	
Balance, December 31, 2013	E	\$ 56,875
Increased by:		
Interest Earnings on Wastewater Loan Proceeds	E-8	<u>15,263</u>
		72,138
Decreased by:		
Anticipated as Revenue in Sewer Operating Fund	E-1,8	<u>56,875</u>
Balance, December 31, 2014	E	<u>\$ 15,263</u>

EXHIBIT E-7

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

	<u>Reference</u>	
Increased by:		
Funded Improvement Authorizations Cancelled	E-20	<u>\$ 25,255</u>
Balance, December 31, 2014	E	<u>\$ 25,255</u>

The Accompanying Notes are in Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SOLID WASTE COLLECTION DISTRICT FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	F-4	\$ 798,039	\$ 701,592
Due from County of Morris	F-5	<u>62,758</u>	<u>115,312</u>
Total Assets		<u>\$ 860,797</u>	<u>\$ 816,904</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	F-3, F-6	\$ 100,125	\$ 70,798
Encumbrance Payable	F-7	<u>118,641</u>	<u>209,895</u>
		218,766	280,693
Fund Balance	F-1	<u>642,031</u>	<u>536,211</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 860,797</u>	<u>\$ 816,904</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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	F-2	\$ 150,731	\$ 241,820
Sanitation District Taxes	F-2	1,935,403	1,903,957
Host Benefit Fees	F-2	725,706	743,933
Recycling Revenue	F-2	43,789	40,399
Bulk Item Pick-Up Fees	F-2	27,050	22,379
Yard Waste Fees	F-2	947	1,146
Dumpster Fees	F-2	5,070	7,940
Nonbudget Revenue	F-2	21,562	302
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	F-6	<u>87,888</u>	<u>112,412</u>
Total Revenues and Other Income		<u>2,998,146</u>	<u>3,074,288</u>
EXPENDITURES			
Budget Appropriations:			
Operating	F-3	2,529,453	2,575,697
Surplus (General Budget)	F-3	52,775	112,425
Statutory Expenditures	F-3	<u>159,367</u>	<u>160,995</u>
Total Expenditures		<u>2,741,595</u>	<u>2,849,117</u>
Excess in Revenue		256,551	225,171
BALANCE, JANUARY 1	F	<u>536,211</u>	<u>552,860</u>
		792,762	778,031
Decreased by:			
Utilized as Anticipated Revenue	F-1	<u>150,731</u>	<u>241,820</u>
BALANCE, DECEMBER 31	F	<u>\$ 642,031</u>	<u>\$ 536,211</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - SOLID WASTE COLLECTION DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	F-1	\$ 150,731	\$ 150,731	-
Sanitation District Taxes	F-1,A-7	<u>1,902,000</u>	<u>1,935,403</u>	<u>\$ 33,403</u>
Host Benefit Fees -				
Transfer Station	F-1	620,000	661,167	41,167
County Reimbursement	F-1	60,000	64,539	4,539
Recycling Revenue	F-1	36,000	43,789	7,789
Bulk Item Pick-Up Fees	F-1	18,000	27,050	9,050
Dumpster Fees	F-1	7,000	5,070	(1,930)
Yard Waste Fees - Stickers and Bags	F-1	<u>800</u>	<u>947</u>	<u>147</u>
		<u>741,800</u>	<u>802,562</u>	<u>60,762</u>
 Total		 <u>\$ 2,794,531</u>	 2,888,696	 <u>\$ 94,165</u>
 Nonbudget Revenue	 F-1, F-4		 <u>21,562</u>	
			 <u>\$ 2,910,258</u>	
 <u>Analysis of Budgeted Revenues</u>				
Cash Receipts	F-4		\$ 2,076,798	
Due from County of Morris	F-5		661,167	
Fund Balance Utilized	F-2		<u>150,731</u>	
	F-2		 <u>\$ 2,888,696</u>	
 <u>Analysis of Non Budget Revenue</u>				
Interest on Investments and Deposits			\$ 59	
Sale of Garbage Truck			12,000	
Prior Year Refunds/NSF Fees			<u>9,503</u>	
	F-2,F-4		 <u>\$ 21,562</u>	

The Accompanying Notes are in Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SOLID WASTE COLLECTION DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,103,149	\$ 1,103,149	\$ 1,031,770	\$ 31,379	\$ 40,000
Other Expenses	1,435,730	1,435,730	1,371,152	64,578	
Health Benefit Waiver	10,000	10,000	5,574	-	4,426
Recycling Tax	25,000	25,000	22,273	2,727	
STATUTORY EXPENDITURES					
Contribution to Public Employees					
Retirement System	83,488	83,488	74,978		8,510
Social Security System	84,389	84,389	82,948	1,441	
Surplus (General Budget)-Downpayment					
Capital Ordinances	<u>52,775</u>	<u>52,775</u>	<u>52,775</u>	<u>-</u>	<u>-</u>
 Total	 <u>\$ 2,794,531</u>	 <u>\$ 2,794,531</u>	 <u>\$ 2,641,470</u>	 <u>\$ 100,125</u>	 <u>\$ 52,936</u>
	<u>Reference</u>	F-2	F-2	F-2	F
Cash Disbursed	F-4			\$ 2,522,829	
Encumbrances Payable	F-7			<u>118,641</u>	
				<u>\$ 2,641,470</u>	

The Accompanying Notes are in Integral Part of these Financial Statements

**TOWNSHIP OF MOUNT OLIVE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
RECREATION UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
OPERATING FUND			
Cash	G-4	\$ 89,804	\$ 93,043
Total Operating Fund		<u>89,804</u>	<u>93,043</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>\$ 92,399</u>	<u>\$ 95,638</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	G-3, G-6	\$ 33,537	\$ 4,223
Encumbrance Payable	G-5	<u>8,080</u>	<u>19,171</u>
Fund Balance	G-1	<u>41,617</u> <u>48,187</u>	<u>23,394</u> <u>69,649</u>
Total Operating Fund		<u>89,804</u>	<u>93,043</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>\$ 92,399</u>	<u>\$ 95,638</u>

The Accompanying Notes are in Integral Part of these Financial Statements

TOWNSHIP OF MOUNT OLIVE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS - RECREATION UTILITY FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	G-2	\$ 48,000	\$ 33,500
Program Fees	G-2	450,271	474,790
Non-Budget Revenue	G-2	10,768	2,147
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	G-6	<u>7,667</u>	<u>47,788</u>
 Total Revenues and Other Income		 <u>516,706</u>	 <u>558,225</u>
 EXPENDITURES			
Budget Appropriations:			
Operating	G-3	469,838	482,609
Statutory Expenditures	G-3	<u>20,330</u>	<u>20,164</u>
 Total Expenditures		 <u>490,168</u>	 <u>502,773</u>
 Excess in Revenue		 26,538	 55,452
 BALANCE, JANUARY 1	 G	 <u>69,649</u>	 <u>47,697</u>
		96,187	103,149
Decreased by:			
Utilized as Anticipated Revenue	G-1,G-2	<u>48,000</u>	<u>33,500</u>
 BALANCE, DECEMBER 31	 G	 <u>\$ 48,187</u>	 <u>\$ 69,649</u>

The Accompanying Notes are in Integral Part of these Financial Statements

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF REVENUES - REGULATORY BASIS - RECREATION UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	G-1	\$ 48,000	\$ 48,000	
New Programs	G-1,G-4	260,000	360,307	\$ 100,307
Program Fees	G-1,G-4	214,789	75,000	(139,789)
Additional New Programs	G-1,G-4	<u>298,379</u>	<u>14,964</u>	<u>(283,415)</u>
Total		<u>\$ 821,168</u>	498,271	<u>\$ (322,897)</u>
Nonbudget Revenue	G-1,G-4		<u>10,768</u>	
			<u>\$ 509,039</u>	
 <u>Analysis of Nonbudget Revenues</u>				
Interest on Investments and Deposits			\$ 13	
Sale of Recycling Cans - Fund Raiser			10,675	
Returned Check Fee			<u>80</u>	
	G-1,G-2,G-4		<u>\$ 10,768</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
RECREATION UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries & Wages	\$ 331,107	\$ 331,107	\$ 239,882	\$ 10,225	\$ 81,000
Other Expenses	459,731	459,731	198,398	21,333	240,000
CAPITAL					
Capital Outlay	5,000	5,000			5,000
STATUTORY EXPENDITURES					
Social Security System	<u>25,330</u>	<u>25,330</u>	<u>18,351</u>	<u>1,979</u>	<u>5,000</u>
Total	<u>\$ 821,168</u>	<u>\$ 821,168</u>	<u>\$ 456,631</u>	<u>\$ 33,537</u>	<u>\$ 331,000</u>
	<u>Reference</u>	G-2	G-2	G	
Cash Disbursements	G-4		\$ 448,551		
Encumbrances Payable	G-5		<u>8,080</u>		
			<u>\$ 456,631</u>		

TOWNSHIP OF MOUNT OLIVE
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
 GENERAL FIXED ASSETS ACCOUNT GROUP
 AS OF DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Land	\$ 25,740,400	\$ 25,469,800
Buildings and Building Improvements	12,668,400	12,069,200
Machinery and Equipment	<u>19,791,849</u>	<u>19,454,100</u>
Total Assets	<u>\$ 58,200,649</u>	<u>\$ 56,993,100</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 58,200,649</u>	<u>\$ 56,993,100</u>
Total Reserves	<u>\$ 58,200,649</u>	<u>\$ 56,993,100</u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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 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.

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.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The Township has the following funds and account group:

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

Trust Funds - 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.

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.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 fund. 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, 2013 balances to conform to the December 31, 2014 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:

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.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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 June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a 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.

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.

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

General Fixed Assets - In accordance with 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 tow 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.

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

Fixed Assets are stated as follows:

Land	Assessed Value
Buildings and Building Improvements	Assessed Value
Machinery and Equipment	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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

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 2014 and 2013 the Township Council increased the original Current Fund budget by \$117,543 and \$418,961, respectively. The increases were funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2014 and 2013.

NOTE 3 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. 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.

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, 2014 and 2013, the book value of the Township's deposits were \$22,186,906 and \$17,461,205 and bank and brokerage firm balances of the Township's deposits amounted to \$22,412,586 and \$17,678,061, 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>2014</u>	<u>2013</u>
Insured	\$ 22,412,586	\$ 17,678,061

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, 2014 and 2013, none of the Township's bank balances were exposed to custodial credit risk.

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

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, 2014 and 2013, the Township had the following investments:

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

	<u>Fair Value</u>
<u>2013</u>	
Investment:	
Length of Service Awards Program (Unaudited)	\$ <u>1,769,570</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for custodial risk. As of December 31, 2014 and 2013, \$1,863,319 and \$1,769,570 of the Township’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>	
	<u>2014</u>	<u>2013</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name (Unaudited)	\$ <u>1,863,319</u>	\$ <u>1,769,570</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices. As of December 31, 2014 and 2013, 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.

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2014 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u>	<u>Sewer</u>	<u>Total</u>
2014					
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	-	-		2,650	2,650
	<u>\$ 1,280,235</u>	<u>\$ 61,907</u>	<u>\$</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, 2014 AND 2013

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE (Continued)

Receivables at December 31, 2013 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u> <u>Sewer</u>	<u>Total</u>
<u>2013</u>				
Property Taxes	\$ 905,423			\$ 905,423
Tax Title Liens	446,072			446,072
Utility Charges and Fees	<u>-</u>	<u>\$ 61,369</u>	<u>\$ 205,941</u>	<u>267,310</u>
	<u>\$ 1,351,495</u>	<u>\$ 61,369</u>	<u>\$ 205,941</u>	<u>\$ 1,618,805</u>

In 2013, the Township collected \$1,058,075 and \$264,467 from delinquent taxes and utility charges and fees, which represented 73%, 100% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2012.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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>2014</u>		<u>2013</u>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 4,684,486	\$ 3,444,493	\$ 3,932,600	\$ 2,632,405
Non-Cash Surplus	<u>27,027</u>	<u>-</u>	<u>29,277</u>	<u>-</u>
	<u>\$ 4,711,513</u>	<u>\$ 3,444,493</u>	<u>\$ 3,961,877</u>	<u>\$ 2,632,405</u>
Water Utility Operating Fund				
Cash Surplus	\$ 593,693	\$ 109,094	\$ 393,838	\$ 40,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 593,693</u>	<u>\$ 109,094</u>	<u>\$ 393,838</u>	<u>\$ 40,000</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 1,997,588	\$ 563,141	\$ 1,265,982	\$ 544,176
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,997,588</u>	<u>\$ 563,141</u>	<u>\$ 1,265,982</u>	<u>\$ 544,176</u>
Solid Waste Collection District				
Cash Surplus	\$ 642,031	\$ 324,803	\$ 536,211	\$ 150,731
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 642,031</u>	<u>\$ 324,803</u>	<u>\$ 536,211</u>	<u>\$ 150,731</u>
Recreation Utility Fund				
Cash Surplus	\$ 48,187	\$ 16,200	\$ 69,649	\$ 48,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 48,187</u>	<u>\$ 16,200</u>	<u>\$ 69,649</u>	<u>\$ 48,000</u>

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

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, 2014 and 2013.

	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>
	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Land	\$ 25,204,500	\$ 265,300		\$ 25,469,800
Buildings and Building Improvements	12,061,000	8,200	\$ -	12,069,200
Machinery and Equipment	<u>16,787,035</u>	<u>3,773,885</u>	<u>1,106,820</u>	<u>19,454,100</u>
	<u>\$ 54,052,535</u>	<u>\$ 4,047,385</u>	<u>\$ 1,106,820</u>	<u>\$ 56,993,100</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 6 FIXED ASSETS (Continued)

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2014 and 2013.

B. Water Utility Fund Fixed Assets

	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	\$ <u>7,184,385</u>	\$ <u>23,008</u>	\$ <u>-</u>	\$ <u>7,207,393</u>
	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Fixed Capital				
System and System Improvements	\$ <u>6,647,233</u>	\$ <u>537,152</u>	\$ <u>-</u>	\$ <u>7,184,385</u>

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 6 FIXED ASSETS (Continued)

C. Sewer Utility Fund Fixed Assets

	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	303,026	-	-	303,026
	<u>\$ 33,113,140</u>	<u>\$ 138,310</u>	<u>\$ -</u>	<u>\$ 33,251,450</u>
	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</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	668,722	\$ 85,580		754,302
Vehicles and Equipment	303,026	-	-	303,026
	<u>\$ 33,027,560</u>	<u>\$ 85,580</u>	<u>\$ -</u>	<u>\$ 33,113,140</u>

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 6 FIXED ASSETS (Continued)

D. Recreation Utility Fund Fixed Assets

	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
	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Fixed Capital				
Various Equipment & Improvements	\$ 2,595	\$ -	\$ -	\$ 2,595

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, 2014 AND 2013**

NOTE 7 MUNICIPAL DEBT (Continued)

The Township's debt is summarized as follows:

	<u>2014</u>	<u>2013</u>
Issued		
General		
Bonds, Notes and Loans	\$ 22,018,968	\$ 23,245,598
Water Utility		
Bonds and Loans	1,420,298	646,396
Sewer Utility		
Bonds and Loans	1,114,001	1,537,332
Sewer Utility Assessment		
Bonds and Loans	<u>780,251</u>	<u>1,179,815</u>
	25,333,518	26,609,141
Less: Funds Temporarily Held to Pay Bonds and Notes	<u>790,719</u>	<u>650,883</u>
Net Debt Issued	<u>24,542,799</u>	<u>25,958,258</u>
Authorized But Not Issued		
General		
Bonds and Notes	1,377,963	273,075
Water Utility		
Bonds and Notes	77,500	353,946
Sewer Utility		
Bonds and Notes	<u>-</u>	<u>500</u>
	<u>1,455,463</u>	<u>627,521</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 25,998,262</u>	<u>\$ 26,585,779</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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 .75% and .72% at December 31, 2014 and 2013, respectively.

	<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>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
General Debt	\$ 23,518,673	\$ 225,000	\$ 23,293,673
School Debt	48,635,000	48,635,000	
Utility Debt	<u>3,717,989</u>	<u>3,717,988</u>	<u>-</u>
Total	<u>\$ 75,871,662</u>	<u>\$ 52,577,988</u>	<u>\$ 23,293,673</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>2014</u>	<u>2013</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 107,449,465	\$ 111,786,206
Less: Net Debt	<u>23,256,931</u>	<u>23,293,673</u>
Remaining Borrowing Power	<u>\$ 84,192,534</u>	<u>\$ 88,492,533</u>

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

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>2014</u>	<u>2013</u>
\$1,430,000, 2005 Bonds, due in annual installments of \$160,000 through April 1, 2015, interest at 3.75%	\$ 160,000	\$ 320,000
\$7,190,000, 2005 Refunding Bonds, due in annual installments of \$200,000 to \$760,000 through February 15, 2019, interest at 3.625% to 4.50%	3,160,000	3,900,000
\$3,279,000, 2006 Bonds, due in annual installments of \$229,000 to \$230,000 through May 15, 2021, interest at 4.00% to 4.10%	1,609,000	1,839,000
\$3,405,000, 2007 Bonds, due in annual installments of \$230,000 through March 15, 2017 at 3.75%	690,000	915,000

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

	<u>2014</u>	<u>2013</u>
\$4,105,000, 2009 Refunding Bonds, due in annual installments of \$590,000 through February 15, 2016 at 4.00%	\$ 1,180,000	\$ 1,770,000
\$1,537,000, 2011 Bonds, due in annual installments of \$175,000 to \$200,000 through April 15, 2020 at 3.00% to 3.50%	1,157,000	1,307,000
\$575,000, 2011 Refunding Bonds, due April 15, 2014 at 3.00%	-	175,000
\$1,460,000, 2011 Refunding Bonds, due in annual installments of \$240,000 to \$250,000 through April 15, 2017 at 3.00%	740,000	980,000
\$3,815,000, 2012 Refunding Bonds, due in annual installments of \$365,000 to \$675,000 through February 15, 2019 at 2.00% through 4.00%	2,440,000	3,125,000
\$4,603,000, 2012 Bonds, due in annual installments of \$550,000 to \$650,000 through November 1, 2020 at 2.00%	3,778,000	4,278,000
\$6,325,000, 2014 Bonds, due in annual installments of \$450,000 to \$900,000 through October 15, 2022 at 2.00% through 4.00%	<u>6,325,000</u>	<u>-</u>
	<u>\$ 21,239,000</u>	<u>\$ 18,609,000</u>

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

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>2014</u>	<u>2013</u>
\$2,957,000, 2005 Refunding Bonds, due in annual installments of \$135,000 to \$335,000 through August 15, 2018, interest at 3.25% to 5.00%	\$ 927,000	\$ 1,262,000
\$142,000, 2012 Bonds, due in annual installments of \$30,000 to \$32,000 through November 1, 2017, interest at 2.00%	<u>92,000</u>	<u>122,000</u>
Total Sewer Capital Fund	<u>1,019,000</u>	<u>1,384,000</u>
 Sewer Assessment Trust Fund		
\$668,000, 2005 Bonds, due in annual installments of \$95,000 to \$98,000 through August 15, 2016, interest at 3.25% to 5.00%	193,000	288,000
\$700,000, 2012 Bonds, due in annual installments of \$140,000 November 1, 2017, interest at 2.00%	<u>420,000</u>	<u>560,000</u>
Total Sewer Assessment Trust Fund	<u>613,000</u>	<u>848,000</u>
Total Sewer Utility Bonds	<u>\$ 1,632,000</u>	<u>\$ 2,232,000</u>

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Water Utility Bonds

	<u>2014</u>	<u>2013</u>
\$333,000, 2012 Bonds, due in annual installments of \$70,000 to \$75,000 through November 1, 2017, interest at 2.00%	\$ 223,000	\$ 293,000
\$863,000, 2014 Bonds, due in annual installments of \$65,000 to \$125,000 through October 15, 2022, interest at 2.00% to 4.00%	<u>863,000</u>	<u>-</u>
Total Water Utility Bonds	<u>\$ 1,086,000</u>	<u>\$ 293,000</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>2014</u>	<u>2013</u>
\$500,000, 2002 Loan due in semi-annual installments of \$13,258 to \$15,392 through July 2022, interest at 2.00%	<u>\$ 228,802</u>	<u>\$ 254,925</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>2014</u>	<u>2013</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>\$ 117,922</u>	<u>\$ 233,523</u>

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

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>2014</u>	<u>2013</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	\$ 913,589
\$1,231,851, 1996 Loan due in semi-annual installments of \$45,000 to \$50,000 through August 2016, interest at 5.0% to 5.25%	<u>95,001</u>	<u>153,332</u>
	<u>\$ 555,496</u>	<u>\$ 1,066,921</u>
General Capital Fund	\$ 293,244	\$ 581,774
Sewer Utility Fund	<u>262,252</u>	<u>485,147</u>
	<u>\$ 555,496</u>	<u>\$ 1,066,921</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>2014</u>	<u>2013</u>
\$382,200, 2011 Loan due in semi-annual installments of \$4,538 to \$15,798 through August 2031, interest at .22% to 3.14%	<u>\$ 334,298</u>	<u>\$ 353,396</u>

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

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>2014</u>	<u>2013</u>
\$650,000 2003 Loan due in annual installments of \$45,000 to \$95,000 through February 2016, interest at 1.75% to 5.75%	\$ 140,000	\$ 225,000

The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2014 is as follows:

Calendar Year	General		Water Utility		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$ 4,587,817	\$ 688,727	\$ 159,113	\$ 35,694	\$ 812,252	\$ 66,037	\$ 6,349,640
2016	4,117,184	544,123	159,135	33,543	640,000	35,490	5,529,475
2017	3,537,730	425,833	212,161	30,066	307,000	14,240	4,527,030
2018	3,103,287	321,213	139,196	24,971	135,000	5,400	3,729,067
2019	2,578,856	221,044	139,242	21,325			2,960,467
2020-2024	4,094,094	254,329	470,291	36,706			4,855,420
2025-2029			100,023	4,212			104,235
2030-2031	-	-	41,137	564	-	-	41,701
Total	<u>\$ 22,018,968</u>	<u>\$ 2,455,269</u>	<u>\$ 1,420,298</u>	<u>\$ 187,081</u>	<u>\$ 1,894,252</u>	<u>\$ 121,167</u>	<u>\$ 28,097,035</u>

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

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, 2014 and 2013 were as follows:

	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, 2014 AND 2013

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<u>2013</u>					
General Capital Fund					
Bonds Payable	\$ 22,491,000	\$ -	\$ 3,882,000	\$ 18,609,000	\$ 3,695,000
Intergovernmental Loans Payable	<u>1,796,504</u>	<u>-</u>	<u>501,282</u>	<u>1,295,222</u>	<u>515,254</u>
General Capital Fund Long-Term Liabilities	<u>\$ 24,287,504</u>	<u>\$ -</u>	<u>\$ 4,383,282</u>	<u>\$ 19,904,222</u>	<u>\$ 4,210,254</u>
Water Utility Capital Fund					
Bonds Payable	\$ 540,000		\$ 247,000	\$ 293,000	\$ 70,000
Intergovernmental Loans	<u>372,483</u>	<u>\$ -</u>	<u>19,087</u>	<u>353,396</u>	<u>19,098</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 912,483</u>	<u>\$ -</u>	<u>\$ 266,087</u>	<u>\$ 646,396</u>	<u>\$ 89,098</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 1,739,000		\$ 355,000	\$ 1,384,000	\$ 365,000
Intergovernmental Loans	<u>223,558</u>	<u>-</u>	<u>70,226</u>	<u>153,332</u>	<u>58,331</u>
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 1,962,558</u>	<u>\$ -</u>	<u>\$ 425,226</u>	<u>\$ 1,537,332</u>	<u>\$ 423,331</u>
Sewer Utility Assessment Fund					
Bonds Payable	\$ 1,083,000		\$ 235,000	\$ 848,000	\$ 235,000
Intergovernmental Loans	<u>1,711,601</u>	<u>-</u>	<u>1,379,786</u>	<u>331,815</u>	<u>164,564</u>
Sewer Utility Assessment Fund Long-Term Liabilities	<u>\$ 2,794,601</u>	<u>\$ -</u>	<u>\$ 1,614,786</u>	<u>\$ 1,179,815</u>	<u>\$ 399,564</u>

TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 7 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Township's short-term debt activity for the years ended December 31, 2014 and 2013 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2013</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2014</u>
2014						
<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	\$ -
2013						
<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, 2014 AND 2013

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>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 Track Roll Off Conversion	76,526	2015
Fire Service Apparatus	809,677	2015

<u>2013</u> <u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
Design and Construction of Fuel Depot	\$ 16,035	2014
Improvement of the Indian Spring Well House	46,227	2014
HVAC Re-Commissioning Project	80,905	2014
Furnishing and Installation of Security System	116,000	2014
Refurbish of Engine 53	105,272	2014
Cloverhill Wastewater Treatment Plant	250,082	2014

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 9 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 \$3,315,379 and \$3,357,588 at December 31, 2014 and 2013, 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, 2014 and 2013, the Township has reserved in the Other Trust Fund \$-0- and \$57,862, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

Changes in Other Long-Term Liabilities

The Township's changes in other long-term liabilities for the years ended December 31, 2014 and 2013 were as follows:

	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>					
Compensated Absences	\$ 3,357,588	\$ 115,658	\$ 157,867	\$ 3,315,379	\$ 95,000
	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<u>2013</u>					
Compensated Absences	\$ 3,342,182	\$ 15,406	\$ -	\$ 3,357,588	\$ 150,000

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

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

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 employers 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.

Other Pension Funds

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

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, 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, 2014 AND 2013**

NOTE 10 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.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65. The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2014, the PERS member contribution rate was 6.78%. The rate increased to 6.92% effective July 2014. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

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.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 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, 2012 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 of 4.22 percent for PERS and 6.01 percent for PFRS.

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 6.50% plus an additional 1% phased-in over 7 years beginning in July 2013 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.78% in fiscal year 2014 and 6.92% for fiscal year 2015 effective July 2014.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27, Accounting for Pension by State and Local Government Employees, 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.

TOWNSHIP OF MOUNT OLIVE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC) (Continued)

During the years ended December 31, 2014, 2013 and 2012, 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:

Year Ended <u>December 31</u>	<u>PERS</u>	<u>PERS</u>	<u>DCRP</u>
2014	\$ 1,088,430	\$ 656,736	\$ 1,399
2013	1,213,065	678,853	960
2012	1,218,064	712,902	4,378

NOTE 11 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 585 state and local participating employers and contributing entities for Fiscal Year 2013.

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.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011 the 4-year phase in does not apply, and contributions based on the full percentage rate of contribution are required.

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, 2013, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.3 billion for state active and retired members and \$32.2 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, 2012 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.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State 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 \$139.8 million for 9,404 eligible retired members for Fiscal Year 2013. This benefit covers the Police and Firemen's Retirement System.

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 \$38.0 million in Fiscal Year 2013 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, 2014, 2013 and 2012 were \$947,807, \$802,784 and \$573,477, respectively, which equaled the required contributions for each year.

NOTE 12 RISK MANAGEMENT

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

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

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.

**TOWNSHIP OF MOUNT OLIVE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 RISK MANAGEMENT (Continued)

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Township</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2014	\$ -	\$ 16,251	\$ 10,004	\$ 112,260
2013	-	15,922	19,838	106,013
2012	20,000	15,210	29,810	109,929

NOTE 13 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2014 and 2013. 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, 2014 and 2013, the Township reserved \$148,177 and \$83,533, 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, 2014 and 2013, 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, 2014 AND 2013**

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The Township is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. The Township has calculated and determined there is no arbitrage earnings due to the IRS as of December 31, 2013.

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

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

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the volunteer fire companies and the 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 \$1,548 for 2014 and 2013, respectively, for each eligible volunteer fire company and rescue squad member into the Plan. The total Township contributions were \$146,235 and \$151,670 for 2014 and 2013, 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, 2014 AND 2013**

NOTE 15 LENGTH OF SERVICE AWARD 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 Fund.

NOTE 16 SUBSEQUENT EVENTS

Serial Bonds

The Township awarded the sale of General Obligation Refunding bonds in the amount of \$4,160,000 and Sewer Utility Refunding bonds in the amount of \$690,000 to RBC Capital Markets at interest rates of 2.00% to 4.00%. These bonds dated April 28, 2015 will mature over 6 years with the first maturity due May 15, 2016.

Debt Authorized

On March 17, 2015 the Township adopted a General Capital Fund bond ordinance authorizing the issuance \$3,723,898 in bonds or bond anticipation notes and a Water Capital Fund bond ordinance authorizing the issuance of \$883,500 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, 2013	\$ 6,033,259	\$ 66,645
Increased by Receipts:		
Taxes Receivable	\$ 94,849,831	
Tax Title Liens	4,471	
Non-Budget Revenues	970,734	
State of NJ - Senior Citizens' and Vet. Deductions	109,500	
Revenue Accounts Receivable	4,870,260	
Fees Payable	79,705	
Prepaid Taxes	291,786	
Receipts from Open Space Trust Fund	586,851	
Receipts from General Capital Fund	28,113	
Reserve for Outside Lienholders	744,655	
Budget Refunds	735,575	
Grants Receivable		176,465
Reserve for Grants Unappropriated		97,056
Tax Overpayments	146,819	
Reserve for Tax Sale Premiums	<u>1,140,600</u>	
	<u>104,558,900</u>	<u>-</u>
	110,592,159	340,166
Decreased by Disbursements:		
2014 Budget Appropriations	25,513,712	
2013 Appropriation Reserves	539,490	
Refund of Prior Year Revenue	13,867	
Reserve for Tax Sale Premiums	581,400	
Reserve for Outside Lienholders	744,655	
Encumbrances Payable		132,942
Reserve for Grants Appropriated		115,247
Fees Payable	70,661	
County Taxes Payable	7,985,345	
Local District School Taxes Payable	64,857,316	
Sanitation District Taxes Payable	1,935,403	
Open Space Trust Taxes Payable	590,711	
Reserve for Tax Appeals	60,356	
Tax Overpayments	<u>146,819</u>	
	<u>103,039,735</u>	<u>-</u>
Balance, December 31, 2014	<u>\$ 7,552,424</u>	<u>\$ 91,977</u>

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

	Balance, December 31, <u>2013</u>	Balance, December 31, <u>2014</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>

EXHIBIT A-6

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

Balance, December 31, 2013		\$ 29,277
Increased by:		
Veterans Deductions Per Tax Billings - 2014	\$ 98,500	
Senior Citizen Deductions Per Tax Billings - 2014	18,250	
Senior Citizen Deductions Allowed Per Tax Collector-2014	750	
Veterans Deductions Allowed Per Tax Collector - 2014	<u>1,000</u>	
		<u>118,500</u>
		147,777
Decreased by:		
Cash Received	109,500	
Senior Citizen Deductions Disallowed Per Tax Collector-2014	1,000	
Veterans Deductions Disallowed Per Tax Collector-2014	1,250	
Senior Citizen Deductions Disallowed Per Tax Collector-2013	<u>9,000</u>	
		<u>120,750</u>
Balance, December 31, 2014		<u>\$ 27,027</u>

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

Year	Balance, December 31,		Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	Collections		Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31,
	2013	2014 Levy			2013	2014				2014
2012	\$ 6,979					\$ 5,953				\$ 1,026
2013	898,444	-	\$ 17,496	\$ 9,000	-	909,260	-	-	\$ 7,807	7,873
	905,423	-	17,496	9,000	-	915,213	-	-	7,807	8,899
2014	-	\$ 95,203,445	-	2,250	\$ 306,114	93,934,618	\$ 118,500	\$ 29,230	\$ 65,506	751,727
	\$ 905,423	\$ 95,203,445	\$ 17,496	\$ 11,250	\$ 306,114	\$ 94,849,831	\$ 118,500	\$ 29,230	\$ 73,313	\$ 760,626

Analysis of 2014 Property Tax Levy

Tax Yield		
General Purpose Tax		\$ 94,562,449
Added Taxes		640,996
		<u>\$ 95,203,445</u>
Tax Levy		
County Taxes (Abstract)	\$ 7,615,907	
Due County for Added and Omitted Taxes	53,983	
County Open Space Preservation	315,455	
		\$ 7,985,345
Local District School Tax (Abstract)		64,857,316
Local Sanitation District	1,920,900	
Local Sanitation District - Added Taxes	14,503	
		1,935,403
Local Open Space Levy	586,851	
Local Open Space Levy-Added Taxes	3,860	
		590,711
Local Tax for Municipal Purposes	18,211,564	
Minimum Library Tax	1,030,113	
Add Additional Tax Levied	592,993	
		<u>19,834,670</u>
		<u>\$ 95,203,445</u>

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

Balance, December 31, 2013		\$ 446,072
Increased by:		
Added Tax Title Liens - Year End Penalty	\$ 3,329	
Transfers from Taxes Receivable	73,313	
Interest and Costs - Tax Sale	<u>1,366</u>	
		<u>78,008</u>
		524,080
Decreased by:		
Collections		<u>4,471</u>
Balance, December 31, 2014		<u>\$ 519,609</u>

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

Balance, December 31, 2013	<u>\$ 4,977,194</u>
Balance, December 31, 2014	<u>\$ 4,977,194</u>

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

	Balance, December 31, <u>2013</u>	Accrued in <u>2014</u>	<u>Collected</u>	Balance, December 31, <u>2014</u>
Township Clerk				
Licenses				
Alcoholic Beverages		\$ 24,004	\$ 24,004	
Fees and Permits		2,635	2,635	
Board of Health				
Fees and Permits		96,149	96,149	
Registrar				
Fees and Permits		4,698	4,698	
SMA Clinic, Shots and Screening				
Fees and Permits		21,577	21,577	
Police Department				
Fees and Permits		18,611	18,611	
Tax Search Officer				
Fees and Permits		20	20	
Tax Assessor				
Fees and Permits		780	780	
Engineering				
Fees and Permits		6,475	6,475	
Planning Board				
Fees and Permits		10,968	10,968	
Zoning Board				
Fees and Permits		13,270	13,270	
Water Testing				
Fees and Permits		4,797	4,797	
Municipal Court				
Fines and Costs	\$ 28,479	348,696	350,256	\$ 26,919
Interest and Costs on Taxes		239,642	239,642	
Interest on Investments and Deposits		3,950	3,950	
Water Tower Rental - NYNEX		337,247	337,247	
Interest on Developers' Deposit Fees		2,700	2,700	
Life Hazard Use Fees		97,957	97,957	
Fire Prevention Inspection Fees		82,211	82,211	
Additional Fire Prevention - Chester		32,022	32,022	
New Fire Prevention Fees - Hackettstown		39,852	39,852	
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	38,589	600,981	639,570	
Interlocal Health Agreement		173,558	173,558	
Interlocal Court Agreement		53,060	53,060	
Interlocal Animal Control Agreement		10,598	10,598	
Cable TV Franchise Fee		98,267	98,267	
Hotel Tax Revenues		238,568	238,568	
General Capital Fund Surplus		28,113	28,113	
Due from Open Space Trust Fund - Debt Service		586,851	586,851	
Due from Sports Organizations - Down Payments		21,800	21,800	
Due from Sports Organizations - Debt Payback		51,643	51,643	
Due from Solid Waste Collection District - Debt Service		52,775	52,775	
Due from Mt. Olive Child Care - Lease	-	98,497	98,497	-
	<u>\$ 67,068</u>	<u>\$ 5,445,075</u>	<u>\$ 5,485,224</u>	<u>\$ 26,919</u>
			\$ 4,870,260	
			28,113	
			<u>586,851</u>	
			<u>\$ 5,485,224</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2013 APPROPRIATION RESERVES**

	Balance, December 31, <u>2013</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
SALARIES AND WAGES				
General Government				
Mayor and Council	\$ 138	\$ 138		\$ 138
Township Clerk	126	126		126
Financial Administration				-
Assessment of Taxes	499	499		499
Engineering Services and Costs	153	153		153
Planning Board	3,520	3,520		3,520
Public Safety				
Police	13,567	13,567		13,567
Emergency Management				-
Fire Prevention				
Streets and Roads				
Road Repairs and Maintenance	5,225	5,225		5,225
Buildings and Grounds	4,590	4,590		4,590
Fleet Maintenance	4,685	4,685		4,685
Health and Human Services				
Board of Health	5,547	5,547		5,547
Division of Senior Social Services	2,606	2,606		2,606
Code Enforcement - Inspection of Buildings	735	735		735
Municipal Court	5,081	5,081		5,081
OTHER EXPENSES				
Mayor and Council	816	1,375	\$ 391	984
Township Clerk	4,214	4,337	123	4,214
Business Administration	2,971	3,509	3,509	-
Financial Administration	2,768	14,295	11,538	2,757
Annual Audit	292	292		292
Revenue Administration	105	789	674	115
Assessment of Taxes	81	5,602	5,511	91
Legal Services & Costs	13,807	42,219	16,705	25,514
Engineering Services and Costs	1,975	3,988	-	3,988
Industrial and Economic Development Committee	109	2,775	2,681	94
Pride Committee				-
Open Space Committee	225	225	-	225
Mt. Olive Historical Society	518	1,251	733	518
Ethics Board	500	500	-	500
Information Technology Support	697	5,329	3,632	1,697
Planning Board	5,219	8,165	650	7,515
Public Safety				
Police	207	68,546	60,361	8,185
Emergency Management System	7,260	14,868	11,920	2,948
Fire				
Budd Lake Fire Company	-	6,124	-	6,124
Fire Hydrant Rental	509	977	468	509
First Aid Organization				
Flanders Rescue Squad				-
Budd Lake Rescue Squad				-
Fire Prevention	1,564	2,244	675	1,569
Streets and Roads				
Road Repairs and Maintenance	26,324	156,361	114,207	42,154

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance, December 31, <u>2013</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)				
Street Signs	\$ 3,196	\$ 12,415	\$ 9,167	\$ 3,248
Buildings and Grounds	1,461	68,551	\$ 68,551	-
Fleet Maintenance	7,422	26,055	6,282	19,773
Health and Human Services				
Board of Health	2,719	10,217	2,873	7,344
Environmental Committee	648	1,160	512	648
Division of Senior Social Services	2,260	2,561	181	2,380
Code Enforcement - Inspection of Buildings	973	983		983
Utilities				
Electricity	18,968	30,648	13,962	16,686
Street Lighting	11,666	30,166	16,670	13,496
Gas	8,559	14,909	8,209	6,700
Telecommunications	459	9,473	8,074	1,399
Vehicle Fuel	3,844	16,833	15,934	899
Municipal Court	507	1,323	437	886
Public Defender	1,450	2,750	1,125	1,625
Statutory Charges				
Social Security System	5,473	5,473		5,473
Deferred Contribution Retirement Program	290	290		290
Contribution to Library		2,065	2,065	-
Insurance				
Employee Group Health	2,797	2,797		2,797
Length of Service Award Program (LOSAP)	10,000	151,750	151,670	80
	<u>\$ 199,325</u>	<u>\$ 780,662</u>	<u>\$ 539,490</u>	<u>\$ 241,172</u>
Appropriation Reserves		\$ 199,325		
Encumbrances Payable		<u>581,337</u>		
		<u>\$ 780,662</u>		

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

Balance, December 31, 2013	\$	581,337
Increased by:		
Charges to 2014 Appropriations		445,155
		1,026,492
Decreased by:		
Transferred to Appropriation Reserves		581,337
Balance, December 31, 2014	\$	445,155

EXHIBIT A-13

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

Balance, December 31, 2013	\$	132,942
Increased by:		
Charges to Appropriated Grant Reserves		153,279
		286,221
Decreased by:		
Cash Disbursements		132,942
Balance, December 31, 2014	\$	153,279

EXHIBIT A-14

STATEMENT OF STATE FEES PAYABLE

Balance, December 31, 2013	\$	-
Increased by:		
Cash Received		79,705
		79,705
Decreased by:		
Cash Disbursed		70,661
Balance, December 31, 2014	\$	9,044

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

Balance, December 31, 2013	\$	306,114
Increased by:		
Collection of 2015 Taxes		291,786
		597,900
Decreased by:		
Application to 2014 Taxes Receivable		306,114
Balance, December 31, 2014	\$	291,786

EXHIBIT A-16

STATEMENT OF RESERVE FOR OUTSIDE LIENHOLDERS

Balance, December 31, 2013	\$	-
Increased By:		
Cash Receipts		744,655
		744,655
Decreased By:		
Cash Disbursements		744,655
Balance, December 31, 2014	\$	-

EXHIBIT A-17

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:		
2014 Tax Levy	\$	7,615,907
2014 Open Space Preservation		315,455
2014 Added and Omitted Taxes (54:4-63.1 et seq.)		53,983
	\$	7,985,345
Decreased by:		
Cash Disbursed	\$	7,985,345

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

Increased by:		
Levy - Calendar Year 2014		\$ <u>64,857,316</u>
Decreased by:		
Cash Disbursed		\$ <u>64,857,316</u>

EXHIBIT A-19

STATEMENT OF RESERVE FOR TAX SALE PREMIUMS

Balance, December 31, 2013		\$ 931,950
Increased By:		
Cash Received		<u>1,140,600</u>
		2,072,550
Decreased By:		
Cash Disbursed	\$ 581,400	
Escheated to Township	<u>29,200</u>	
		<u>610,600</u>
Balance, December 31, 2014		\$ <u>1,461,950</u>

EXHIBIT A-20

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2013		\$ 83,533
Increased by:		
Contested Amount of Current Year Taxes which are Pending State Appeal		<u>125,000</u>
		208,533
Decreased by:		
Cash Disbursed		<u>60,356</u>
Balance, December 31, 2014		\$ <u>148,177</u>

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

Increased by:	
2014 Tax Levy	\$ 586,851
2014 Added Tax Levy	<u>3,860</u>
	\$ <u>590,711</u>
Decreased by:	
Cash Disbursed to Open Space Trust Fund	<u>\$ 590,711</u>

EXHIBIT A-22

STATEMENT OF SANITATION DISTRICT TAXES

Increased by:	
2014 Tax Levy	\$ 1,920,900
2014 Added Tax Levy	<u>14,503</u>
	\$ <u>1,935,403</u>
Decreased by:	
Cash Disbursed to Sanitation District Fund	<u>\$ 1,935,403</u>

EXHIBIT A-23

STATEMENT OF TAX OVERPAYMENTS

Increased By:	
Overpayments Received	<u>\$ 146,819</u>
Decreased By:	
Cash Disbursements	<u>\$ 146,819</u>

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

	Balance, December 31, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2014</u>
Clean Communities Program	\$ 10,939	\$ 54,038	\$ 61,116	\$ 3,861
Budd Lake Drainage		21,000	21,000	-
Click it or Ticket		4,000	4,000	-
Recreation Trails Grant	24,000		5,397	18,603
Drunk Driving Enforcement Fund	13,375	15,204	10,130	18,449
Body Armor Replacement Grant	11,456	4,464	4,469	11,451
Drive Sober or Get Pulled Over - Year End		7,500	2,690	4,810
Drive Sober or Get Pulled Over - Labor Day	-	5,000	5,000	-
Drive Sober or Get Pulled Over - Year End		4,400	4,400	-
Recycling Tonnage Grant	75,977		66,240	9,737
NJ Sustainable Grant	9,000		6,359	2,641
Bulletproof Vest Partnership	10,969	2,737	1,788	11,918
Donation - Braile Trail	18,908		18,166	742
Donations - BASF	-	500	500	-
Donations - Cablevision	-	2,000	2,000	-
Highlands Council Grant		57,000	57,000	-
Donations - American Legion	-	500	500	-
Donations - Benjamin Moore	-	1,100	1,100	-
	<u>\$ 174,624</u>	<u>\$ 179,443</u>	<u>\$ 271,855</u>	<u>\$ 82,212</u>
Budget Appropriation: State & Federal Grants		<u>\$ 179,443</u>		
Cash Disbursements			\$ 115,247	
Cancelled			3,329	
Encumbrances Payable			<u>153,279</u>	
			<u>\$ 271,855</u>	

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

	Balance, December 31, <u>2013</u>	Revenue <u>Realized</u>	<u>Decreased</u>	Balance, December 31, <u>2014</u>
Highlands Council Grant	\$ 144,925	\$ 57,000	\$ 33,011	\$ 168,914
Clean Communities Program	-	54,038	54,038	-
Click it or Ticket	-	4,000	4,000	-
Recreation Trails Grant	6,750		6,750	-
Recreation Trails Grant	24,000			24,000
Drunk Driving Enforcement Fund		15,204	15,204	-
Body Armor Replacement Grant	-	4,464	4,464	-
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 - Labor Day	-	5,000	5,000	-
Drive Sober or Get Pulled Over - Year End		4,400	4,400	-
NJ Sustainable Grant - 2013	5,000			5,000
Donation - BASF		500	500	-
Donations - American Legion	-	500	500	-
Donations - Cablevision	-	2,000	2,000	-
Donations - Baptist Church	43,103		43,103	-
Donations - Benjamin Moore	-	1,100	1,100	-
Water Conservation Grant	2,978		2,382	596
Bullet Proof Vest Partnership	14,165	2,737	3,342	13,560
	<u>\$ 240,921</u>	<u>\$ 179,443</u>	<u>\$ 179,794</u>	<u>\$ 240,570</u>
Original Budget		\$ 61,900		
Chapter 159		<u>117,543</u>		
		<u>\$ 179,443</u>		
Cash Received			\$ 176,465	
Cancelled			<u>3,329</u>	
			<u>\$ 179,794</u>	

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

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

TRUST FUND

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

	<u>Animal Control</u> <u>Trust Fund</u>	<u>Other</u> <u>Trust Fund</u>	<u>Open Space</u> <u>Trust Fund</u>
Balance, December 31, 2013	\$ 15,207	\$ 6,125,302	\$ 107,119
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 4,355		
Interest on Investments and Deposits			\$ 18
Municipal Open Space Tax Levy			590,711
Payroll and Payroll Deductions		\$ 24,944,864	
Developers Escrow Deposits		1,379,220	
Miscellaneous Reserves		563,969	
Animal Control Fees	42,853		
Current Fund Budget Appropriations	60,505	-	
Contributions	7,711		
Miscellaneous Receipts	-	-	40,598
	115,424	26,888,053	631,327
	130,631	33,013,355	738,446
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	110,016		
Due to State of New Jersey	4,356	14,127	
Open Space Expenditures			26,079
Payments to Current Fund			586,851
Payments to General Capital Fund			20,760
Payroll and Payroll Deductions		24,947,061	
Developers Escrow Deposits Refunded		660,542	
Miscellaneous Reserves	-	590,076	-
	114,372	26,211,806	633,690
Balance, December 31, 2014	\$ 16,259	\$ 6,801,549	\$ 104,756

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

Balance, December 31, 2013		\$ 15,193
Increased by:		
Current Fund Budget Appropriation	\$ 60,505	
Contributions	7,711	
Animal Control Fees		
Dog License Fees	\$ 33,783	
Cat License Fees	6,211	
Miscellaneous	30	
Impound/Kennel Fees	<u>2,829</u>	
	<u>42,853</u>	
		<u>111,069</u>
		126,262
Decreased by:		
Expenditures Under R.S. 4:19-15-11		<u>110,016</u>
Balance, December 31, 2014		<u>\$ 16,246</u>

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

Balance, December 31, 2013	\$	14
Increased by:		
Dog License Fees Collected		<u>4,355</u>
		4,369
Decreased by:		
Payments Made to State of New Jersey		<u>4,356</u>
Balance, December 31, 2014	\$	<u>13</u>

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

Balance, December 31, 2013	\$	4,425,507
Increased by:		
Cash Receipts		1,379,220
		5,804,727
Decreased by:		
Cash Disbursements		660,542
Balance, December 31, 2014	\$	5,144,185

EXHIBIT B-7

**OTHER TRUST FUND
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2014</u>
Unemployment Compensation	\$ 106,013	\$ 16,251	\$ 10,004	\$ 112,260
Law Enforcement	18,757	2,319	2,918	18,158
Affordable Housing	1,178,203	193,605	90,040	1,281,768
Off-Duty Police Contributions	35,977	211,296	203,528	43,745
Accumulated Absences	57,862	100,005	157,867	-
Accumulated Snow Removal	11,643	1,001	11,400	1,244
POAA	339	30		369
Pride Committee	670		670	-
Tot Lot Donations	2,000	23,883	16,260	9,623
911 Memorial	1,745		1,745	-
Dog Park Donations	211		211	-
Detention Basin Contributions	39,694	6		39,700
Municipal Alliance	33,919	505	12,688	21,736
Tree Bank Fund	184,597	430	76,702	108,325
Food Pantry	11,334	4,042	6,668	8,708
Electronic Fees	4,614	10,596	9,379	5,831
	<u>\$ 1,687,578</u>	<u>\$ 563,969</u>	<u>\$ 600,080</u>	<u>\$ 1,651,467</u>
Cash Receipts		<u>\$ 563,969</u>		
			Cash Disbursements	\$ 590,076
			Due to State of New Jersey	10,004
			<u>\$ 600,080</u>	

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

Balance, December 31, 2013	\$ 5,703
Increased by:	
Unemployment Claims	<u>10,004</u>
	15,707
Decreased By:	
Cash Disbursements	<u>14,127</u>
Balance, December 31, 2014	<u>\$ 1,580</u>

EXHIBIT B-9

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

Balance, December 31, 2013	\$ 6,514
Increased by:	
Cash Receipts	<u>24,944,864</u>
	24,951,378
Decreased by:	
Cash Disbursements	<u>24,947,061</u>
Balance, December 31, 2014	<u>\$ 4,317</u>

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

Balance, December 31, 2013		\$ 107,119
Increased by:		
Interest on Investments and Deposits	\$ 18	
Reserve for the Sale of Land Proceeds	22,000	
Reimbursements for BASF Expenses	18,598	
Municipal Open Space Tax Levy	586,851	
Municipal Open Space Tax Levy - Added Taxes	<u>3,860</u>	
		<u>631,327</u>
		738,446
Decreased by:		
Payments to Current Fund - Debt Service	586,851	
Payments to General Capital Fund - Downpayment	20,760	
Miscellaneous Cash Disbursements	<u>26,079</u>	
		<u>633,690</u>
Balance, December 31, 2014		<u>\$ 104,756</u>

GENERAL CAPITAL FUND

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

Balance, December 31, 2013		\$ 1,264,406
Increased by Receipts:		
Department of Transportation Grant Proceeds	\$ 160,200	
Due from Open Space Trust Fund	20,760	
Due from Current Fund - Refunds	589	
Community Development Block Grant Proceeds	23,353	
Budget Appropriation - Capital Improvement Fund	213,680	
Budget Appropriation - Deferred Charges Unfunded	46,525	
Serial Bonds	<u>6,325,000</u>	
		<u>6,790,107</u>
		8,054,513
Decreased by Disbursements:		
Improvement Authorizations	2,453,108	
Reclassify Grant Receipts - Historic Preservation Trust Fund	20,156	
Reserve for Encumbrances	457,367	
Payments to Current Fund	28,113	
Bond Anticipation Notes	<u>3,341,376</u>	
		<u>6,300,120</u>
Balance, December 31, 2014		\$ <u>1,754,393</u>

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

		Balance, December 31, <u>2014</u>
	Capital Improvement Fund	\$ 44
	Encumbrances Payable	1,642,551
	Reserve for Recreation Improvements	37,500
	Fund Balance	118,444
	Department of Transportation Grant Receivable	(289,800)
	Hazard Mitigation Grant Receivable	(90,000)
	Due from County of Morris Historic Preservation Trust Fund	(315,816)
Ord.		
<u>No.</u>	<u>Improvement Authorizations</u>	
33-11	Various Improvements	2,000
13-12	Various Improvements	30,092
1-13	Various Improvements	(3,405)
4-13	Dan Jordan Field Improvements	(1)
5-13	Various Improvements	37,398
15-13	Trail/Recreation Improvements	10,775
27-13	Various Baptist Church Improvements	17,154
11-14	Various Improvements	427,577
13-14	Sanitation Improvements	11,923
17-14	UPS for the Police Department	(6,003)
18-14	Seward House	<u>123,960</u>
		<u>\$ 1,754,393</u>

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

Balance, December 31, 2013		\$ 19,904,222
Increased by:		
Bonds Issued		6,325,000
		26,229,222
Decreased by:		
2014 Budget Appropriation		
Payment of Bond Principal	\$ 3,695,000	
Payment of Loan Principal:		
Wastewater	\$ 288,530	
Garden State Preservation Trust	26,123	
Morris County Improvement Authority	85,000	
Green Trust	115,601	
	515,254	
		4,210,254
Balance, December 31, 2014		\$ 22,018,968

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

Balance, December 31, 2013	\$	225,000
Increased by:		
Grant Awards		225,000
		450,000
Decreased by:		
Cash Receipts		160,200
 Balance, December 31, 2014	 \$	 <u>289,800</u>
 <u>Analysis of Balance</u>		
Ordinance # 5-13	\$	64,800
Ordinance # 11-14		225,000
	\$	289,800

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

Balance, December 31, 2013	\$	279,257
Increased by:		
Reclassify Grant Receipts to Current Fund	\$	20,156
Grant Awards		103,800
		123,956
		403,213
Decreased by:		
Cancelled to Fund Balance	\$	32,677
Cancelled Improvement Authorizations		54,720
		87,397
 Balance, December 31, 2014	 \$	 <u>315,816</u>

STATEMENT OF DUE TO CURRENT FUND

Increased By:		
Utilized as Current Fund Revenue - Fund Balance	\$	28,113
Decreased By:		
Cash Disbursements to Current Fund	\$	28,113

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

Ord. No.	Improvement Description	Balance, December 31, 2013	2014 Authori- zations	Raised in Budget	Authorizations Cancelled	Bonds Issued	Analysis of Balance, December 31, 2014		
							Balance, December 31, 2014	Expenditures	Unexpended Improvement Authori- zations
13-12	Various Improvements	\$ 235,754		\$ 46,525	\$ 19,229	170,000			
29-12	Various Municipal Building Improvements	19,000				19,000			
1-13	Various Improvements	1,252,100				1,239,000	\$ 13,100	\$ 3,405	\$ 9,695
4-13	Dan Jordan Field Improvements	21,377				21,376	1	1	
5-13	Various Improvements	2,086,220				1,950,000	136,220		136,220
1-14	Various Park Improvements		\$ 224,200			224,200	-		
11-14	Various Improvements		3,956,116		236,000	2,500,000	1,220,116		1,220,116
13-14	Sanitation Improvements		118,750			118,750	-		
17-14	UPS for the Police Department	-	91,200			82,674	8,526	6,003	2,523
		<u>\$ 3,614,451</u>	<u>\$ 4,390,266</u>	<u>\$ 46,525</u>	<u>\$ 255,229</u>	<u>\$ 6,325,000</u>	<u>\$ 1,377,963</u>	<u>\$ 9,409</u>	<u>\$ 1,368,554</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance, December 31, 2013		2014 Authorizations	Encumbrances Cancelled	Expended	Unfunded Authorizations Cancelled	Funded Authorizations Cancelled/Refunds	Balance, December 31, 2014	
				Funded	Unfunded						Funded	Unfunded
27-00	Construction of New Connector Road	8/8/00	\$ 3,000,000	\$ 111,085						\$ 111,085		
45-04	Baptist Church Improvements						\$ 1,450			1,450		
18-09	Various Improvements	8/21/2009	717,743	8,949				\$ 8,179		770		
28-11	Various Improvements	9/16/2011	137,080	54,720						54,720		
33-11	Various Improvements	11/22/2011	802,966	5,581			775			4,356	\$ 2,000	
13-12	Various Improvements	4/27/2012	2,638,526	68,596	\$ 235,754			224,258	\$ 19,229	30,771		30,092
28-12	Acq. Of Ladder Truck for Budd Lake Fire Department	9/5/2012	50,000	3						3		
29-12	Various Municipal Building Improvements	9/19/2012	40,000		89		1,497			1,586		
32-12	Drainage Improvements	10/3/2012	57,500	152			1,864			2,016		
1-13	Various Improvements	2/5/2013	1,318,000		21,225			11,530				\$ 9,695
5-13	Various Improvements	3/19/2013	2,421,025		809,087			635,469			37,398	136,220
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	211,416				194,262			17,154	
1-14	Various Park Improvements	1/28/2014	236,000			\$ 236,000		234,900		1,100		
11-14	Various Improvements	4/22/2014	4,463,600			4,463,600		2,579,907	236,000		427,577	1,220,116
13-14	Sanitation Improvements	5/20/2014	125,000			125,000		113,077			11,923	
17-14	UPS for the Police Department	7/8/2014	96,000			96,000		93,477				2,523
18-14	Seward House	8/5/2014	124,560			124,560		600			123,960	
				\$ 471,277	\$ 1,066,155	\$ 5,045,160	\$ 5,586	\$ 4,095,659	\$ 255,229	\$ 207,857	\$ 660,879	\$ 1,368,554
	DOT Grant Receivable					\$ 225,000						
	Hazard Mitigation Grant					90,000						
	Historic Preservation Trust Fund Grant					103,800						
	Due from Open Space Trust Fund					20,760						
	Capital Improvement Fund					215,334						
	Deferred Charges Unfunded					4,390,266						
						\$ 5,045,160						
	Encumbrances Payable							\$ 1,642,551				
	Cash Disbursements							2,453,108				
								\$ 4,095,659				
	<u>Cancelled</u>											
	Fund Balance									\$ 151,121		
	Due from Current Fund - Refunds									(589)		
	Community Development Block Grant Receivable									2,605		
	Historic Preservation Grant Receivable									54,720		
										\$ 207,857		

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance, December 31, 2013	Increased	Decreased	Balance, December 31, 2014
			Date	Amount					
General Improvements	04/01/05	1,430,000	4/1/2015	\$ 160,000	3.75	\$ 320,000		\$ 160,000	\$ 160,000
Refunding Bonds	06/15/05	7,190,000	02/15/15	755,000	4.50				
			02/15/16	760,000	3.625				
			02/15/17	715,000	4.00				
			02/15/18	730,000	4.00				
			02/15/19	200,000	4.00	3,900,000		740,000	3,160,000
General Improvements	05/15/06	3,279,000	5/15/15-20	230,000	4.00-4.05				
			5/15/2021	229,000	4.10	1,839,000		230,000	1,609,000
General Improvement and Tax Appeal Refunding	03/15/07	3,405,000	3/15/2015	230,000	3.75				
			3/15/2016	230,000	3.75				
			3/15/2017	230,000	3.75	915,000		225,000	690,000
Refunding Bonds	04/30/09	4,105,000	2/15/2015-16	590,000	4.00	1,770,000		590,000	1,180,000
General Improvements	04/06/11	1,537,000	4/15/2015	175,000	3.00				
			4/15/2016	190,000	3.00				
			4/15/2017	195,000	3.00				
			4/15/2018	200,000	3.25				
			4/15/2019	200,000	3.25				
			4/15/2020	197,000	3.50	1,307,000		150,000	1,157,000
Refunding Bonds	04/06/11	575,000				175,000		175,000	
Refunding Bonds	04/06/11	1,460,000	4/15/2015	240,000	3.00				
			4/15/2016	250,000	3.00				
			4/15/2017	250,000	3.00	980,000		240,000	740,000
Refunding Bonds	02/16/12	3,815,000	2/15/2015	675,000	2.00				
			2/15/2016	665,000	3.00				
			2/15/2017	365,000	3.00				
			2/15/2018	365,000	4.00				
			2/15/2019	370,000	4.00	3,125,000		685,000	2,440,000
General Improvements	10/17/12	4,603,000	11/1/2015	550,000	2.00				
			11/1/2016	630,000	2.00				
			11/1/2017	650,000	2.00				
			11/1/2018	650,000	2.00				
			11/1/2019	650,000	2.00				
			11/1/2020	648,000	2.00	4,278,000		500,000	3,778,000
General Improvements	10/07/14	6,325,000	10/15/2015	450,000	2.00				
			10/15/2016	500,000	3.00				
			10/15/2017	875,000	3.00				
			10/15/2018	900,000	3.00				
			10/15/2019-22	900,000	4.00				
						-	\$ 6,325,000	-	6,325,000
						\$ 18,609,000	\$ 6,325,000	\$ 3,695,000	\$ 21,239,000

Paid by Budget Appropriation

\$ 3,695,000

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

Balance, December 31, 2013	\$ 1,698
Increased by:	
2014 Budget Appropriations	<u>213,680</u>
	215,378
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>215,334</u>
Balance, December 31, 2014	<u>\$ 44</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2013	\$ 462,953
Increased by:	
Charges to Improvement Authorizations	<u>1,642,551</u>
	2,105,504
Decreased by:	
Cancelled	\$ 5,586
Cash Disbursements	<u>457,367</u>
	<u>462,953</u>
Balance, December 31, 2014	<u>\$ 1,642,551</u>

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

Increased by:	
Awarded in 2014	\$ <u>90,000</u>
Balance, December 31, 2014	\$ <u>90,000</u>

STATEMENT OF RESERVE FOR RECREATION IMPROVEMENTS

Balance, December 31, 2013	\$ <u>37,500</u>
Balance, December 31, 2014	\$ <u>37,500</u>

STATEMENT OF DUE FROM OPEN SPACE TRUST FUND

Increased by:	
Downpayment Provided by Open Space Trust Fund	\$ <u>20,760</u>
Decreased by:	
Cash Receipts	\$ <u>20,760</u>

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

Balance, December 31, 2013	\$ 581,774
Decreased by:	
Paid by Budget Appropriation	<u>288,530</u>
Balance, December 31, 2014	<u>\$ 293,244</u>

STATEMENT OF GREEN TRUST LOAN PAYABLE

Balance, December 31, 2013	\$ 233,523
Decreased by:	
Paid by Budget Appropriation	<u>115,601</u>
Balance, December 31, 2014	<u>\$ 117,922</u>

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

Balance, December 31, 2013	\$ 254,925
Decreased by:	
Paid by Budget Appropriation	<u>26,123</u>
Balance, December 31, 2014	<u>\$ 228,802</u>

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

Balance, December 31, 2013	\$ 225,000
Decreased by:	
Paid by Budget Appropriation	<u>85,000</u>
Balance, December 31, 2014	<u>\$ 140,000</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>Balance December 31, 2013</u>	<u>Decreased</u>	<u>Balance December 31, 2014</u>
13-12	Various Improvements	10/24/2013	10/24/2014	1.25%	\$ 170,000	\$ 170,000	\$ -
29-12	Various Municipal Building Improvements	10/24/2013	10/24/2014	1.25%	19,000	19,000	-
1-13	Various Improvements	10/24/2013	10/24/2014	1.25%	1,231,000	1,231,000	-
4-13	Dan Jordan Field Improvements	10/24/2013	10/24/2014	1.25%	21,376	21,376	-
5-13	Various Improvements	10/24/2013	10/24/2014	1.25%	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>
					<u>\$ 3,341,376</u>	<u>\$3,341,376</u>	<u>\$ -</u>

Paid with Serial Bonds Proceeds \$3,341,376

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

Balance, December 31, 2013		\$ 25,958
Decreased by:		
Cash Receipts	\$ 23,353	
Cancelled	<u>2,605</u>	
		<u>25,958</u>
Balance, December 31, 2014		<u>\$ -</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2013	Increased by		Decreased by		Balance, December 31, 2014
			2014 Authorizations	Bonds Issued	Raised in Budget	Cancelled	
<u>General Improvements</u>							
13-12	Various Improvements	\$ 65,754			\$ 46,525	\$ 19,229	
1-13	Various Improvements	21,100		\$ 8,000			\$ 13,100
4-13	Dan Jordan Field Improvements	1					1
5-13	Various Improvements	186,220		50,000			136,220
1-14	Various Park Improvements		\$ 224,200	224,200			-
11-14	Various Improvements		3,956,116	2,500,000		236,000	1,220,116
13-14	Sanitation Improvements		118,750	118,750			-
17-14	UPS for the Police Department	-	91,200	82,674	-	-	8,526
		<u>\$ 273,075</u>	<u>\$ 4,390,266</u>	<u>\$ 2,983,624</u>	<u>\$ 46,525</u>	<u>\$ 255,229</u>	<u>\$ 1,377,963</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, 2013	\$ 557,317	\$ 21,768
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,480,426	
Interest on Investments	75	\$ 6
Miscellaneous Fees	176,251	
Appropriation Refunds	676	
2014 Budget Appropriation - Capital Improvement Fund		32,500
2014 Budget Appropriation - Unfunded Improvement Authorizations		30,946
Serial Bond Proceeds		863,000
Receipts from Water Utility Capital Fund	<u>6</u>	<u>-</u>
	<u>1,657,434</u>	<u>926,452</u>
	2,214,751	948,220
Decreased by Disbursements:		
2014 Budget Appropriations	1,438,071	
2013 Appropriation Reserves	66,085	
Accrued Interest on Bonds and Notes	7,610	
Improvement Authorizations		4,743
Encumbrances Payable		50,765
Payments made to Water Utility Operating Fund	<u> </u>	<u>6</u>
	<u>1,511,766</u>	<u>55,514</u>
Balance, December 31, 2014	<u>\$ 702,985</u>	<u>\$ 892,706</u>

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

	Balance, December 31, <u>2014</u>
Encumbrances Payable	\$ 267,740
Capital Improvement Fund	1,000
Fund Balance	22,021
Improvement Authorizations:	
7-13 Various Improvements	253,974
12-14 Various Improvements	<u>347,971</u>
	<u>\$ 892,706</u>

EXHIBIT D-7

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

Balance, December 31, 2013	\$ 61,369
Increased by:	
Water Rents Levied	<u>1,480,964</u>
	1,542,333
Decreased by:	
Cash Receipts	<u>1,480,426</u>
Balance, December 31, 2014	<u>\$ 61,907</u>

EXHIBIT D-8

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

Balance, December 31, 2013	\$ 7,184,385
Increased by:	
Transfers from Fixed Capital Authorized and Uncompleted	<u>23,008</u>
Balance, December 31, 2014	<u>\$ 7,207,393</u>

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

Balance, December 31, 2013	\$	70,413
Increased by:		
Charges to 2014 Budget Appropriations		<u>51,460</u>
		121,873
Decreased by:		
Transfer to Appropriation Reserves		<u>70,413</u>
Balance, December 31, 2014	\$	<u><u>51,460</u></u>

EXHIBIT D-10

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

Balance, December 31, 2013	\$	1,706
Increased by:		
Charged to 2014 Budget Appropriations		<u>13,376</u>
		15,082
Decreased by:		
Cash Disbursements		<u>7,610</u>
Balance, December 31, 2014	\$	<u><u>7,472</u></u>

EXHIBIT D-11

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

Increased by:		
Interest Earned in Water Utility Capital Fund	\$	<u>6</u>
Decreased by:		
Receipts from Water Utility Capital Fund	\$	<u><u>6</u></u>

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

Balance, December 31, 2013		\$ 6,603,280
Increased by:		
Serial Bonds Paid by Budget	\$ 70,000	
Loans Paid by Budget	19,098	
Transferred from Deferred Reserve for Amortization	32,500	
Raised in 2014 Budget	<u>30,946</u>	
		<u>152,544</u>
		6,755,824
Decreased by:		
Funded Improvement Authorizations Cancelled		<u>22,021</u>
Balance, December 31, 2014		<u>\$ 6,733,803</u>

EXHIBIT D-13

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

Balance, December 31, 2013		\$ 353,396
Decreased By:		
2014 Budget Appropriation		<u>19,098</u>
Balance, December 31, 2014		<u>\$ 334,298</u>

TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2013 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND

	Balance, December 31, <u>2013</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	\$ 6,134		\$ 6,134		\$ 6,134
Other Expenses	84,731	\$ 70,413	155,144	\$ 66,085	89,059
STATUTORY EXPENDITURES					
Social Security System	<u>495</u>	<u>-</u>	<u>495</u>	<u>-</u>	<u>495</u>
	<u>\$ 91,360</u>	<u>\$ 70,413</u>	<u>\$ 161,773</u>	<u>\$ 66,085</u>	<u>\$ 95,688</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, 2014</u>			<u>Interest Rate</u>	<u>Balance, December 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>	
			<u>Date</u>	<u>Amount</u>							
Water Improvements	10/17/2012	\$ 333,000	11/1/2015	75,000		2.000%	\$ 293,000		\$ 70,000	\$ 223,000	
			11/1/2016	75,000							
			11/1/2017	73,000							
Water Improvements	10/07/14	863,000	10/15/2015	65,000		2.00		\$ 863,000		863,000	
			10/15/2016	65,000							
			10/15/2017	120,000							
			10/15/2018	120,000							
			10/15/2019	120,000							
			10/15/2020-21	125,000							
			10/15/2022	123,000							
							<u>\$ 293,000</u>	<u>\$ 863,000</u>	<u>\$ 70,000</u>	<u>\$ 1,086,000</u>	
								Budget Appropriation	<u>\$ 70,000</u>		

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

Ord. No.	Improvement Description	Balance, December 31, 2013	2014 Authorizations	Decreased by		Balance, December 31, 2014
				Transferred to Fixed Capital	Cancelled	
25-07	Various Improvements	\$ 23,844		\$ 1,125		\$ 22,719
40-08	Various Improvements	19,493				19,493
19-09	Various Improvements	11,250				11,250
12-12	Various Improvements	27,771		2,500	\$ 22,021	3,250
21-12	Upgrades to Indian Spring Well House	20,451				20,451
7-13	Various Improvements	316,428		2,354		314,074
12-14	Various Improvements	-	\$ 650,000	17,029	-	632,971
		<u>\$ 419,237</u>	<u>\$ 650,000</u>	<u>\$ 23,008</u>	<u>\$ 22,021</u>	<u>\$ 1,024,208</u>

EXHIBIT D-17

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

Balance, December 31, 2013	\$ 50,765
Increased By	
Charges to Improvement Authorizations	<u>267,740</u>
	318,505
Decreased by:	
Cash Disbursements	<u>50,765</u>
Balance, December 31, 2014	<u>\$ 267,740</u>

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

Ord. No.	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance, December 31, 2013</u>		<u>2014</u>	<u>Ordinance</u>	<u>Expended</u>	<u>Balance, December 31, 2014</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Authorizations</u>	<u>Cancelled</u>		<u>Funded</u>	<u>Unfunded</u>
12-12	Various Improvements	4/27/2012	65,000	\$ 7,771	\$ 16,750		\$ 22,021	\$ 2,500		
7-13	Various Improvements	3/19/2013	340,000	-	299,428		-	45,454	\$ 253,974	
12-14	Various Improvements	4/22/2014	650,000	-	-	\$ 650,000	-	224,529	347,971	\$ 77,500
				<u>\$ 7,771</u>	<u>\$ 316,178</u>	<u>\$ 650,000</u>	<u>\$ 22,021</u>	<u>\$ 272,483</u>	<u>\$ 601,945</u>	<u>\$ 77,500</u>
Capital Improvement Fund						\$ 32,500				
Deferred Charges to Future Revenue						<u>617,500</u>				
Fund Balance						<u>\$ 650,000</u>				
							<u>\$ 22,021</u>			
Cash Disbursements								\$ 4,743		
Encumbrances Payable								<u>267,740</u>		
								<u>\$ 272,483</u>		

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

Balance, December 31, 2013	\$ 1,000
Increased By:	
2014 Budget Appropriation	<u>32,500</u>
	33,500
Decreased By:	
Appropriated to Finance Improvement Authorizations	<u>32,500</u>
Balance, December 31, 2014	<u>\$ 1,000</u>

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

Balance, December 31, 2013	-
Increased By:	
2014 Improvement Authorizations	<u>\$ 32,500</u>
	32,500
Decreased By:	
Transferred to Reserve for Amortization	<u>32,500</u>
Balance, December 31, 2014	<u>\$ -</u>

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2013	2014 <u>Authorizations</u>	Bonds <u>Issued</u>	Raised in 2014 <u>Budget</u>	Balance, December 31, 2014
25-07	Various Improvements	\$ 300			\$ 300	
26-08	Flanders Well #2	13,490			13,490	
40-08	Various Improvements	406			406	
12-12	Various Improvements	16,750			16,750	
7-13	Various Improvements	323,000		\$ 323,000		
12-14	Various Improvements	-	\$ 617,500	540,000	-	\$ 77,500
		<u>\$ 353,946</u>	<u>\$ 617,500</u>	<u>\$ 863,000</u>	<u>\$ 30,946</u>	<u>\$ 77,500</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, 2013	\$ 1,756,253	\$ 66,811	\$ 650,883
Increased by Receipts:			
Interest on Investments and Deposits	\$ 267		\$ 97
Sewer Assessment Surplus Anticipated as Revenue	56,875		
Receipts from Sewer Utility Assessment Trust Fund	97		
Consumer Rents Accounts Receivable (Net of Refunds)	3,713,920		
Sewer Liens Receivable	1,154		
Assessments Receivable			190,350
Assessments Liens			1,647
Other			15,263
Budget Appropriation - SUAT			389,176
Reimbursement from Mount Olive School District	66,255		
Miscellaneous Budget Revenues	723,670		
Interest on Assessments	9,016		
Bonds Payable			
Budget Refunds	744	-	-
	<u>4,571,998</u>	<u>-</u>	<u>596,533</u>
	6,328,251	66,811	1,247,416
Decreased by Disbursements:			
2014 Budget Appropriations	3,347,966		399,564
2013 Appropriation Reserves	342,639		
Reserve for Encumbrances	-	\$ 18,124	
Reserve for Assessment Interest and Costs			161
Accrued Interest on Bond and Notes	96,638		
Anticipated as Revenue in Sewer Operating Fund			56,875
Due to Sewer Operating Fund	-	-	97
	<u>3,787,243</u>	<u>18,124</u>	<u>456,697</u>
Balance, December 31, 2014	<u>\$ 2,541,008</u>	<u>\$ 48,687</u>	<u>\$ 790,719</u>

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

	Balance, December 31, <u>2014</u>
Encumbrances Payable	\$ 23,432
Fund Balance	<u>25,255</u>
	<u>\$ 48,687</u>

EXHIBIT E-10

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

Balance, December 31, 2013		\$ 205,941	
Increased by:			
Sewer Rents Levied		<u>3,699,466</u>	
			3,905,407
Decreased by:			
Cash Collections (net of refunds)	\$ 3,713,920		
Transferred to Sewer Liens	<u>3,601</u>		
			<u>3,717,521</u>
Balance, December 31, 2014		<u>\$ 187,886</u>	

EXHIBIT E-11

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

Balance, December 31, 2013		\$ -	
Increased by:			
Transferred from Consumer Accounts Receivable	\$ 3,601		
Interest and Costs	<u>203</u>		
			<u>3,804</u>
			3,804
Decreased by:			
Cash Collections			<u>1,154</u>
Balance, December 31, 2014		<u>\$ 2,650</u>	

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

Balance, December 31, 2013		\$ 196,631
Decreased by:		
Transferred to Sewer Assessment Liens	\$ 2,965	
Cash Receipts for Assessments Receivable (Net of Refunds)	<u>190,350</u>	
		<u>193,315</u>
Balance, December 31, 2014		<u>\$ 3,316</u>

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

<u>Ord.</u> <u>No.</u>	<u>Improvement</u> <u>Description</u>	Balance December 31, <u>2013</u>	<u>Cancelled</u>	Balance December 31, <u>2014</u>
3-92/21-92/ 7-93/16-93/ 10-95/20-95/ 11-97/17-98	Sewer Collection and Treatment System - Budd Lake	\$ 3,108,455	\$ 3,108,455	\$ -

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

Balance, December 31, 2013	\$ 429,861
Increased by:	
Charges to 2014 Budget Appropriations	<u>332,664</u>
	762,525
Decreased by:	
Transfer to Appropriation Reserves	<u>429,861</u>
Balance, December 31, 2014	<u>\$ 332,664</u>

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

	Sewer Assessment <u>Trust Fund</u>	Sewer Capital Fund	<u>Total</u>
Balance, December 31, 2013	\$ 331,815	\$ 153,332	\$ 485,147
Decreased by:			
Repayment of Loans by Assessment Budget	164,564		164,564
Repayment of Loans by Operating Budget	<u>-</u>	<u>58,331</u>	<u>58,331</u>
	<u>164,564</u>	<u>58,331</u>	<u>222,895</u>
Balance, December 31, 2014	<u>\$ 167,251</u>	<u>\$ 95,001</u>	<u>\$ 262,252</u>

Analysis of Balance

1995 Loan	\$ 167,251
1996 Loan	<u>95,001</u>
	<u>\$ 262,252</u>

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

	Balance, December 31, <u>2013</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	\$ 5,736		\$ 5,736		\$ 5,736
Other Expenses	17,605	\$ 376,724	394,329	\$ 342,639	51,690
CAPITAL IMPROVEMENTS					
Capital Outlay	1,172	53,137	54,309	53,137	1,172
STATUTORY EXPENDITURES					
Social Security System	<u>567</u>	<u>-</u>	<u>567</u>	<u>-</u>	<u>567</u>
	<u>\$ 25,080</u>	<u>\$ 429,861</u>	<u>\$ 454,941</u>	<u>\$ 395,776</u>	<u>\$ 59,165</u>
		Cash Disbursements		\$ 342,639	
		Accounts Payable		<u>53,137</u>	
				<u>\$ 395,776</u>	

EXHIBIT E-17

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

Ord. No.	Improvement Description	Balance December 31, 2013	Decreased By		Balance December 31, 2014
			Cancelled Ordinance	Transferred Fixed Capital	
11-12	Various Improvements	\$ 74,811	\$ 25,755	\$ 18,124	\$ 30,932
		<u>\$ 74,811</u>	<u>\$ 25,755</u>	<u>\$ 18,124</u>	<u>\$ 30,932</u>

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2013</u>	Capital Outlay <u>Expended</u>	Transferred - Fixed Capital Authorized and <u>Uncompleted</u>	Balance, December 31, <u>2014</u>
11-97	Purch. Of 2 Utility Trucks and Sewer Cleaner	\$ 258,149			\$ 258,149
3-92/21-92/11-97	Sewer Coll. And Treatment System	1,020,800			1,020,800
07-93	Sewer Coll. And Treatment System	325,500			325,500
16-93	Sewer Coll. And Treatment System	19,635,575			19,635,575
10-95/20-95	Sewer Coll. And Treatment System	3,494,415			3,494,415
16-96	Construction of Sewer Connection	1,508,302			1,508,302
10-97	Musconetcong 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 - 2011	78,953			78,953
11-12	Various Improvements - 2012	75,189			75,189
N/A	Various Improvements - 2013	39,846			39,846
N/A	Various Improvements - 2014	-			-
		-	\$ 120,186	\$ 18,124	138,310
		<u>\$ 33,113,140</u>	<u>\$ 120,186</u>	<u>\$ 18,124</u>	<u>\$ 33,251,450</u>

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

Ord. No.	Improvement Description	Balance December 31, 2013	Cancelled	Raised in Operating Budget	Balance December 31, 2014
3-92/21-92/7-93/16-93/ 10-95/20-95/11-97/17-98	Sewer Collection and Treatment System - Budd Lake	\$ 2,719,279	\$ 3,108,455	\$ 389,176	\$ -

EXHIBIT E-20

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

Balance, December 31, 2013	\$ 31,650,119
Increased by:	
2014 Budget Appropriation	
Capital Outlay	\$ 120,186
Bond Principal	365,000
Loan Principal	<u>58,331</u>
	<u>543,517</u>
	32,193,636
Decreased by:	
Funded Improvement Authorizations Cancelled	<u>25,255</u>
Balance, December 31, 2014	<u>\$ 32,168,381</u>

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

Balance, December 31, 2013	\$ 35,330
Increased by:	
Charges to 2014 Budget Appropriations:	
Interest on Bonds and Notes	<u>84,373</u>
	119,703
Decreased by:	
Cash Disbursements	<u>96,638</u>
Balance, December 31, 2014	<u>\$ 23,065</u>
Serial Bonds	\$ 18,723
Wastewater Loans	<u>4,342</u>
	<u>\$ 23,065</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, 2014</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2013</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Refunding Bonds	5/25/2005	\$ 2,957,000	8/15/15	\$ 335,000	3.25-5.00%	\$ 1,262,000	\$ 335,000	\$ 927,000
			8/15/16	322,000				
			8/15/17-18	135,000				
Sewer Improvement Bonds	10/17/2012	142,000	11/1/15	30,000	2.00 %	122,000	30,000	92,000
			11/1/16	30,000	2.00 %			
			11/1/17	32,000	2.00 %	-	-	-
						<u>\$ 1,384,000</u>	<u>\$ 365,000</u>	<u>\$ 1,019,000</u>
Paid by Budget Appropriation							<u>\$ 365,000</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, 2014</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2013</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Refunding Bonds	5/25/2005	\$ 668,000	8/15/15	\$ 95,000	3.25-5.00%			
			8/15/16	98,000	3.25-5.00%	\$ 288,000	\$ 95,000	\$ 193,000
Sewer Refunding Bonds	10/17/2012	700,000	11/1/15-17	140,000	2.00 %	<u>560,000</u>	<u>140,000</u>	<u>420,000</u>
						<u>\$ 848,000</u>	<u>\$ 235,000</u>	<u>\$ 613,000</u>
					Paid by Budget Appropriation		<u>\$ 235,000</u>	

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF DUE TO SEWER OPERATING FUND
SEWER UTILITY ASSESSMENT TRUST FUND**

Increased by:

Interest on Investments

\$ 97

Decreased by:

Cash Disbursements

\$ 97

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

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2013		Ordinance Cancelled	Expended	Balance, December 31, 2014	
				Funded	Unfunded			Funded	Unfunded
11-12	Various Improvements	4/27/2012	\$ 150,000	29,813	500	25,755	4,558	-	\$ -
				\$ 29,813	\$ 500	\$ 25,755	\$ 4,558	\$ -	\$ -
						\$ 25,255			
						500			
						\$ 25,755			
							\$ 4,558		

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

Balance, December 31, 2013	\$ 36,998
Increased by:	
Charges to Improvement Authorizations	<u>4,558</u>
	41,556
Decreased by:	
Cash Disbursements	<u>18,124</u>
Balance, December 31, 2014	<u>\$ 23,432</u>

EXHIBIT E-27

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

Increased by:		
Charges to 2013 Appropriation Reserves	\$	53,137
 Balance, December 31, 2014	 \$	 53,137

EXHIBIT E-28

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

Increased by:		
Transferred from Sewer Assessments Receivable	\$	2,965
Interest and Costs		327
	\$	3,292
 Decreased by:		
Cash Receipts		1,647
 Balance, December 31, 2014	 \$	 1,645

EXHIBIT E-29

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

Increased by:		
Interest and Costs at Tax Sale	\$	327
 Decreased by:		
Cash Disbursements		161
 Balance, December 31, 2014	 \$	 166

EXHIBIT E-30

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SEWER UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2013</u>	Ordinance Cancelled	Balance, December 31, <u>2014</u>
11-12	Various Improvements	\$ 500	\$ 500	\$ -
		\$ 500	\$ 500	\$ -

SOLID WASTE COLLECTION DISTRICT FUND

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

Balance, December 31, 2013		\$ 701,592
Increased by:		
Budget Revenue	\$ 2,076,798	
Non Budget Revenue	21,562	
Due from County of Morris	<u>713,721</u>	
		<u>2,812,081</u>
		3,513,673
Decreased by Disbursements:		
2013 Appropriation Reserves	192,805	
2014 Appropriation Expenditures	<u>2,522,829</u>	
		<u>2,715,634</u>
Balance, December 31, 2014		<u>\$ 798,039</u>

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

Balance, December 31, 2013	\$ 115,312
Increased by:	
Host Benefit Fees Realized as Revenue	661,167
	776,479
Decreased by:	
Cash Receipts	713,721
Balance, December 31, 2014	\$ 62,758

EXHIBIT F-6

**STATEMENT OF 2013 APPROPRIATION RESERVES
SOLID WASTE COLLECTION DISTRICT FUND**

	Balance December 31, <u>2013</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	\$ 24,918		\$ 24,918		\$ 24,918
Other Expenses	42,663	\$ 209,895	252,558	\$ 192,805	59,753
Recycling Tax	1,931		1,931		1,931
Statutory Expenditures:					
Social Security System	1,286	-	1,286	-	1,286
	<u>\$ 70,798</u>	<u>\$ 209,895</u>	<u>\$ 280,693</u>	<u>\$ 192,805</u>	<u>\$ 87,888</u>

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

Balance, December 31, 2013	\$ 209,895
Increased by:	
Charges to 2014 Budget	<u>118,641</u>
	328,536
Decreased by:	
Transfer to 2013 Appropriation Reserves	<u>209,895</u>
Balance, December 31, 2014	<u>\$ 118,641</u>

RECREATION UTILITY FUND

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

Balance, December 31, 2013		\$ 93,043
Increased by:		
Budget Revenue	\$ 450,271	
Non Budget Revenue	<u>10,768</u>	
		<u>461,039</u>
		554,082
Decreased by Disbursements:		
2013 Appropriation Reserves	15,727	
2014 Appropriation Expenditures	<u>448,551</u>	
		<u>464,278</u>
Balance, December 31, 2014		<u>\$ 89,804</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
RECREATION UTILITY FUND**

Balance, December 31, 2013		\$ 19,171
Increased by:		
Charges to 2014 Budget		<u>8,080</u>
		27,251
Decreased by:		
Transfer to Appropriation Reserves		<u>19,171</u>
Balance, December 31, 2014		<u>\$ 8,080</u>

**TOWNSHIP OF MOUNT OLIVE
STATEMENT OF 2013 APPROPRIATION RESERVES
RECREATION UTILITY FUND**

	Balance December 31, <u>2013</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	\$ 2,437		\$ 2,437		\$ 2,437
Other Expenses	1,521	\$ 19,171	20,692	\$ 15,727	4,965
Statutory Expenditures:					
Social Security System	<u>265</u>	<u>-</u>	<u>265</u>	<u>-</u>	<u>265</u>
	<u>\$ 4,223</u>	<u>\$ 19,171</u>	<u>\$ 23,394</u>	<u>\$ 15,727</u>	<u>\$ 7,667</u>

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

Balance, December 31, 2013 \$ 2,595

Balance, December 31, 2014 \$ 2,595

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

Balance, December 31, 2013 \$ 2,595

Balance, December 31, 2014 \$ 2,595

TOWNSHIP OF MOUNT OLIVE

MORRIS COUNTY, NEW JERSEY

PART II

GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA
KEVIN LOMSKI, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented 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 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.

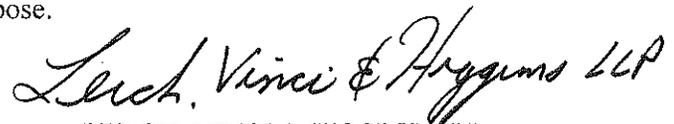
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

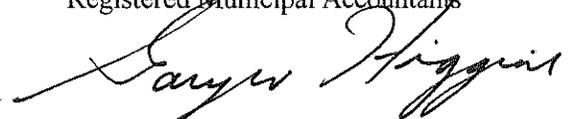
As part of obtaining reasonable assurance about whether the Township of Mount Olive's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 5, 2015

TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2014

	<u>Grant Year</u>	<u>Federal CFDA Number</u>	<u>Grant Award Received</u>	<u>Balance, December 31, 2013</u>	<u>Revenue Realized</u>	<u>Cancelled</u>	<u>Expenditures</u>	<u>Balance, December 31, 2014</u>	<u>(Memo) Cumulative Expenditures</u>
U.S. Department of Environmental Protection Recreation Trails Grant	2013	20.219	-	\$ 24,000			\$ 5,397	\$ 18,603	\$ 5,397
U.S. Dept. of Housing and Urban Development Community Development Block Grant	2012	14.218	\$ 23,353	25,958		\$ 2,605	23,353	-	54,895
U.S. Dept. of Transportation Drunk Driving Enforcement Fund	2013	20.601		13,375			10,130	3,245	26,832
Drunk Driving Enforcement Fund	2014	20.601	15,204		\$ 15,204			15,204	
Click it or Ticket	2014	20.602	3,725	-	4,000	275	3,725	-	3,725
Drive Sober or Get Pulled Over - Year End	2014	20.801		-	7,500		2,690	4,810	2,690
Drive Sober or Get Pulled Over - Labor Day	2014	20.801	4,526		5,000	744	4,256	-	4,256
Drive Sober or Get Pulled Over - Year End	2014	20.801	3,794		4,400	606	3,794	-	3,794
Highway Aid - Ord. 5-13	2013	20.205	160,200	225,000			160,200	64,800	160,200
Highway Aid - Ord. 11-14	2014	20.205		-	225,000	-	-	225,000	-
				<u>\$ 288,333</u>	<u>\$ 261,104</u>	<u>\$ 4,230</u>	<u>\$ 213,545</u>	<u>\$ 331,662</u>	<u>\$ 261,789</u>

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

TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Amount Received</u>	<u>Balance, December 31, 2013</u>	<u>2014 Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2014</u>	<u>(Memo) Cumulative Expenditures</u>
Clean Communities Program	4900-752-178810-60	2013		\$ 10,939		\$ 10,939	-	\$ 57,618
		2014	\$ 54,038		\$ 54,038	50,177	\$ 3,861	50,177
Recycling Tonnage Grant	N/A	2013		71,275		61,538	9,737	61,538
		2012		4,702		4,702	-	70,032
Body Armor Replacement Grant	N/A	2014	4,464		4,464		4,464	
		2013		5,980			5,980	
		2012		4,703		3,696	1,007	3,696
		2011		773		773	-	4,590
Bullet Proof Vest Partnership	N/A	2014			2,737		2,737	
		2013		2,921			2,921	
		2012		2,112			2,112	
		2011	3,342	5,936		1,788	4,148	14,852
NJ Sustainable Grant	N/A	2013		9,000		6,359	2,641	7,359
Department of Environmental Protection: Hazardous Substance Remediation		2014		-	90,000	-	90,000	-
				<u>\$ 118,341</u>	<u>\$ 151,239</u>	<u>\$ 139,972</u>	<u>\$ 129,608</u>	<u>\$ 269,862</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, 2014**

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 schedule 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	\$ 11,104	\$ 61,239	\$ 72,343
General Capital Fund	<u>250,000</u>	<u>90,000</u>	<u>340,000</u>
Total Financial Awards	<u>\$ 261,104</u>	<u>\$ 151,239</u>	<u>\$ 412,343</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, 2014**

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Township's federal and state loans outstanding at December 31, 2014, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>Federal CFDA Number/ State Account Number</u>	<u>State</u>
Garden State Preservation Trust Loan	1427-96-025	\$ 228,802
Green Trust Loan	V-226-6020	117,922
Wastewater Trust Loans	4860-510-702440-61	555,496
NJEIT Loan		<u>334,298</u>
		<u>\$ 1,236,518</u>

**TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

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, 2014**

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 RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

Part 3 – Schedule of Federal and State Award Findings and Responses

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

Not Applicable

**TOWNSHIP OF MOUNT OLIVE
SCHEDULE OF FINDINGS AND REPOSSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

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, 2014

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2014</u>			<u>Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 2,632,405	2.51 %	\$	1,975,000	1.92 %
Miscellaneous - From Other Than					
Local Property Tax Levies	6,635,401	6.34		6,632,426	6.43
Collection of Delinquent Taxes and Tax Title Liens	919,684	0.88		1,058,075	1.03
Collection of Current Tax Levy	94,231,982	90.01		93,127,058	90.34
Other Credits to Income	<u>270,372</u>	<u>0.26</u>		<u>291,333</u>	<u>0.28</u>
 Total Income	 <u>104,689,844</u>	 <u>100.00</u> %		 <u>103,083,892</u>	 <u>100.00</u> %
 EXPENDITURES					
Budget Expenditures					
Municipal Purposes	25,916,161	25.58 %		25,747,746	25.74 %
Local School Taxes	64,857,316	64.02		63,669,713	63.65
County Taxes	7,985,345	7.88		8,112,674	8.11
Sanitation District Taxes	1,935,403	1.91		1,903,957	1.90
Municipal Open Space Preservation	590,711	0.58		590,684	0.59
Other Expenditures	<u>22,867</u>	<u>0.02</u>		<u>4,035</u>	<u>0.00</u>
 Total Expenditures	 <u>101,307,803</u>	 <u>100.00</u> %		 <u>100,028,809</u>	 <u>100.00</u> %
 Excess in Revenue	 3,382,041			 3,055,083	
 Fund Balance, January 1	 <u>3,961,877</u>			 <u>2,881,794</u>	
	 7,343,918			 5,936,877	
Decreased by:					
Utilized as Anticipated Revenue	<u>2,632,405</u>			<u>1,975,000</u>	
 Fund Balance, December 31	 <u>\$ 4,711,513</u>			 <u>\$ 3,961,877</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2014</u>			<u>Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 40,000	2.23 %	\$	119,202	6.68 %
Collection of Water Rents	1,480,426	82.59		1,517,579	84.99
Miscellaneous - From Other Than Water Rents	176,332	9.84		114,755	6.43
Other Credits to Income	<u>95,688</u>	<u>5.34</u>		<u>33,988</u>	<u>1.90</u>
 Total Income	 <u>1,792,446</u>	 <u>100.00</u> %		 <u>1,785,524</u>	 <u>100.00</u> %
 EXPENDITURES					
Budget Expenditures					
Operating	1,320,943	85.08 %		1,218,954	77.28 %
Capital Improvements	32,500	2.09		17,000	1.08
Debt Service	102,474	6.60		278,510	17.66
Deferred Charges and Statutory Expenditures	<u>96,674</u>	<u>6.23</u>		<u>62,882</u>	<u>3.99</u>
 Total Expenditures	 <u>1,552,591</u>	 <u>100.00</u> %		 <u>1,577,346</u>	 <u>100.00</u> %
 Excess in Revenue	 239,855			 208,178	
 Fund Balance, January 1	 <u>393,838</u>			 <u>304,862</u>	
Decreased by:					
Utilized as Anticipated Revenue	<u>40,000</u>			<u>119,202</u>	
 Fund Balance, December 31	 <u>\$ 593,693</u>			 <u>\$ 393,838</u>	

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

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

	<u>Year 2014</u>			<u>Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 544,176	10.52 %	\$	347,357	7.88 %
Sewer User Fees	3,715,074	71.79		3,804,398	86.25
Miscellaneous - From Other Than					
Sewer Service Charges	856,180	16.55		182,864	4.15
Unexpended Balance of Appropriation Reserves	<u>59,165</u>	<u>1.14</u>		<u>76,059</u>	<u>1.72</u>
 Total Income	 <u>5,174,595</u>	 <u>100.00</u> %		 <u>4,410,678</u>	 <u>100.00</u> %
 EXPENDITURES					
Budget Expenditures					
Operating	2,536,882	65.07 %		2,653,551	65.60 %
Deferred Charges and Statutory Expenditures	449,226	11.52		594,305	14.69
Debt Service	507,705	13.02		527,024	13.03
Capital Outlay	<u>405,000</u>	<u>10.39</u>		<u>270,000</u>	<u>6.68</u>
 Total Expenditures	 <u>3,898,813</u>	 <u>100.00</u> %		 <u>4,044,880</u>	 <u>100.00</u> %
 Excess in Revenue	 1,275,782			 365,798	
 Fund Balance, January 1	 <u>1,265,982</u>			 <u>1,247,541</u>	
	2,541,764			1,613,339	
Decreased by:					
Utilized as Anticipated Revenue	<u>544,176</u>			<u>347,357</u>	
 Fund Balance, December 31	 <u>\$ 1,997,588</u>			 <u>\$ 1,265,982</u>	

TOWNSHIP OF MOUNT OLIVE
 SUPPLEMENTARY DATA

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

	Year 2014			Year 2013	
	Amount	Percent		Amount	Percent
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 150,731	5.03	%	\$ 241,820	7.87
Sanitation District Taxes	1,935,403	64.55		1,903,957	61.93
Host Benefit Fees - Transfer Station	725,706	24.21		743,933	24.20
Miscellaneous - Fees	98,418	3.28		72,166	2.35
Unexpended Balance of Appropriation Reserves	<u>87,888</u>	<u>2.93</u>		<u>112,412</u>	<u>3.66</u>
Total Income	<u>2,998,146</u>	<u>100.00</u>	%	<u>3,074,288</u>	<u>100.00</u>
EXPENDITURES					
Budget Expenditures					
Operating	2,529,453	92.26	%	2,575,697	90.40
Deferred Charges and Statutory Expenditures	<u>212,142</u>	<u>7.74</u>		<u>273,420</u>	<u>9.60</u>
Total Expenditures	<u>2,741,595</u>	<u>100.00</u>	%	<u>2,849,117</u>	<u>100.00</u>
Excess in Revenue	256,551			225,171	
Fund Balance, January 1	<u>536,211</u>			<u>552,860</u>	
	792,762			778,031	
Decreased by:					
Utilized as Anticipated Revenue	<u>150,731</u>			<u>241,820</u>	
Fund Balance, December 31	<u>\$ 642,031</u>			<u>\$ 536,211</u>	

TOWNSHIP OF MOUNT OLIVE
 SUPPLEMENTARY DATA

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

	<u>Year 2014</u>			<u>Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 48,000	9.29 %	\$	33,500	6.00 %
Program Fees	450,271	87.14		474,790	85.05
Other Credits to Income	<u>18,435</u>	<u>3.57</u>		<u>49,935</u>	<u>8.95</u>
 Total Income	 <u>516,706</u>	 <u>100.00</u> %		 <u>558,225</u>	 <u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Operating	469,838	95.85 %		482,609	95.99 %
Statutory Expenditures	<u>20,330</u>	<u>4.15</u>		<u>20,164</u>	<u>4.01</u>
 Total Expenditures	 <u>490,168</u>	 <u>100.00</u> %		 <u>502,773</u>	 <u>100.00</u> %
 Excess in Revenue	 26,538			 55,452	
 Fund Balance, January 1	 <u>69,649</u>			 <u>47,697</u>	
				96,187	103,149
Decreased by:					
Utilized as Anticipated Revenue	<u>48,000</u>			<u>33,500</u>	
 Fund Balance, December 31	 <u>\$ 48,187</u>			 <u>\$ 69,649</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>
2014	\$ 95,203,445	\$ 94,356,982	99.11%
2013	94,121,939	93,127,058	98.93%
2012	92,383,880	91,099,556	98.60%

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>
2014	\$ 760,626	\$ 519,609	\$ 1,280,235	1.345%
2013	905,423	446,072	1,351,495	1.436%
2012	399,434	1,046,468	1,445,902	1.565%

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>
2014	\$4,977,194
2013	4,977,194
2012	4,890,894

**TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$3.187</u>	<u>\$3.158</u>	<u>\$3.096</u>

Apportionment of Tax Rate

Municipal	.660	.663	.645
County	.266	.271	.269
Local School	2.164	2.127	2.085
Sanitation District	.097	.097	.097

Assessed Valuation

2014	<u>\$3,020,972,800</u>		
2013		<u>\$2,993,479,577</u>	
2012			<u>\$2,999,670,679</u>

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>	<u>Percentage of Collection</u>
2014	\$1,480,964	\$1,480,426	99.96%
2013	1,505,284	1,517,579	100.81
2012	1,429,916	1,418,930	99.23

Comparison of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(1)</u>	<u>Percentage of Collection</u>
2014	\$3,699,466	\$3,713,920	100.39%
2013	3,819,536	3,804,398	99.60
2012	3,927,380	4,096,788	104.31

(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	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
	2010	2,981,039	2,272,108
Water Utility Operating Fund	2014	\$ 593,693	\$ 109,094
	2013	393,838	40,000
	2012	304,862	119,202
	2011	335,197	215,017
	2010	333,096	200,849
Sewer Utility Operating Fund	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
	2010	2,092,704	1,141,249
Solid Waste Collection District Fund	2014	\$ 642,031	\$ 324,803
	2013	536,211	150,731
	2012	552,860	241,820
	2011	434,826	96,637
	2010	227,515	-
Recreation Utility Fund	2014	\$ 48,187	\$ 16,200
	2013	69,649	48,000
	2012	47,697	33,500
	2011	68,189	55,000
	2010	91,683	43,400

**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		
John Ferrante	Councilman		
Joe Nicastro	Councilman		
Sean Canning	Business Administrator		
Lisa Lashway	Clerk		
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:

Construction of the Mount Playmore Tot Lot	Improvements to International Drive
Lumber for the Mount Playmore Tot Lot	South – Phase 1
Sports Field Lighting for Soccer Fields No. 4 and	Type III Emergency Medical Vehicle
No. 3 and Special Events area at Turkey Brook Park	for Flanders Rescue Squad
Trailer Mounted Brush Chipper	Phase II Exterior Restoration of the
Single Axle Dump Body	Mount Olive Baptist Church
Plow, Dump body and Sander	Bonding and Grounding of Powerline
Uniforms and Accessories for DPW Personnel	to Power

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 \$36,000 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 \$36,000 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, 2014 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 17, 2014.

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>
2014	14	3	2
2013	5	0	0
2012	9	0	0

TOWNSHIP OF MOUNT OLIVE
SUPPLEMENTARY DATA

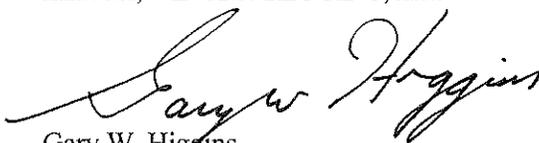
RECOMMENDATIONS

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