

**TOWNSHIP OF MIDDLE
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2014**

TOWNSHIP OF MIDDLE
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
	<u>PART I</u>	
	Independent Auditor's Report	1 - 3
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	4 - 5
A - 1	Comparative Statement of Operations and Changes in Fund Balance - Statutory Basis	6 - 7
A - 2	Statement of Revenues - Regulatory Basis	8 - 11
A - 3	Statement of Expenditures - Regulatory Basis	12 - 18
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	19 - 20
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	21
C - 1	Statement of Fund Balance - Regulatory Basis	22
	<u>SEWER UTILITY FUND</u>	
D	Comparative Balance Sheet - Regulatory Basis	23 - 24
D - 1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	25
D - 2	Statement of Capital Fund Balance - Regulatory Basis	26
D - 3	Statement of Revenues - Regulatory Basis	27
D - 4	Statement of Expenditures - Regulatory Basis	28
	<u>PUBLIC ASSISTANCE FUND</u>	
E	Comparative Balance Sheet - Regulatory Basis	29
	<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>	
F	Comparative Balance Sheet - Regulatory Basis	30
	NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS	31 - 49

TOWNSHIP OF MIDDLE
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
<u>SUPPLEMENTAL INFORMATION</u>		
	Independent Auditor's Report - <i>Government Auditing Standards</i>	50 - 51
	Independent Auditor's Report - OMB Circular A-133	52 - 54
	Schedule of Expenditures of Federal Awards	55 - 56
	Notes to Schedules of Federal Awards	57
	Schedule of Findings and Questioned Costs	58 - 60
	Schedule of Prior Year Findings	60
<u>CURRENT FUND</u>		
A - 4	Schedule of Cash - Treasurer	61
A - 5	Schedule of Cash - Collector	62
A - 6	Schedule of Taxes Receivable and Analysis of Property Tax Levy	63
A - 7	Schedule of Tax Title Liens	64
A - 8	Schedule of Revenue Accounts Receivable	65
A - 9	Schedule of Appropriation Reserves - Prior Year	66 - 68
A - 10	Schedule of Local District School Tax	69
A - 11	Schedule of Federal and State Grants Receivable	70 - 71
A - 12	Schedule of Appropriated Reserves for Federal and State Grants	72 - 73
A - 13	Schedule of Reserves for Federal and State Grants - Unappropriated	74
<u>TRUST FUND</u>		
B - 1	Schedule of Animal Control Cash	75
B - 2	Schedule of Other Trust Cash	76 - 77
B - 3	Schedule of Reserve for Animal Control Expenditures	78
B - 4	Schedule of Due to Current Fund	79
B - 5	Schedule of Amount Due to State of New Jersey	79
<u>GENERAL CAPITAL FUND</u>		
C - 2	Schedule of Cash - Treasurer	80
C - 3	Analysis of Cash	81 - 82
C - 4	Schedule of Capital Improvement Fund	83
C - 5	Schedule of Deferred Charges to Future Taxation - Funded	84
C - 6	Schedule of Deferred Charges to Future Taxation - Unfunded	85
C - 7	Schedule of Improvement Authorizations	86 - 87
C - 8	Schedule of General Serial Bonds	88
C - 8a	Schedule of Green Trust Loans Payable	89
C - 8b	Schedule of New Jersey Environmental Infrastructure Trust Loans Payable	90
C - 9	Schedule of Bond Anticipation Notes	91
C - 10	Schedule of Bonds and Notes Authorized But Not Issued	92

TOWNSHIP OF MIDDLE
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
<u>SUPPLEMENTAL INFORMATION</u>		
<u>SEWER UTILITY FUND</u>		
D - 5	Schedule of Cash	93
D - 6	Analysis of Cash	94
D - 7	Schedule of Consumer Accounts Receivable	95
D - 8	Schedule of Utility Liens	95
D - 9	Schedule of Appropriation Reserves - Prior Year	96
D - 10	Schedule of Bond Anticipation Notes	97
D - 11	Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	98
D - 12	Schedule of Improvement Authorizations	99
D - 13	Schedule of Serial Bonds	100
D - 14	Schedule of Rural Development Administration Bonds	101
D - 15	Schedule of Bonds and Notes Authorized But Not Issued	102
<u>PUBLIC ASSISTANCE FUND</u>		
E - 1	Schedule of Cash - Treasurer	103
E - 2	Statement of Public Assistance Cash and Reconciliation Per N.J.S. 40A:5-5	104
E - 3	Schedule of Revenues	105
E - 4	Schedule of Expenditures	105
<u>PART II</u>		
	General Comments	106 - 108
	Findings and Recommendations	109

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TOWNSHIP OF MIDDLE

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS - REGULATORY BASIS

FOR THE YEAR ENDED

DECEMBER 31, 2014



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of Township Committee
Township of Middle, 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 Middle, New Jersey, as of December 31, 2014 and 2013, 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, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Middle on a basis of the financial reporting provisions 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 American, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Middle as of December 31, 2014 and 2013, or changes in financial position for the years the ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years the ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Middle’s basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic 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 10, 2015 on our consideration of the Township of Middle'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 Middle's internal control over financial reporting and compliance.

Ford, Scott & Associates, LLC
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 10, 2015

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**EXHIBIT - A
CURRENT FUND**

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 7,782,352.51	6,575,153.93
Total Cash	<u>7,782,352.51</u>	<u>6,575,153.93</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	346.37	5,381.30
Total Other Receivables	<u>346.37</u>	<u>5,381.30</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	23,816.85	1,004,218.10
Tax Title and Other Liens	571,431.40	426,043.32
Property Acquired for Taxes - at Assessed Valuation	2,629,223.47	2,629,223.47
Other Liens	614.88	614.88
Revenue Accounts Receivable	12,496.65	17,887.69
Interfund Receivable:		
State and Federal Grant Fund	111,103.87	-
Animal Control Fund	5,085.33	6,752.31
Total Receivables and Other Assets	<u>3,353,772.45</u>	<u>4,084,739.77</u>
Deferred Charges:		
Overexpenditure of Appropriation Reserves	-	1,765.06
Emergency Appropriation	12,000.00	32,000.00
Special Emergency Appropriation	51,000.00	68,000.00
Overexpenditure of Appropriation	3,575.31	-
Total Deferred Charges	<u>66,575.31</u>	<u>101,765.06</u>
Total Regular Fund	<u>11,203,046.64</u>	<u>10,767,040.06</u>
Federal and State Grant Fund:		
Cash	-	173,277.45
Federal and State Grants Receivable	2,972,130.60	2,057,852.60
Total Federal and State Grant Fund	<u>2,972,130.60</u>	<u>2,231,130.05</u>
Total Current Fund	<u>\$ 14,175,177.24</u>	<u>12,998,170.11</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 826,013.12	353,143.63
Reserve for Encumbrances	459,595.47	315,654.09
Accounts Payable	9,805.07	19,728.00
Prepaid Taxes	668,582.12	993,845.89
Prepaid Licenses and Fees	33,256.00	35,524.00
Overpaid Taxes	2,210.62	1,047.38
Local School Tax Payable	3,188,748.12	2,924,787.75
Special District Tax Payable	-	0.80
Deposits on Land Sales	3,000.00	3,000.00
County Added Tax Payable	40,130.52	33,353.01
Due to Water Districts	9,941.94	-
Payroll Deductions Payable	161,606.56	86,947.86
Reserve for Sale of Municipal Assets	1.00	15,550.00
Reserve for Revaluation/Reassessment	25,272.10	25,272.10
Reserve for State Tax Appeals	100,000.00	100,000.00
Interfund Payable:		
Other Trust Funds	1,010.00	-
Sewer Operating Fund	88,440.37	76,340.95
	<u>5,617,613.01</u>	<u>4,984,195.46</u>
Reserve for Receivables and Other Assets	3,353,772.45	4,084,739.77
Fund Balance	<u>2,231,661.18</u>	<u>1,698,104.83</u>
Total Regular Fund	<u>11,203,046.64</u>	<u>10,767,040.06</u>
Federal and State Grant Fund:		
Unappropriated Reserves	56,771.31	67,793.97
Appropriated Reserves	1,902,165.21	1,899,920.90
Encumbrances Payable	902,090.21	263,415.18
Due to Current Fund	<u>111,103.87</u>	<u>-</u>
Total Federal and State Grant Fund	<u>2,972,130.60</u>	<u>2,231,130.05</u>
Total Current Fund	<u>\$ 14,175,177.24</u>	<u>12,998,170.11</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized		
Fund Balance	\$ 1,377,000.00	1,255,000.00
Miscellaneous Revenue Anticipated	7,600,533.89	7,985,845.50
Receipts from Delinquent Taxes	1,103,661.54	768,679.00
Receipts from Current Taxes	47,006,720.82	45,744,909.16
Non Budget Revenue	607,772.50	682,345.52
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	293,848.73	573,355.15
Interfund Returned	6,752.31	7,941.89
Accounts Payable Cancelled	3,009.23	-
Total Income	<u>57,999,299.02</u>	<u>57,018,076.22</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	7,778,119.00	7,683,100.00
Other Expenses	8,263,126.31	7,817,071.00
Deferred Charges & Statutory Expenditures	1,935,413.06	2,009,924.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	130,000.00	130,000.00
Other Expenses	1,255,984.98	268,562.73
Capital Improvements	174,000.00	1,775,161.45
Debt Service	1,631,237.38	1,504,640.91
Deferred Charges	49,000.00	67,000.00
Local District School Tax	25,661,194.00	25,174,819.00
Special District Taxes	2,357,624.00	2,296,985.00
County Tax	6,689,836.65	6,931,186.46
County Share of Added Tax	40,130.52	33,353.01
Interfund Created	116,189.20	6,752.31
Refund of Prior Year's Revenue	18,462.88	13,019.20
Other:		
Senior Citizen Deduction Disallowed Prior Year	4,000.00	6,750.00
Grants Receivable Cancelled	-	29,190.00
Total Expenditures	<u>56,104,317.98</u>	<u>55,747,515.07</u>
Excess/(Deficit) in Revenue	<u>1,894,981.04</u>	<u>1,270,561.15</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**CURRENT FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
 IN FUND BALANCE - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	15,575.31	32,000.00
Total Adjustments	15,575.31	32,000.00
Statutory Excess to Fund Balance	1,910,556.35	1,302,561.15
Fund Balance January 1	1,698,104.83	1,650,543.68
	3,608,661.18	2,953,104.83
Decreased by:		
Utilization as Anticipated Revenue	1,377,000.00	1,255,000.00
Fund Balance December 31	\$ 2,231,661.18	1,698,104.83

See Accompanying Notes to Financial Statements which are an integral part of this statement

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated	Excess or (Deficit)	
	Budget	Realized	
	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 1,377,000.00	1,377,000.00	-
Total Fund Balance Anticipated	1,377,000.00	1,377,000.00	-
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	5,700.00	5,792.00	92.00
Other	46,000.00	50,459.00	4,459.00
Fees and Permits	118,000.00	174,123.62	56,123.62
Fines and Costs:			
Municipal Court	253,000.00	226,262.31	(26,737.69)
Interest and Costs on Taxes	202,000.00	344,439.69	142,439.69
Interest Earned on Investments	6,000.00	20,767.59	14,767.59
Registrar of Vital Statistics - Fees	59,000.00	65,447.23	6,447.23
Trailer Tax	150,000.00	158,160.00	8,160.00
Hotel/Motel Tax	40,000.00	37,688.49	(2,311.51)
Ambulance Fees	740,000.00	791,791.48	51,791.48
Host Community Benefits	15,000.00	30,906.53	15,906.53
Total Section A: Local Revenues	1,634,700.00	1,905,837.94	271,137.94
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	3,519,743.00	3,519,743.00	-
Garden State Preservation Trust Fund	47,481.00	47,481.00	-
Total Section B: State Aid Without Offsetting Appropriations	3,567,224.00	3,567,224.00	-
Section C: Uniform Construction Code Fees			
Uniform Construction Code Fees	310,000.00	234,020.00	(75,980.00)
Total Section C: Uniform Construction Code Fees	310,000.00	234,020.00	(75,980.00)

See Accompanying Notes to Financial Statements which are an integral part of this statement

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Drive Sober	2,762.84		-
Drunk Driving Enforcement Fund	7,551.98		-
Safe and Secure Communities Program	60,000.00		-
Clean Communities Program		45,407.49	-
Municipal Court Alcohol Education		1,122.52	-
Bike Path Phase 5		360,000.00	-
Park/Recreation Upgrades Ockie Wisting Complex		626,000.00	-
FEMA Hazard Mitigation - Generator		100,000.00	-
Employee Health & Wellness Initiative		325.00	-
Reconstruction Third Street Grant		174,000.00	-
Green Communities Grant		3,000.00	-
Click It or Ticket	3,726.84		-
Recycling Tonnage Grant	43,114.88		-
Bullet Proof Vest Partnership	3,835.00		-
Emergency Management Assistance	5,000.00		-
Body Armor Grant	5,637.43		-
Health and Wellness Fund - Allen Associates	500.00		-
Total Section F: Special Items - Public and Private Programs	132,128.97	1,309,855.01	-
Off-Set with Appropriations			
Section G: Other Special Items			
Police Officer - CMC Technical School	70,000.00		2,828.00
Middle Township Fire District #2 - JIF Ins.	37,564.00		-
Borough of Woodbine - Municipal Court - Interlocal	63,672.00		0.48
Sewer Utility - Indirect Costs	100,000.00		-
Reserve for Municipal Assets	15,550.00		-
Escrows - Reserve for Payment of Notes	203,932.61		(42,079.12)
Total Section G: Other Special Items	490,718.61	-	(39,250.64)

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Total Miscellaneous Revenues:	6,134,771.58	1,309,855.01	7,600,533.89
Receipts from Delinquent Taxes	1,000,000.00		1,103,661.54
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	12,313,100.11		13,140,749.31
Total Amount to be Raised by Taxes for Support of Municipal Budget	12,313,100.11	-	13,140,749.31
Budget Totals	20,824,871.69	1,309,855.01	23,221,944.74
Non- Budget Revenues: Other Non- Budget Revenues:			607,772.50
	20,824,871.69	1,309,855.01	23,829,717.24
			1,087,218.04
			607,772.50
			1,694,990.54

See Accompanying Notes to Financial Statements which are an integral part of this statement

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 47,006,720.82
Less: Reserve for Tax Appeals Pending	<u>-</u>
Net Revenue from Collections	47,006,720.82
Allocated to:	
School, County and Other Taxes	<u>34,748,785.17</u>
Balance for Support of Municipal Budget Appropriations	12,257,935.65
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	<u>882,813.66</u>
Amount for Support of Municipal Budget Appropriations	<u><u>13,140,749.31</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collection	\$ 967,150.50
Tax Title Lien Collections	<u>136,511.04</u>
Total Receipts from Delinquent Taxes	<u><u>1,103,661.54</u></u>

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:	
Interlocal Agreement - Animal Control	16,053.28
Concerned Citizens	1,501.00
Interlocal - Municipal Court Video	3,600.00
Refunds/Reimbursements	6,246.30
Bounced Check Fee	820.00
Cable Franchise Fee	106,505.88
Police Reports	4,852.79
Grass Cutting	13,382.29
Cape Educational Compact Interlocal	6,298.00
Zoning Books, Maps and Copies	1,277.95
FEMA Reimbursement for Sandy	13,566.63
Interlocal - Middle Twp. Board of Education	61,809.94
Restitution	844.63
Note Premium	25,461.03
True Up Refund - S.J. Gas	84,154.27
Cape Express Soccer Club	4,000.00
Statutory Excess Animal Control Fund	5,085.33
Trash Removal	16,074.72
Whitesboro Trailer - U.S. Postal	2,400.00
Traffic Reimbursement from Trust	11,203.40
Payments in Lieu of Taxes	18,974.00
Miscellaneous	75,864.36
Tax Collector Cost of Sale/Mailing Fees	28,967.12
Police Traffic Admin	4,451.95
Avalon Video Conferencing	2,400.00
Railroad Settlement	10,000.00
Host Community Benefits Settlement	40,000.00
Tax Collector	9,542.39
Sale of Township Property	27,799.98
Senior Citizen and Veteran Administration Fee	<u>4,635.26</u>
Total Miscellaneous Revenue Not Anticipated:	<u><u>607,772.50</u></u>
Cash Receipts	602,687.17
Due from Animal Control Fund	<u>5,085.33</u>
	<u><u>607,772.50</u></u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration	\$ 179,520.00	179,520.00	168,032.84		11,487.16	-
Salaries and Wages	17,500.00	48,500.00	29,687.00	9,411.51	9,401.49	-
Other Expenses						
Human Resources - Personnel	71,720.00	71,720.00	67,248.46	906.33	4,471.54	-
Salaries and Wages	9,500.00	9,500.00	8,241.56		352.11	0.00
Other Expenses						
Mayor and Committee	52,500.00	52,500.00	52,320.06	40.96	179.94	0.00
Salaries and Wages	4,000.00	4,000.00	1,929.62		2,029.42	-
Other Expenses						
Township Clerk	124,000.00	124,000.00	108,654.87		15,345.13	-
Salaries and Wages						
Other Expenses	8,600.00	8,600.00	8,171.10	4,083.35	428.90	-
Codification of Ordinances	34,500.00	34,500.00	29,774.15		642.50	(0.00)
Miscellaneous Other Expenses						
Financial Administration	179,000.00	179,000.00	175,746.45	13,363.64	3,253.55	(0.00)
Salaries and Wages	52,000.00	52,000.00	35,767.23		2,869.13	-
Other Expenses						
Bond Registrar	1,000.00	1,000.00			1,000.00	-
Other Expenses						
Information Technology	35,000.00	35,000.00	31,586.82	1,413.18	2,000.00	-
Other Expenses						
Audit Services	31,000.00	31,000.00	31,000.00			-
Collection of Taxes	120,000.00	139,500.00	139,215.37	331.72	284.63	0.00
Salaries and Wages	23,000.00	30,000.00	16,568.39		13,099.89	-
Other Expenses						
Assessment of Taxes	114,240.00	114,240.00	111,743.36	3,094.60	2,496.64	-
Salaries and Wages	35,000.00	35,000.00	13,421.54		18,483.86	-
Other Expenses						
Liquidation of Tax Title Liens and Foreclosed Property	9,000.00	9,000.00	1,210.00		7,790.00	-
Other Expenses						
Legal Services	327,000.00	327,000.00	245,388.17	78,284.09	3,327.74	(0.00)
Other Expenses						
Engineering Services	70,000.00	70,000.00	56,708.91	10,995.80	2,295.29	-
Other Expenses						

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Grants Administration	51,000.00	8,600.00	5,910.17		2,689.83	-
Salaries and Wages	29,000.00	29,500.00	18,616.26	10,883.74		0.00
Other Expenses						
Public Affairs	750.00	750.00	750.00			-
Other Expenses					1,000.00	-
Records Management	1,000.00	1,000.00				-
Other Expenses						
LAND USE ADMINISTRATION						
Planning Board	30,000.00	30,000.00	6,150.00	13,850.00	10,000.00	-
Smart Growth Expense	1.00	1.00			1.00	-
Other Expenses						
Zoning Board of Adjustment	90,000.00	90,000.00	84,730.01		5,269.99	-
Salaries and Wages	33,500.00	33,500.00	4,230.45	23,000.00	6,269.55	-
Other Expenses						
Municipal Court	213,180.00	155,880.00	152,439.00		3,441.00	-
Salaries and Wages	15,100.00	15,400.00	14,654.03		745.97	-
Other Expenses						
Public Defender	17,500.00	17,500.00	17,499.96	0.04		0.00
Other Expenses						
INSURANCE						
General Liability Insurance	182,000.00	199,400.00	202,975.31			(3,575.31)
Workers Compensation Insurance	536,000.00	536,000.00	536,000.00			-
Group Insurance Plan for Employees	3,529,650.00	3,464,150.00	3,232,621.51		231,528.49	(0.00)
Health Benefit Waivers						
Salaries and Wages	55,148.00	55,148.00	55,148.00			-
PUBLIC SAFETY						
Police	4,500,000.00	4,332,900.00	4,198,870.75		134,029.25	-
Salaries and Wages	120,300.00	124,800.00	77,870.84	42,556.34	4,372.82	0.00
Other Expenses						
Police and Radio Communications	428,400.00	468,400.00	435,521.72		32,878.28	-
Salaries and Wages	7,000.00	7,000.00	5,491.67	1,508.33		-
Other Expenses	70,000.00	70,000.00	70,000.00			-
Contribution to First Aid Squads						-
Rescue Squad	433,500.00	433,500.00	417,657.18		15,842.82	-
Salaries and Wages	41,000.00	46,000.00	37,286.02	8,304.88	409.10	0.00
Other Expenses						
Emergency Management Services	4,700.00	4,700.00	4,650.10		49.90	(0.00)
Salaries and Wages	1,000.00	1,000.00	574.31		425.69	-
Other Expenses						

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Municipal Prosecutor	34,000.00	34,000.00	25,497.66	8,502.34	-	-
Other Expenses						
PUBLIC WORKS						
Road Repair and Maintenance	820,000.00	827,000.00	826,462.27	537.73	(0.00)	(0.00)
Salaries and Wages	100,500.00	125,500.00	103,585.59	16,920.31	-	-
Other Expenses	181,000.00	241,000.00	179,981.98	756.00	(0.00)	(0.00)
Motor Pool		12,000.00	12,000.00	-	-	-
BackHoe Repair (Emergency +12,000)						
Snow Removal	25,000.00	25,000.00	25,000.00	-	-	-
Other Expenses						
Shade Tree Commission	750.00	750.00	348,000.00	750.00	-	-
Other Expenses	348,000.00	348,000.00	232,948.60	56,939.16	-	-
Garbage and Trash Removal - Contractual	348,000.00	348,000.00	99,004.04	7,850.23	1.00	0.00
Recycling Contractual	1.00	1.00				
Public Buildings and Grounds	100,000.00	107,000.00				
Salaries and Wages						
Other Expenses						
HEALTH AND WELFARE						
Board of Health	850.00	950.00	901.11	48.89	-	-
Salaries and Wages	500.00	500.00	491.00	9.00	-	-
Other Expenses						
Animal Control	65,000.00	65,000.00	60,537.96	4,462.04	-	-
Salaries and Wages	10,000.00	10,000.00	8,114.03	133.32	-	-
Other Expenses						
Animal Control - Animal Shelter	68,600.00	68,600.00	68,545.00	55.00	-	-
Contractual						
CODE ENFORCEMENT ADMINISTRATION						
Code Enforcement Officer	34,680.00	34,680.00	32,666.92	2,013.08	0.00	0.00
Salaries and Wages						
Demolition of Substandard Buildings	500.00	1,500.00		1,250.00	-	-
Other Expenses						
RECREATION AND EDUCATION						
Recreation	198,900.00	218,900.00	215,957.16	659.75	2,942.84	(0.00)
Salaries and Wages	32,000.00	32,000.00	26,579.67		4,760.58	-
Other Expenses						
Senior Center	49,980.00	59,980.00	58,465.35	2,018.12	1,514.65	-
Salaries and Wages	20,000.00	20,000.00	17,640.52		341.36	-
Other Expenses						
Beach Restoration	500.00	500.00			500.00	-
Other Expenses						

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official	118,000.00	118,000.00	112,377.14		5,622.86	-
Salaries and Wages	10,000.00	10,000.00	3,358.94	2,740.25	3,900.81	-
Other Expenses						
Electrical Inspector	26,000.00	26,000.00	26,000.00			-
Salaries and Wages						
Fire Protection	18,000.00	18,000.00	14,282.96		3,717.04	-
Salaries and Wages						
UNCLASSIFIED						
Terminal Leave	140,000.00	140,000.00	140,000.00			-
Maintenance and Service Policies - Various Machines	208,000.00	215,500.00	207,580.73	6,199.14	1,720.13	(0.00)
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	320,000.00	382,000.00	330,816.05	20,171.73	31,012.22	-
Postage	8,000.00	8,000.00	8,000.00			-
Telephone	100,000.00	100,000.00	81,980.15	3,535.62	14,484.23	-
Natural Gas	40,000.00	44,500.00	36,966.20	2,870.75	4,663.05	-
Fuel Oil	1,000.00	1,000.00			1,000.00	-
Gasoline	320,000.00	320,000.00	247,118.42	18,614.89	54,266.69	-
Street Lighting	100.00	100.00			100.00	-
SANITARY LANDFILL DISPOSAL COSTS:						
Sanitary Landfill - Contractual	390,000.00	393,000.00	355,216.33	37,411.83	371.84	(0.00)
TOTAL OPERATIONS WITHIN "CAPS"	<u>16,025,670.00</u>	<u>16,037,670.00</u>	<u>14,818,138.97</u>	<u>458,974.17</u>	<u>764,132.17</u>	<u>(3,575.31)</u>
Contingent		-				-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>16,025,670.00</u>	<u>16,037,670.00</u>	<u>14,818,138.97</u>	<u>458,974.17</u>	<u>764,132.17</u>	<u>(3,575.31)</u>
Detail:						
Salaries and Wages	7,948,319.00	7,778,119.00	7,525,539.21	-	252,579.79	(0.00)
Other Expenses	8,077,351.00	8,259,551.00	7,292,599.76	458,974.17	511,552.38	(3,575.31)
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
Overexpenditure of Appropriations	1,765.06	1,765.06	1,765.06			-

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	323,425.00	323,425.00	322,271.00		1,154.00	-
Social Security System (O.A.S.I.)	632,000.00	632,000.00	571,988.11		60,011.89	-
Police and Firemen's Retirement System	923,223.00	923,223.00	923,223.00			-
Defined Contribution Retirement Program	10,000.00	10,000.00	8,663.64	621.30	715.06	-
Unemployment Compensation Insurance	45,000.00	45,000.00	45,000.00			-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	1,935,413.06	1,935,413.06	1,872,910.81	621.30	61,880.95	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	17,961,083.06	17,973,083.06	16,691,049.78	459,595.47	826,013.12	(3,575.31)
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Public Assistance - Township Share of Costs	500.00	500.00	500.00			-
Police						
Salaries and Wages	70,000.00	70,000.00	70,000.00			-
Interlocal - Middle Township Fire District #2						
JIF Insurance	37,564.00	37,564.00	37,564.00			-
	108,064.00	108,064.00	108,064.00			-
(A) Public and Private Programs Off-Set by Revenues						
Police						
Salaries and Wages	60,000.00	60,000.00	60,000.00			-
Clean Communities Program		45,407.49	45,407.49			-
Municipal Court Alcohol Education		1,122.52	1,122.52			-
Bike Path Phase 5		360,000.00	360,000.00			-
Park/Recreation Upgrades Ockie Wisting Complex		626,000.00	626,000.00			-
FEMA Hazard Mitigation - Generator		100,000.00	100,000.00			-
Employee Health & Wellness Initiative		325.00	325.00			-
Green Communities Grant		3,000.00	3,000.00			-
Body Armor Grant	5,637.43	5,637.43	5,637.43			-
Drunk Driving Enforcement	7,551.98	7,551.98	7,551.98			-
Recycling Tonnage Grant	43,114.88	43,114.88	43,114.88			-
Bullet Proof Vest Partnership-Federal	3,835.00	3,835.00	3,835.00			-
Click It or Ticket	3,726.84	3,726.84	3,726.84			-

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Emergency Management Assist.	5,000.00	5,000.00	5,000.00	-	-	-
Municipal Alliance Grant - Local Match	3,500.00	3,500.00	3,500.00	-	-	-
Drive Sober	2,762.84	2,762.84	2,762.84	-	-	-
SFSP - District Payments	6,437.00	6,437.00	6,437.00	-	-	-
Health and Wellness Fund - Allen Associates	500.00	500.00	500.00	-	-	-
Total Public and Private Programs Off-Set by Revenues	142,065.97	1,277,920.98	1,277,920.98	-	-	-
Total Operations - Excluded from "CAPS"	250,129.97	1,385,984.98	1,385,984.98	-	-	-
Detail:						
Salaries and Wages	130,000.00	130,000.00	130,000.00	-	-	-
Other Expenses	120,129.97	1,255,984.98	1,255,984.98	-	-	-
(C) Capital Improvements						
New Jersey DOT Trust Fund Authority Act Reconstruction Third Street Grant		174,000.00	174,000.00	-	-	-
Total Capital Improvements	-	174,000.00	174,000.00	-	-	-
(D) Debt Service						
Payment of Bond Principal	890,000.00	890,000.00	890,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	504,000.00	504,000.00	461,993.00	-	-	42,007.00
Interest on Bonds	114,345.00	114,345.00	114,345.00	-	-	-
Interest on Notes	50,000.00	50,000.00	42,207.50	-	-	7,792.50
Green Trust Loan Program:						
Loan Repayments for Principal & Interest	98,500.00	98,500.00	98,461.59	-	-	38.41
New Jersey Environmental Infrastructure Trust Loan:						
Principal	20,000.00	20,000.00	19,464.97	-	-	535.03
Interest	5,000.00	5,000.00	4,765.32	-	-	234.68
Total Debt Service	1,681,845.00	1,681,845.00	1,631,237.38	-	-	50,607.62
(E) Deferred Charges						
Emergency Authorizations	32,000.00	32,000.00	32,000.00	-	-	-
Special Emergency Authorization - (N.J.S. 40A: 4-55)	17,000.00	17,000.00	17,000.00	-	-	-
Total Deferred Charges	49,000.00	49,000.00	49,000.00	-	-	-

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	1,980,974.97	3,290,829.98	3,240,222.36	-	50,607.62
SUBTOTAL GENERAL APPROPRIATIONS	19,942,058.03	21,263,913.04	19,931,272.14	459,595.47	47,032.31
(M) Reserve for Uncollected Taxes	882,813.66	882,813.66	882,813.66		-
TOTAL GENERAL APPROPRIATIONS	\$ 20,824,871.69	22,146,726.70	20,814,085.80	459,595.47	47,032.31
Budget	\$	20,824,871.69		Cancelled	\$ 50,607.62
Appropriations by 40A.4-87		1,309,855.01		Overexpended	(3,575.31)
Emergency Appropriations		12,000.00			
		<u>22,146,726.70</u>			<u>47,032.31</u>
Reserve for Uncollected Taxes	\$	882,813.66			
Payroll Deductions Payable		4,235,592.23			
Federal and State Grants		1,441,983.98			
Deferred Charges		50,765.06			
Disbursements		14,202,930.87			
		<u>20,814,085.80</u>			

See Accompanying Notes to Financial Statements which are an integral part of this statement

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**EXHIBIT - B
TRUST FUND**

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
<u>Animal Control Fund</u>		
Cash	\$ 18,317.23	17,576.76
	<u>18,317.23</u>	<u>17,576.76</u>
 <u>Other Funds</u>		
Cash - Treasurer	2,284,726.26	3,449,770.64
Cash - Collector	436,024.10	98,317.89
Due from State of New Jersey:		
Marriage Licenses	-	925.00
Burial Permits	5.00	10.00
Loans Receivable - UDAG	235,772.27	252,366.08
Due from Current Fund	1,010.00	-
	<u>2,957,537.63</u>	<u>3,801,389.61</u>
	<u>\$ 2,975,854.86</u>	<u>3,818,966.37</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 13,212.10	10,805.85
Due to State of New Jersey	19.80	18.60
Interfunds:		
Due to Current Fund	5,085.33	6,752.31
	<u>18,317.23</u>	<u>17,576.76</u>
<u>Other Funds</u>		
Reserve for:		
Community Development Block Grant	2,676.80	2,676.80
Deposits for Redemption of Tax Liens	81,224.10	35,517.89
Tax Sale Premiums	354,800.00	62,800.00
Unemployment Compensation	143,365.55	137,892.63
Escrow Deposits	825,802.22	992,702.64
Street Openings	10,770.00	10,770.00
Sewer Escrows	136,071.46	140,857.06
Smart Growth Plan	33,013.31	38,515.81
Housing Rehabilitation	75,349.46	59,830.46
Parking Offense Adjudication Act	170.00	132.00
Urban Aid	469,459.88	445,842.15
Recreation Dedicated Trust	99,019.67	72,623.90
Police Forfeiture	14,919.41	5,331.45
Special Police Detail	140,213.49	46,128.73
Municipal Alliance	6,564.42	782.27
Snow Removal	74,818.82	89,262.50
Subdivisions - Map Changes	5,557.50	2,657.50
Accumulated Absences	29,166.21	18,729.94
Donations - Bus Shelters	836.08	836.08
Council on Affordable Housing - Fees	212,025.98	1,378,439.72
Loans Receivable - UDAG	235,772.27	252,366.08
Due to State of New Jersey:		
Construction Code Fees	4,256.00	6,694.00
Marriage Licenses/Burial Permits	1,685.00	-
	<u>2,957,537.63</u>	<u>3,801,389.61</u>
	<u>\$ 2,975,854.86</u>	<u>3,818,966.37</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

EXHIBIT - C
GENERAL CAPITAL FUND

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash and Investments	\$ 3,063,697.71	3,898,104.13
Grants Receivable	55,385.00	55,385.00
Deferred Charges to Future Taxation -		
Funded	2,974,939.45	3,970,536.35
Unfunded	9,403,000.86	4,984,993.86
	<u>15,497,023.02</u>	<u>12,909,019.34</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Contracts Payable	708,130.41	649,853.59
Interfunds:		
Due to Sewer Utility Capital Fund	108,750.00	-
Bond Anticipation Notes Payable	4,523,000.00	4,984,993.00
Serial Bonds Payable	1,882,000.00	2,772,000.00
Improvement Authorizations:		
Funded	1,438,267.83	949,752.58
Unfunded	4,890,893.27	363,541.76
Reserve to Pay Bonds and Notes	26,192.78	26,192.78
Green Trust Loan Payable	931,061.16	1,009,395.08
New Jersey Environmental Infrastructure Trust		
Fund Loan Payable	161,878.29	189,141.27
Capital Improvement Fund	699,484.44	1,836,784.44
Fund Balance	127,364.84	127,364.84
	<u>\$ 15,497,023.02</u>	<u>12,909,019.34</u>

There were bonds and notes authorized but not issued at December 31,

2013	0.86
2014	4,880,000.86

See Accompanying Notes to Financial Statements which are an integral part of this statement

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 127,364.84	127,364.84
Increased by:		
None	-	-
Decreased by:		
None	-	-
Ending Balance December 31	<u>\$ 127,364.84</u>	<u>127,364.84</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

EXHIBIT - D
SEWER UTILITY FUND

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
<u>Assets</u>		
Operating Fund:		
Cash and Investments	\$ 1,768,791.87	1,523,534.06
Due from Current Fund	88,440.37	76,340.95
	1,857,232.24	1,599,875.01
Receivables With Full Reserves		
Consumer Accounts Receivable	29,666.49	262,217.07
Sewer Liens Receivable	5,748.89	1,408.72
	35,415.38	263,625.79
Total Operating Fund	1,892,647.62	1,863,500.80
Capital Fund:		
Cash and Investments	1,340,584.09	1,381,576.28
Grants Receivable - USDA	7,600.00	175,623.00
Due from General Capital Fund	108,750.00	-
Fixed Capital:		
Completed	28,105,028.24	28,105,028.24
Authorized and Uncompleted	17,887,550.00	17,887,550.00
Total Capital Fund	47,449,512.33	47,549,777.52
	\$ 49,342,159.95	49,413,278.32

See Accompanying Notes to Financial Statements which are an integral part of this statement

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ 82,809.40	84,576.10
Encumbrances Payable	18,683.99	88,510.73
Overpayments	38,962.84	28,611.90
Prepaid Rents	424,969.88	349,640.52
Bond Issue Costs Payable	17,829.97	22,277.73
Accrued Interest on Bonds and Notes	228,167.35	230,487.36
	811,423.43	804,104.34
Reserve for Receivables	35,415.38	263,625.79
Fund Balance	1,045,808.81	795,770.67
Total Operating Fund	1,892,647.62	1,863,500.80
Capital Fund:		
Serial Bonds Payable	13,300,000.00	13,735,000.00
Bond Anticipation Notes Payable	1,000,000.00	1,000,000.00
Loans Payable	10,143,349.21	10,278,502.49
Contracts Payable	204,114.85	264,562.74
Reserve to Pay Bonds	248,155.02	248,155.02
Improvement Authorizations		
Funded	389,288.73	429,106.03
Unfunded	1,667,268.84	1,667,268.84
Reserve for Amortization	17,804,326.94	17,234,173.66
Deferred Reserve for Amortization	2,578,152.09	2,578,152.09
Fund Balance	114,856.65	114,856.65
Total Capital Fund	47,449,512.33	47,549,777.52
	\$ 49,342,159.95	49,413,278.32

There were bond and notes authorized but not issued at December 31,

2014	1,088,950.00
2013	1,166,750.00

See Accompanying Notes to Financial Statements which are an integral part of this statement

**SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 295,119.00	170,000.00
Sewer Rents	4,215,081.88	3,729,728.72
Miscellaneous	145,549.49	191,777.38
Other Credits to Income:		
Unexpended Balance of Appropriation		
Reserves	19,663.31	187,773.63
Total Income	<u>4,675,413.68</u>	<u>4,279,279.73</u>
 Expenditures:		
Operations:		
Salaries and Wages	200,669.00	184,850.00
Other Expenses	224,000.00	204,000.00
Insurance	196,450.00	170,000.00
CMCMUA User Charges	1,903,000.00	1,702,000.00
Capital Improvements	50,000.00	50,000.00
Debt Service	1,426,137.54	1,372,458.82
Deferred Charges and Statutory Expenditures	130,000.00	110,555.07
Total Expenditures	<u>4,130,256.54</u>	<u>3,793,863.89</u>
Excess in Revenue	545,157.14	485,415.84
 Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by		
Statute Deferred Charges to Budgets of		
Succeeding Years	<u>-</u>	<u>-</u>
Fund Balance January 1	545,157.14	485,415.84
	<u>795,770.67</u>	<u>480,354.83</u>
	1,340,927.81	965,770.67
Decreased By:		
Utilization as Anticipated Revenue	<u>295,119.00</u>	<u>170,000.00</u>
Balance December 31	<u>\$ 1,045,808.81</u>	<u>795,770.67</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**SEWER UTILITY FUND
COMPARATIVE STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
Balance December 31,	\$ 114,856.65	164,856.65
Increased By:		
None	-	-
	114,856.65	164,856.65
Decreased By:		
Appropriated to Budget Revenue	-	50,000.00
Balance December 31,	\$ 114,856.65	114,856.65

See Accompanying Notes to Financial Statements which are an integral part of this statement

SEWER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Fund Balance Anticipated	\$ 295,119.00	295,119.00	-
Anticipated Revenue:			
Sewer Rents	3,675,000.00	4,215,081.88	540,081.88
Miscellaneous	161,000.00	145,549.49	(15,450.51)
	<u>3,836,000.00</u>	<u>4,360,631.37</u>	<u>524,631.37</u>
Total Revenue	\$ <u>4,131,119.00</u>	<u>4,655,750.37</u>	<u>524,631.37</u>

Analysis of Realized Revenue:

Sewer Rents			
Accounts Receivable	\$ 3,836,436.52		
Liens Receivable	2,740.71		
Sewer Overpayments Applied	375,904.65		
Total Sewer Rents		\$ <u>4,215,081.88</u>	
Miscellaneous Revenue			
Interest on Investments	3,698.58		
Miscellaneous	10,363.61		
Penalties on Delinquent Accounts	74,765.30		
Connection/Disconnection Fee	40,322.00		
Application Fees	16,400.00		
Total Miscellaneous		<u>145,549.49</u>	

See Accompanying Notes to Financial Statements which are an integral part of this statement

**SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
Salaries and Wages	\$ 200,669.00	200,669.00	194,328.61	6,340.39	
Other Expenses	227,000.00	224,000.00	198,274.03	25,725.97	
Insurance	196,450.00	196,450.00	196,450.00	-	
CMCMUA User Charges	1,900,000.00	1,903,000.00	1,902,746.00	254.00	
	<u>2,524,119.00</u>	<u>2,524,119.00</u>	<u>2,491,798.64</u>	<u>32,320.36</u>	-
Capital Improvements:					
Capital Outlay	50,000.00	50,000.00	-	50,000.00	
	<u>50,000.00</u>	<u>50,000.00</u>	-	<u>50,000.00</u>	-
Debt Service:					
Payment of Bond Principal	571,000.00	571,000.00	570,153.26	-	846.74
Interest on Bonds	856,000.00	856,000.00	855,984.28	-	15.72
	<u>1,427,000.00</u>	<u>1,427,000.00</u>	<u>1,426,137.54</u>	-	<u>862.46</u>
Deferred Charges and Statutory Expenditures					
Township of Middle Indirect Costs	100,000.00	100,000.00	100,000.00	-	
PERS	15,000.00	15,000.00	15,000.00	-	
Social Security System (O.A.S.I.)	15,000.00	15,000.00	14,510.96	489.04	
	<u>130,000.00</u>	<u>130,000.00</u>	<u>129,510.96</u>	<u>489.04</u>	-
	<u>4,131,119.00</u>	<u>4,131,119.00</u>	<u>4,047,447.14</u>	<u>82,809.40</u>	<u>862.46</u>
Adopted Budget	\$	4,131,119.00			
		<u>4,131,119.00</u>			
Cash Disbursed	\$		3,172,778.87		
Accrued Interest on Bonds and Notes			855,984.28		
Encumbered			18,683.99		
			<u>4,047,447.14</u>		

See Accompanying Notes to Financial Statements which are an integral part of this statement

EXHIBIT - E
PUBLIC ASSISTANCE TRUST FUND

**PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash Trust I	\$ 20,909.12	20,369.71
	<u>20,909.12</u>	<u>20,369.71</u>
<u>Liabilities and Reserves</u>		
Reserve for Public Assistance	20,909.12	20,369.71
	<u>\$ 20,909.12</u>	<u>20,369.71</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

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EXHIBIT - F
GENERAL FIXED ASSETS ACCOUNT GROUP

**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Land	\$ 1,048,535.00	1,048,535.00
Land Improvements	1,907,773.85	1,907,773.85
Building and Building Improvements	7,753,363.27	7,713,394.58
Machinery, Equipment and Vehicles	5,945,872.99	6,149,400.99
	<hr/>	<hr/>
Total General Fixed Assets	<u>16,655,545.11</u>	<u>16,819,104.42</u>
<u>Liabilities, Reserves, and Fund Balance</u>		
Investment in General Fixed Assets	\$ <u>16,655,545.11</u>	<u>16,819,104.42</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Middle include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Middle, as required by N.J.S. 40A:5-5.

The Township of Middle is an inland community located in the County of Cape May, State of New Jersey. The population according to the 2010 census is 18,911. The Township was incorporated in 1798 and operates under a Committee form of government.

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 entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The Township has no component units.

B. Description of Funds

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

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

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

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

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

Public Assistance Fund -- accounts for receipts and disbursements of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

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

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

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

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

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

General Fixed Assets -- The Township has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$3,000 are capitalized.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. 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 fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Township of Middle to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The Township operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed semi-annually and due semi-annual installments on March 20 and September 20.

Interest on Delinquent Utility Charges -- It is the policy of the Township to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the Township of Middle to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$882,814 and \$961,631. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2013 and 2012 statutory budgets was \$1,377,000 and \$1,255,000. In addition, the Township operates a self liquidating sewer utility. Under New Jersey Statutes, a separate budget for the utility must be adopted concurrently with the operating budget of the Township. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$295,119 and \$170,000.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by the Township Council. The following significant budget transfers were approved in the 2014 and 2013 calendar years:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Current Fund:</u>		
General Administration		
Salaries and Wages	\$	(35,000)
Other Expenses	31,000	
Collection of Taxes		
Salaries and Wages	19,500	
Assessment of Taxes		
Other Expenses		(13,000)
Grants Administration		
Salaries and Wages	(42,400)	
Police		
Salaries and Wages	(167,100)	(283,000)
Other Expenses		
Police & Radio Communications		
Salaries and Wages	40,000	-
Municipal Court		
Salaries and Wages	(57,300)	12,000
Public Buildings and Grounds		
Salaries and Wages		(46,000)
Road Repair & Maintenance		
Other Expenses	25,000	
Electric	62,000	
General Liability Insurance	17,400	
Group Insurance	(65,500)	260,000
Health Benefit Waivers		
Salaries and Wages		13,000
Recreation		
Salaries and Wages	20,000	23,000
Motor Pool		
Other Expenses	60,000	50,000

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2014 and 2013, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
Drive Sober or Get Pulled Over	\$ -	\$ 4,192
Alcohol Education	1,123	2,638
Clean Communities Program	45,407	48,415
Bike Path Phase 5	360,000	
Park/Recreation Upgrades to Ockie Wisting Complex	626,000	
FEMA - Hazard Mitigation Generator	100,000	
Employee Health & Wellness Initiative	325	
Reconstruction 3rd St.	174,000	
Green Communities	3,000	
Public Access Grant		10,000
NJ DOT - Reconstruction of 2nd St.		130,000
NJ DOT - Bike Path Phase 4		300,000
Small Cities ADA Phase 1		268,182
Small Cities ADA Phase II		241,000
FEMA - Bennys Landing		803,979

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The Township approved a special emergency appropriation in 2012 for \$85,000. The emergency was for a reassessment of taxes in the Township. The unfunded balance as of December 31, 2014 was \$51,000. During 2013, the Township approved two \$16,000 emergency appropriations totaling \$32,000 for HVAC and boiler replacements at the Martin Luther King Center. This amount was included in the 2014 budget. In 2014, the Township approved an emergency appropriation for a backhoe repair for \$12,000. This amount is included in the 2015 budget.

Note 3: CASH

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 municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2014 and 2013, \$525,667 and \$98,451 of the municipality's bank balance of \$16,609,279 and \$16,939,666 respectively was exposed to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 4: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2014 and 2013:

	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013
Land	\$ 1,048,535			1,048,535
Land Improvements	1,907,774			1,907,774
Building	7,663,092	50,303		7,713,395
Equipment and Machinery	6,055,202	94,199		6,149,401
	<u>\$ 16,674,603</u>	<u>144,502</u>	<u>-</u>	<u>16,819,105</u>

	Balance 12/31/2013	Additions	Retirements/ Adjustments	Balance 12/31/2014
Land	\$ 1,048,535	1,000	-	1,049,535
Land Improvements	1,907,774			1,907,774
Building	7,713,395	39,968		7,753,363
Equipment and Machinery	6,149,401	205,553	(409,081)	5,945,873
	<u>\$ 16,819,105</u>	<u>246,521</u>	<u>(409,081)</u>	<u>16,656,545</u>

Note 5: SHORT-TERM OBLIGATIONS

The following schedules are a summarization of the changes in bond anticipation notes for the calendar years ended December 31, 2014 and 2013:

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Bond Anticipation Notes payable:				
General Capital	\$ 4,353,250	4,984,993	(4,353,250)	4,984,993
Utility	1,000,000	1,000,000	(1,000,000)	1,000,000
	<u>\$ 5,353,250</u>	<u>5,984,993</u>	<u>(5,353,250)</u>	<u>5,984,993</u>

	Balance 12/31/13	Issued	Retired	Balance 12/31/14
Bond Anticipation Notes payable:				
General Capital	\$ 4,984,993	4,523,000	(4,984,993)	4,523,000
Utility	1,000,000	1,000,000	(1,000,000)	1,000,000
	<u>\$ 5,984,993</u>	<u>5,523,000</u>	<u>(5,984,993)</u>	<u>5,523,000</u>

The note was issued on 11/13/14 and is due and payable on 11/12/15 with interest at 1.00%. As of December 31, 2014, the Township has authorized but not issued bonds or notes in the amount of \$4,880,001 and \$1,088,950 in the General Capital Fund and Utility Capital Fund respectively.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 6: LONG TERM DEBT

Long-term debt as of December 31, 2014 and 2013 consisted of the following:

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds payable:					
General	\$ 3,652,000		880,000	2,772,000	890,000
Utility	3,765,000	10,350,000	380,000	13,735,000	435,000
Total	\$ 7,417,000	10,350,000	1,260,000	16,507,000	1,325,000
Other liabilities:					
Loans Payable	\$ 1,295,331		96,795	1,198,536	19,666
Utility Loans	19,914,695	894,400	10,530,593	10,278,502	135,153
Compensated Absences Payable	1,235,813	822,023	855,184	1,202,652	-
Total long-term liabilities	\$ 29,862,839	12,066,423	12,742,572	29,186,690	1,479,819
	Balance 12/31/13	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds payable:					
General	\$ 2,772,000	-	890,000	1,882,000	945,000
Utility	13,735,000	-	435,000	13,300,000	445,000
Total	\$ 16,507,000	-	1,325,000	15,182,000	1,390,000
Other liabilities:					
Loans Payable	\$ 1,198,536		105,597	1,092,939	99,236
Utility Loans	10,278,502		135,153	10,143,349	139,825
Compensated Absences Payable	1,202,652	127,423	107,535	1,222,540	-
Total long-term liabilities	\$ 29,186,690	127,423	1,673,285	27,640,828	1,629,061

Outstanding bonds whose principal and interest are paid from the Current Fund & Sewer Operating Budgets:

At December 31, 2014 bonds and loans payable in the General Capital Fund consisted of the following individual issues:

\$7,072,000 General Improvement Bonds dated July 6, 2006, due in annual installments through July 15, 2016, bearing interest at variable rates from 4.00% to 4.125% per annum. The balance remaining as of December 31, 2014 is \$1,882,000.

\$215,345 Green Acres Loan dated November 16, 1999, due in semi-annual installments through August 19, 2019, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2014 is \$63,414.

\$340,000 Green Acres Loan dated November 3, 2004, due in semi-annual installments through August 24, 2024, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2014 is \$190,762.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

\$455,700 Green Acres Loan, \$250,000 drawn down on December 21, 2004 and \$205,700 drawn down on December 24, 2006, due in semi-annual installments through July 5, 2024, and December 24, 2025, bearing an interest rate of 2.00%. The balances remaining as of December 31, 2014 are \$149,843 and \$86,110 respectively.

\$150,000 Green Acres Loan dated December 31, 2004, due in semi-annual installments through September 17, 2024, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2014, is \$75,189.

\$400,000 Green Acres Loan dated June 28, 2012, due in semi-annual installments through April 3, 2032, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2014, is \$365,744.

\$170,000 New Jersey Environmental Infrastructure Trust Fund Loan dated December 7, 2004, due in semi-annual installments through August 1, 2022, bearing an interest rate of 0%. The balance remaining as of December 31, 2013, is \$90,000.

\$177,597 New Jersey Environmental Infrastructure Trust Fund Loan dated December 7, 2004, due in semi-annual installments through August 1, 2022, bearing interest at variable rates ranging from 3% to 5%. The balance remaining as of December 31, 2013, is \$71,878.

At December 31, 2014, bonds payable in the Sewer Utility Fund consisted of the following individual issues:

\$4,365,000 Sewer Refunding Bonds dated February 3, 2010, due in annual installments on December 15 through December 15, 2031, bearing interest at various rates from 1.125%-2.75% through 2015 and 3%-4.375% thereafter. The balance remaining as of December 31, 2014 was \$3,455,000.

The Township issued \$10,350,000 Sewer Refunding Bonds dated April 30, 2013, due in annual installments on August 15 through August 15, 2042, bearing interest at varying rates from 2.00%-4.00%. The bonds were used to refinance the Rural Development Administration Bonds noted below. The balance remaining as of December 31, 2014 was \$9,845,000.

\$3,039,000 Rural Development Loan dated July 15, 2010, due in semi-annual installments through July 15, 2050, bearing an interest rate of 4.00%. The balance remaining as of December 31, 2014, is \$2,904,144.

\$1,150,000 Rural Development Loan dated July 15, 2010, due in semi-annual installments through July 15, 2050, bearing an interest rate of 4.00%. The balance remaining as of December 31, 2014, is \$1,098,966.

\$1,815,000 Rural Development Loan dated December 15, 2011, due in semi-annual installments through December 15, 2051, bearing an interest rate of 2.25%. The balance remaining as of December 31, 2014, is \$1,727,854.

\$3,663,000 Rural Development Loan dated December 15, 2011, due in semi-annual installments through December 15, 2051, bearing an interest rate of 3.75%. The balance remaining as of December 31, 2014, is \$3,536,536.

\$100,000 Rural Development Loan dated April 24, 2013, due in semi-annual installments through April 24, 2053, bearing an interest rate of 3.50%. The balance remaining as of December 31, 2014, is \$98,220.

\$794,400 Rural Development Loan dated April 24, 2013, due in semi-annual installments through April 24, 2053, bearing an interest rate of 2.75%. The balance remaining as of December 31, 2014, is \$777,630.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

Schedule of Annual Debt Service for Principal and Interest for Serial Bonds and Loans Issued and Outstanding

Year Ending December 31	General Capital Fund		Utility Capital Fund	
	Principal	Interest	Principal	Interest
2015	\$ 1,044,235.84	\$ 100,318.67	\$ 584,824.96	\$ 843,770.10
2016	1,037,519.53	59,231.26	599,665.04	825,980.02
2017	101,835.50	18,441.57	624,679.76	807,315.30
2018	103,184.41	16,270.19	639,875.64	787,869.42
2019	104,566.90	14,065.22	665,259.40	764,885.66
2020 - 2024	411,162.62	39,322.88	3,724,134.22	3,417,091.08
2025 - 2029	112,074.28	12,292.11	4,486,263.32	2,653,873.22
2030 - 2034	60,360.37	1,822.83	4,071,192.83	1,850,376.15
2035 - 2039	-	-	2,745,555.42	1,227,232.20
2040 - 2044	-	-	2,387,351.83	736,835.71
2045 - 2049	-	-	2,126,236.71	349,163.29
2050 - 2054	-	-	788,310.10	32,386.61
	<u>\$ 2,974,939.45</u>	<u>\$ 261,764.73</u>	<u>\$ 23,443,349.23</u>	<u>\$ 14,296,778.76</u>

As of December 31, 2014, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$139,131 and to the utility budget was \$858,304.

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

<u>Summary of Municipal Debt</u>	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 7,497,939	7,756,993.00	9,300,581
Sewer Utility - Bonds and Notes	24,443,349	25,013,502	24,679,695
Total Issued	<u>31,941,289</u>	<u>32,770,495</u>	<u>33,980,276</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General	26,193	26,193	26,193
Self-Liquidating Debt	248,155	248,155	248,155
Total Deductions	<u>274,348</u>	<u>274,348</u>	<u>274,348</u>
Net Debt Issued	<u>31,666,941</u>	<u>32,496,147</u>	<u>33,705,928</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	4,880,001	1	931,744
Sewer Utility - Bonds and Notes	1,088,950	1,166,750	1,896,150
Total Authorized But Not Issued	<u>5,968,951</u>	<u>1,166,751</u>	<u>2,827,894</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 37,635,892</u>	<u>33,662,898</u>	<u>36,533,822</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .456%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 5,355,000	5,355,000	-
Sewer Utility Debt	25,532,299	25,532,299	-
General Debt	12,377,941	26,193	12,351,748
	<u>\$ 43,265,240</u>	<u>30,913,492</u>	<u>12,351,748</u>

Net Debt \$12,359,345 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,710,993,100 = .456%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 94,884,759
Net Debt	12,351,748
Remaining Borrowing Power	<u>\$ 82,533,011</u>

The above debt information has a minor variance to the Township's annual debt statement due to a \$7,597 reduction to their NJEIT loans payable.

The Township of Middle School District, as a K-12 school district, is permitted to borrow up to 4% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2014 and 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015 and 2014 were as follows:

		<u>2015</u>	<u>2014</u>
Current Fund	\$	1,757,500	1,377,000
Sewer Utility		200,000	295,119

Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance to Succeeding</u>
Current fund:			
Emergency Appropriation-Backhoe Repair	\$ 12,000	12,000	-
Special Emergency Appropriation-Reassessment	51,000	17,000	34,000
	<u>\$ 63,000</u>	<u>29,000</u>	<u>34,000</u>

Note 9: SCHOOL TAXES

The Township is responsible for levying, collecting and remitting school taxes for the Middle Township School District.

Local District School Tax in the amounts of \$25,661,194 and \$25,174,819 have been raised for the 2014 and 2013 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Fund balance is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31, and for the regional high school district the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2013, and decreased by the amount deferred at December 31, 2014. GAAP would require the recording of a deferred revenue. The following schedule illustrates school taxes payable and school taxes deferred at December 31st for the last two years.

	<u>12/31/2014</u>	<u>12/31/2013</u>
Balance of Tax	\$ 12,865,013	12,601,053
Deferred	9,676,265	9,676,265
Local School Tax Payable	<u>\$ 3,188,748</u>	<u>2,924,788</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 10: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance 12/31/14	Balance 12/31/13
Prepaid Taxes	\$ 668,582	993,845
Cash Liability for Taxes Collected in Advance	\$ 668,582	993,845

Note 11: PENSION FUNDS

Description of Plans

Substantially all of the Township's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

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

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 7.87% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$369,738, \$337,271, and \$377,615.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 12: POST-RETIREMENT BENEFITS

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

Annual OPEB Cost and Net OPEB Obligation

The Township's annual OPEB cost represents the accrued cost for post-employment benefits under GASB 45. The cumulative difference between the annual OPEB cost and the benefits paid during a year will result in a net OPEB obligation. The annual OPEB cost is equal to the annual required contribution (ARC) less adjustment if a net OPEB obligation exists. The ARC is equal to the normal cost and amortization of the Unfunded Actuarial Accrued Liability (UAAL) plus interest.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events far into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the December 31, 2014 actuarial valuation, the “projected unit credit funding method” was used for all participants. The actuarial assumptions used to project future costs included a discount rate of 4.50% per annum, compounded annually; medical trend rates starting at 8% for medical and prescription drug, with a .5% annual decline until year 2020 and 5% thereafter. In addition, the unfunded actuarial accrued liability is being amortized over the maximum acceptable period of 30 years and is calculated assuming a level percentage of projected payroll. 100% participation is assumed for all active employees, with each member electing to remain in the plan they are currently enrolled in after retirement. Membership of the plan consisted of the following at December 31, 2014:

Retirees and beneficiaries receiving benefits	111
Active Plan Members	<u>100</u>
Total	<u><u>211</u></u>

Other Post-Employment Benefit Costs and Obligations

In the December 31, 2014 actuarial valuation (required to be updated semi-annually), the Annual Required Contribution (ARC) for the year ending December 31, 2014 was projected as follows:

Unfunded Accrued Liability 12/31/14	\$	68,694,440
Amortization of Unfunded Liability		4,217,258
Normal Cost		<u>585,360</u>
ARC as of 12/31/14		4,802,618
Interest @ 4.50		216,118
Total ARC as of 12/31/14	\$	<u><u>5,018,736</u></u>

The following reflects the components of the 2014 annual OPEB Costs, amounts paid, and changes to the net accrued OPEB obligation based on the December 31, 2014 actuarial valuation and actual OPEB payments made or accrued during 2014:

	December 31, 2014
Annual required contribution	<u>\$ 4,802,618</u>
Adjustment to annual required contribution	-
Annual OPEB cost (Expense)	<u>4,802,618</u>
Contributions made	<u>(1,642,257)</u>
Increase/(Decrease)in net OPEB obligation	3,160,361
Net OPEB obligation - beginning of year	<u>64,871,367</u>
Net OPEB obligation - end of year	<u><u>\$ 68,031,728</u></u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Required Supplementary Information:

		<u>12/31/2014</u>
Actuarial Value of Plan Assets	\$	-
Actuarial Accrued Liability (AAL)		68,694,440
Total Unfunded AAL (UAAL)	\$	<u>68,694,440</u>
Funded ratio		0.00%

Note 13: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$1,222,540 in 2014 and 1,202,652 in 2013. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. Township employees are entitled to fifteen sick leave days each year. Vacation days are earned based on years of service. Employees are entitled to 12 vacation days for the first year of employment, 14 days for 2 through 5 years of service, 17 days for 6 through 10 years of service, 20 days for 11 through 15 years of service, and 25 days for 16 through 20 years or more of service. Over 20 years is 30 days a year. Sick and vacation days accumulated through December 31, 1986 have been credited to the employees and will be reimbursed at 100% of the employees' daily rate of pay upon retirement. Beginning January 1, 1987, unused sick leave may be accumulated and carried forward to subsequent years, and at retirement the employee will be reimbursed for days not used, not to exceed the amount of \$12,000 (PBA \$12,500). Vacation days earned may be carried over for one year only, unless extended by the Township Administrator with the recommendation of the department head.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. The balance of the fund was \$29,166 at December 31, 2014, and \$18,730 at December 31, 2013.

The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002, the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The Township does not record the liability.

Note 14: ECONOMIC DEPENDENCY

The Township of Middle is not economically dependent on any one business or industry as a major source of tax revenue.

Note 15: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Township maintains commercial insurance coverage for property and liability. During the year ended December 31, 2014 and 2013, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

Joint Insurance Fund

The Township of Middle is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverages:

Workers' Compensation
General Liability, Law Enforcement Liability
Employee Benefits Liability
Public Official Liability
Property, Real and Personal
Automobile Liability
Boiler and Machinery
Crime, Fidelity

Contributions to the Fund, including a reserve for contingencies, are payable in two installments, and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

Note 16: DEFERRED COMPENSATION

Employees of the Township of Middle may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

Three unrelated financial institutions administer the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institutions until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrators. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 17: CONTINGENT LIABILITIES

From time to time, the Township is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the Township's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 18: INTERFUND BALANCES

During the most current calendar year ended December 31, 2014, the following interfunds were included on the balance sheets of the various funds of the Township of Middle and are expected to be returned within one year:

	Due From	Due To
Current Fund:		
Utility Operating	\$ -	88,440
Animal Control Fund	5,085	
Grant Fund	111,104	
Trust Fund		1,010
Grant Fund		111,104
Trust Fund:		
Animal Control Fund		5,085
Current Fund	1,010	
General Capital Fund:		
Sewer Capital Fund		108,750
Sewer Capital Fund		
General Capital Fund	108,750	
Sewer Operating:		
Current Fund	88,440	
	\$ 314,389	314,389

The amounts due to the various funds relate to year end activity from the tax office not transferred over to the appropriate fund as of year end and statutory excess in the Animal Control Fund due to Current Fund.

Note 19: LEASE OBLIGATIONS

At December 31, 2014, the Township had an operating lease agreement for copiers. The following is an analysis of operating lease.

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Total</u>	<u>Copiers</u>
2015	\$ 5,100.00	5,100.00
2016	5,100.00	5,100.00
2017	5,100.00	5,100.00
2018	5,100.00	5,100.00
2019	5,100.00	5,100.00
Rental payments under the operating leases for the year 2014 were	\$ 6,339.48	

Note 20: SUBSEQUENT EVENTS

The Township has evaluated subsequent events through June 10, 2015, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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SUPPLEMENTAL INFORMATION



FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT – GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and
Members of Township Committee
Township of Middle, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group, of the Township of Middle, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 10, 2015 which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we considered to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency, described as Finding 2014-1, in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

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. We consider the deficiency, described as Findings 2014-3, in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2014-2.

Response to Findings

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Township's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on them.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 10, 2015



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of Township Committee
Township of Middle, New Jersey

Report on Compliance for Each Major Federal Program

We have audited Township of Middle's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Township of Middle's major federal award programs for the year ended December 31, 2014. Township of Middle's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Township of Middle's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 OMB Circular A-133, *Audits of States, Local Governments*. Those standards, OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Township of Middle's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Township of Middle's compliance.

Opinion on Each Major Federal Program

In our opinion, the Township of Middle complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the Township of Middle is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Township of Middle's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Township of Middle's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Middle, New Jersey, as of December 31, 2014 and 2013, 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 have issued our report thereon dated June 10, 2015, which contained an adverse opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards are presented for purposes of additional analysis as required by OMB Circular A-133 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 10, 2015

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Period From	Period To	Cash Received	Amount of Expenditures	(Memo Only) Cumulative Expenditures
<u>U.S. Department of Housing and Urban Development</u>							
Community Development Block Grants - Entitlement Grants Cluster:							
Urban Development Action Grant	14.218	8020-100-022-8020-078-F292-6120	Revolving		\$ 23,692.73	\$ 75.00	\$ 439,796.62
Emergency Housing Rehabilitation	14.228	8020-100-022-8020-078-F292-6120	1/1/13	12/31/14	150,941.00	135,422.00	135,422.00
Total CDBG Entitlement Grants Cluster							
Community Development Block Grants - State Administered CDBG Cluster:							
Small Cities Program:							
Whitesboro Water Grant - Phase I - 2002	14.228	8020-100-022-8020-078-F292-6120	Open		-	-	390,076.00
Whitesboro Water Grant - Phase II - 2004	14.228	8020-100-022-8020-078-F292-6120	Open		-	-	394,500.00
Whitesboro Water Grant - Phase III - 2011	14.228	2011-100-022-8020-078-F292-10SC-612C	2/1/11	7/31/13			555,563.50
Whitesboro School Grant - Phase II - 2006	14.228	8020-100-022-8020-078-F292-6120	Open		-	-	393,243.20
Whitesboro School Grant - Phase III - 2008	14.228	8020-100-022-8020-078-F292-6120	Open				399,349.66
Whitesboro Sewer Connection Fees - 2006	14.228	8020-100-022-8020-078-F292-6120	Open			34,080.00	61,600.00
ADA Improvements-Muni Public Facilities-Ph II	14.228	2014-02292-0181-00	1/1/14	12/31/15			34,080.00
ADA Improvements-Municipal Bldg & Davies Sports	14.228	2012-100-022-8020-078-F292-11SC-612C	1/1/13	12/31/14	268,132.00	231,506.35	268,182.00
Total CDBG - State Administered CDBG Cluster							
Total U.S. Department of Housing and Urban Development							
<u>U.S. Department of Transportation</u>							
Highway Safety Cluster:							
Aggressive Driving Grant	20.600	N/A	10/1/07	9/30/08	-	943.58	26,368.42
Over the Limit, Under Arrest	20-601	N/A	10/1/07	9/30/08		3,496.59	3,496.59
Total Highway Safety Cluster							
Highway Planning Construction - I.S.T.E.A.							
Bike Path - 2005 - Goshen to Shellbay	20-205	N/A	10/1/04	9/30/05			143,877.40
Total U.S. Department of Transportation							
<u>U.S. Department of Justice</u>							
Bulletproof Vest Partnership							
Community Policing Grant - COPS In Shops	16.607	N/A	10/1/11	9/30/12	3,535.00	475.83	6,783.96
Aggressive Driving	16.710	N/A	10/1/11	9/30/12			2,215.92
Justice Advocacy Grant							
City of Wildwood	16.815	N/A	10/1/2010	9/30/2011		249.11	24,528.00
Safe and Secure Communities Grant	16.580	N/A	10/1/2013	9/30/2014	60,000.00	60,000.00	60,000.00
Total U.S. Department of Justice							

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	From	Period To	Cash Received	Amount of Expenditures	(Memo Only) Cumulative Expenditures
<u>U.S. Department of Human Services</u>							
Emergency Management Assistance	97.042	N/A	10/1/2009	9/30/2010			4,305.76
Emergency Management Assistance	97.042	N/A	10/1/2011	9/30/2012			1,066.00
Emergency Management Assistance	97.042	N/A	10/1/2010	9/30/2011			2,738.00
Total U.S. Department of Human Services					-		
<u>U.S. Department of Homeland Security</u>							
FEMA - Bennys Landing Road 2013	97.999					89,659.53	89,659.53
						89,659.53	
<u>U.S. Department of Agriculture</u>							
Rural Development Administration:							
Grant Portion - SSGC Supplement - (1364-10)	10.760	N/A		Open			328,120.08
Grant Portion - Whitesboro/Edgewood	10.760	N/A		Open			1,228,606.32
Sewer Extension - Phase I (1137-03)	10.760	N/A		Open			922,796.19
Grant Portion - Whitesboro/Edgewood	10.760	N/A		Open			568,659.93
Sewer Extension - Phase I - Suppl (1308-08)	10.760	N/A		Open			175,573.00
Grant Portion - SSGC - (1223-06a)	10.760	N/A		Open		64,928.50	289,887.89
Grant Portion - Grassy Sound (1417-12)	10.760	N/A		Open	168,023.00	12,594.88	
Water Reuse Project (1223-06b)- Grant Portion	10.760	N/A		Open	168,023.00	77,523.38	
Total U.S. Department of Agriculture							
Total Federal Assistance					\$ 674,323.73	\$ 633,431.37	

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Note 1: General

The accompanying schedule of expenditures of federal awards, presents the activity of all Federal financial assistance programs of the Township of Middle. The Township is defined in Note 1 to the Township's financial statements – regulatory basis.

Note 2: Basis of Accounting

The accompanying schedule of financial assistance is presented using the modified accrual basis of accounting, in accordance with the "Requirements of Audit", as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. 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 funds required by accounting principles generally accepted in the United States of America (GAAP).

Note 3: Relationship to Financial Statements

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements –regulatory basis. The financial statements – regulatory basis present the Grant Fund on a budgetary basis. The Grant Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

	<u>Federal</u>	<u>Total</u>
Grant Fund	\$ 1,108,151.46	\$ 1,108,151.46
Trust Fund	135,497.00	135,497.00
Sewer Capital Fund	<u>77,523.38</u>	<u>77,523.38</u>
Less: Encumbrances FEMA	<u>(687,740.47)</u>	<u>(687,740.47)</u>
Total Financial Assistance	<u>\$ 633,431.37</u>	<u>\$ 633,431.37</u>

Note 4: Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related Federal financial reports.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2014

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Adverse Opinion in accordance with U.S. Generally Accepted Accounting Principles and Unmodified Opinion issued on the Financial Statements – Regulatory Basis of Accounting dated June 10, 2015.**

Internal control over financial reporting:

1) Material Weakness identified? **YES**

2) Significant deficiencies identified **YES**

Non-Compliance material to Financial Statements – Regulatory Basis noted? **NO**

Federal Awards

Internal control over major programs:

1) Material Weakness identified? **NO**

2) Significant deficiencies identified **NONE REPORTED**

Type of auditor's report issued on compliance for major programs: **Unmodified Opinion-Regulatory Basis issued on compliance for major programs, dated June 10, 2015.**

Any audit findings disclosed that are required to be reported in accordance with OMB Circular Letter A-133? **NO**

Identification of major program(s):
14.228 **Emergency Housing Rehabilitation Grant**
14.228 **Small Cities – ADA Improvements**

Dollar threshold used to distinguish between Type A and Type B Programs: **\$300,000**

Auditee qualified as low-risk Auditee? **NO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2014
(CONTINUED)

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed three findings relating to the financial statements – regulatory basis that are required to be reported. These findings are listed in the General Comments and Recommendations section. We have also issued a Management Letter dated June 10, 2015.

Finding 2014-1:

The Township did not maintain their general ledgers and bank reconciliations sufficiently.

Criteria:

The Township is required to maintain their general ledgers and complete bank reconciliations on a monthly basis.

Condition:

The Township's general ledgers had incorrect balances, and four months bank reconciliations were not completed as of year end.

Effect:

There were adjustments required to be made to the Township funds' general ledgers and four months of bank reconciliations to be completed.

Recommendation:

That the Township's general ledgers and bank reconciliations be completed and maintained on a monthly basis.

Management Response:

Management agrees with this finding. The Township hired a special consultant in November of 2014 upon discovery of this issue and began taking corrective action on all bank account reconciliations, but was unable to complete them. A new full time CFO was hired in December. At the time of this response, all bank accounts are reconciled timely, and general ledger adjustments made.

Finding 2014-2:

The Township did not obtain all vendors W-9 forms and ensure issuance of related 1099 forms to applicable vendors.

Criteria:

IRS requires that entities paying non-corporate vendors over \$600 annually mail out tax form 1099, indicating the amount paid to that vendor for the calendar year, by January 31 of the subsequent year and to the taxing agency in February.

Condition:

The Township did not ensure that all vendors W-9 forms indicating their type of entity, and applicable computerized checkmarks were reviewed and completed to properly identify all vendors required to get a year end form 1099.

Effect:

The Township did not send out tax form 1099 to some vendors that should have received them.

Recommendation:

That the Township obtain and maintain all vendor W-9 forms, update computerized records, and ensure all applicable vendors are provided year end 1099 tax forms.

Management Response:

Management agrees with this finding. Vendors that should have received 1099 forms have been identified and 1099's will be mailed immediately. A letter is being sent to all active vendors requiring new W-9s.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2014
(CONTINUED)

Finding 2014-3:

The Township did not maintain their fixed asset records with over \$579,832 in unrecorded yearly asset activity.

Criteria:

The Township is required to maintain their fixed asset records during and at year end to account for all new acquisitions and disposal of assets.

Condition:

There was \$170,751 in asset additions not initially identified and \$409,081 of asset disposals not recorded. In addition, there were equipment assets that the Township could not allocate values to due to prior recorded assets not having sufficient identification numbers recorded, in order to properly match up with and delete.

Effect:

Inaccurate year end valuation of the Township's assets.

Recommendation:

That the Township update their current list of assets ensuring all have identifying tag, model/and or serial numbers, and record all asset acquisitions and disposals.

Management Response:

Management agrees with this finding. The Township's fixed asset ledgers will be updated, reconciled and converted onto the Township's accounting software. New purchases above the fixed asset threshold or disposals of fixed assets will be required to be added to the fixed asset inventory on the Township's accounting software with all identifying information as part of the Township's purchasing process.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

STATUS OF PRIOR YEAR FINDINGS

Financial Statement

Finding #2013-1

The Township recorded and utilized a new trust fund reserve without obtaining an approved Dedication by Rider from the State.

Current Year Status:

The condition no longer exists.

STATUS OF PRIOR YEAR FINDINGS

Federal Awards: **None**

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Grant Fund</u>
Balance December 31, 2013	\$	6,575,153.93	173,277.45
Increased by Receipts:			
Taxes Receivable		46,749,297.35	
Tax Title Liens		136,511.04	
Revenue Accounts Receivable		6,710,163.08	
Prepaid Taxes		668,582.12	
Tax Overpayments		2,210.62	
Prepaid Licenses and Fees		33,256.00	
Due from State - Senior and Veterans		231,763.01	
Reserve for Sale of Municipal Assets		1.00	
Due to Water Districts		23,298.64	
Due from Dog Trust		6,752.31	
Due to Sewer Utility Operating Fund		88,440.37	
Due to Trust Fund Other - DCA Fees		1,010.00	
Due from Current Fund			111,103.87
Federal and State Grant Receivables			459,912.01
Federal and State Grants Unappropriated			56,771.31
		<u>54,651,285.54</u>	<u>627,787.19</u>
		61,226,439.47	801,064.64
Decreased by Disbursements:			
Current Year Appropriation		14,202,930.87	
Prior Year Appropriations		365,143.92	
Accounts Payable		16,062.69	
Payroll Deductions Payable		4,160,933.53	
County Taxes		6,689,836.65	
Due County - Added Taxes		33,353.01	
Tax Overpayments Refunded		1,047.38	
Local District School Taxes		25,397,233.63	
Special District Levy		2,357,624.00	
EMS Refunds		656.88	
Due to Water District		13,356.70	
Refund of Prior Year Revenue		18,462.88	
Due to Sewer Operating Fund		76,340.95	
Due to Federal and State Grant Fund		111,103.87	
Federal and State Disbursements			801,064.64
		<u>53,444,086.96</u>	<u>801,064.64</u>
Balance December 31, 2014	\$	<u><u>7,782,352.51</u></u>	<u><u>-</u></u>

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2013		\$	-
Increased by Receipts:			
Prepaid Taxes	\$	668,582.12	
Taxes Receivable		46,749,297.35	
Revenue Accounts Receivable		344,439.69	
Tax Title and Other Liens		136,511.04	
Tax Overpayments		2,210.62	
			47,901,040.82
			47,901,040.82
Payments to Treasurer			47,901,040.82
Balance December 31, 2014		\$	-

**CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2013	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2014
				2013	2014			
2008	765.21						765.21	-
2009	1,609.40						1,609.40	-
2010	3,442.62						3,442.62	-
2011	3,809.42			2,107.84			1,701.58	0.00
2012	8,967.93			7,848.38				1,119.55
2013	985,623.52		10,613.03	957,194.28		(3,750.00)	38,081.64	4,710.63
	1,004,218.10	-	10,613.03	967,150.50		(3,750.00)	45,600.45	5,830.18
2014		47,058,446.80	268,804.55	993,845.89	46,012,874.93	99,023.91	203,519.95	17,986.67
	\$ 1,004,218.10	\$ 47,058,446.80	\$ 279,417.58	\$ 993,845.89	\$ 46,980,025.43	\$ 95,273.91	\$ 249,120.40	\$ 23,816.85
Analysis of Current Year Tax Levy								
Tax Yield:								
General Property Tax								
Special District Taxes								
Added Taxes (54:4-63.1 et. Seq.)								
<u>46,980,025.43</u>								
Cash Receipts								
Senior Citizens and Veterans								
<u>230,728.08</u>								
<u>47,327,251.35</u>								
Tax Levy:								
General County Taxes								
County Library Taxes								
County Open Space Taxes								
County Added and Omitted Taxes								
<u>40,130.52</u>								
Total County Taxes								
6,729,967.17								
Local School District Tax								
Fire Districts								
25,661,194.00								
2,357,624.00								
Local Tax for Municipal Purposes								
Add: Additional Tax Levied								
<u>12,313,100.11</u>								
<u>265,366.07</u>								
<u>12,578,466.18</u>								
<u>47,327,251.35</u>								

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2013		\$ 426,043.32
Increased by:		
Transfers from Taxes Receivable	\$ 249,120.40	
Interest and Costs Accrued by Sale of March 5, 2014 and December 17, 2014	32,778.72	
		281,899.12
		707,942.44
Decreased by:		
Collections	136,511.04	
		136,511.04
Balance December 31, 2014		\$ <u><u>571,431.40</u></u>

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:					
General Administration	\$ 1,479.79	1,479.79	1,148.86	330.93	-
Other Expenses					
Human Resources - Personnel	1,883.51	1,883.51	1,000.00	883.51	-
Other Expenses					
Mayor and Committee	1,552.54	1,552.54	1,170.61	381.93	-
Other Expenses					
Township Clerk					
Other Expenses:					
Codification of Ordinances	400.53	400.53		400.53	-
Miscellaneous Other Expenses	14,979.48	14,979.48	14,026.17	953.31	-
Financial Administration					
Other Expenses	4,492.70	4,492.70	2,955.01	1,537.69	-
Bond Registrar					
Other Expenses	1,000.00	1,000.00		1,000.00	-
Information Technology					
Other Expenses	2,545.28	2,545.28	2,505.00	40.28	-
Collection of Taxes					
Other Expenses	4,109.81	4,109.81	1,288.53	2,821.28	-
Assessment of Taxes					
Other Expenses	4,270.30	4,270.30	1,911.05	2,359.25	-
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses	9,000.00	9,000.00		9,000.00	-
Legal Services					
Other Expenses	66,030.10	75,030.10	24,929.39	50,100.71	-
Engineering Services					
Other Expenses	4,381.03	4,381.03	2,480.00	1,901.03	-
Grants Administration					
Other Expenses	13,890.89	13,890.89	7,376.11	6,514.78	-
Public Affairs					
Other Expenses	260.10	260.10		260.10	-
Volunteers in Medicine - Donation (NJS 40:5-2-10c)	1,250.00	1,250.00		1,250.00	-
Records Management					
Other Expenses	1,000.00	1,000.00		1,000.00	-

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
LAND USE ADMINISTRATION					
Planning Board	10,150.00	10,150.00		10,150.00	-
Smart Growth Expense					
Zoning Board of Adjustment	29,458.84	29,458.84	16,336.76	13,122.08	-
Other Expenses					
Municipal Court	4,299.82	4,299.82	1,322.24	2,977.58	-
Other Expenses					
Public Defender	1,999.92	1,999.92		-	-
Other Expenses				1,999.92	-
INSURANCE					
General Liability Insurance	1,123.00	1,123.00		1,123.00	-
Workers Compensation Insurance	676.00	676.00		676.00	-
Health Benefit Waivers					
Salaries and Wages	4,521.43	4,521.43		4,521.43	-
PUBLIC SAFETY					
Police					
Salaries and Wages	67,908.93	31,708.93	9,825.00	21,883.93	-
Other Expenses	28,481.42	28,481.42	27,344.05	1,137.37	-
Police and Radio Communications					
Other Expenses	3,593.22	3,593.22	3,433.22	160.00	-
Rescue Squad					
Other Expenses	3,899.54	8,399.54	6,717.43	1,682.11	-
Emergency Management Services					
Other Expenses	867.53	867.53		867.53	-
Municipal Prosecutor					
Other Expenses	11,708.33	11,708.33	11,708.33	-	-
PUBLIC WORKS					
Road Repair and Maintenance					
Salaries and Wages	31,161.39	16,661.39		16,661.39	-
Other Expenses	44,159.15	44,159.15	22,707.45	21,451.70	-
Motor Pool	58,656.17	58,656.17	51,958.92	6,697.25	-
Garbage and Trash Removal - Contractual	22,163.29	35,863.29	35,775.18	88.11	-
Recycling Contractual	22,163.25	22,163.25	22,163.25	-	-
Public Buildings and Grounds					
Other Expenses	10,466.12	10,466.12	2,374.27	8,091.85	-

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
HEALTH AND WELFARE					
Animal Control	492.56	492.56	392.55	100.01	-
Other Expenses					
RECREATION AND EDUCATION					
Recreation	4,078.53	4,078.53	3,049.57	1,028.96	-
Other Expenses					
Senior Center	3,181.74	3,181.74	1,153.27	2,028.47	-
Other Expenses					
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code					
Construction Official	2,761.54	2,761.54	1,347.24	1,414.30	-
Other Expenses					
UNCLASSIFIED					
Maintenance and Service Policies - Various Machines	17,805.45	21,805.45	13,269.16	8,536.29	-
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	4,121.85	4,121.85	4,121.85	-	-
Telephone	141.93	141.93	57.86	84.07	-
Natural Gas	1,251.53	2,751.53	2,329.12	422.41	-
Gasoline	62,688.68	62,688.68	40,207.59	22,481.09	-
SANITARY LANDFILL DISPOSAL COSTS					
Sanitary Landfill - Contractual	18,627.42	36,627.42	36,205.45	421.97	-
Contribution to:					
Social Security	11,084.26	11,084.26		11,084.26	-
Defined Contribution Retirement Plan	2,849.50	2,849.50	358.50	2,491.00	-
Employee Group Health	4,809.59	4,809.59		4,809.59	-
All Other Accounts - No Change	44,919.73	44,919.73		44,919.73	-
	<u>\$ 668,797.72</u>	<u>668,797.72</u>	<u>374,948.99</u>	<u>293,848.73</u>	<u>-</u>
Cash Disbursements			\$ 365,143.92		
Transfer to Accounts Payable			\$ 9,805.07		
			<u>\$ 374,948.99</u>		

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2013			
School Tax Payable	\$	2,924,787.75	
School Tax Deferred		9,676,265.00	
		<u> </u>	\$ 12,601,052.75
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015			<u>25,661,194.00</u>
			38,262,246.75
Decreased by:			
Payments			<u>25,397,233.63</u>
Balance December 31, 2014			
School Tax Payable		3,188,748.12	
School Tax Deferred		9,676,265.00	
		<u> </u>	<u>12,865,013.12</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			25,397,233.63
Tax Payable Ending			<u>3,188,748.12</u>
			28,585,981.75
Less: Tax Payable Beginning			<u>2,924,787.75</u>
Amount charged to Current Year Operations			<u><u>\$ 25,661,194.00</u></u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Cancellation Adjustments	Balance Dec. 31, 2014
FEDERAL GRANTS:					
Community Development Block Grants (Small Cities):					
Whitesboro Water Phase I - 2002	\$ 7,684.00				7,684.00
Whitesboro School Phase II - 2006	25.00				25.00
Whitesboro Sewer Connection Fees - 2006	202,375.00	-			202,375.00
Whitesboro School Phase III - 2008	20,711.00				20,711.00
Whitesboro Water - Phase III - 2011	60,330.00		200,507.00		60,330.00
ADA Improvements	268,182.00			67,625.00	50.00
ADA Improvements	173,375.00			(67,625.00)	241,000.00
Safe and Secure Communities 2014	-	60,000.00	60,000.00		-
Bullet Proof Vest Partnership FEMA		3,835.00	3,535.00		300.00
2013 Bennys Landing Road FEMA Hazard Mitigation - Generator	803,979.45	100,000.00			803,979.45
					100,000.00
Total Federal	1,536,661.45	163,835.00	264,042.00	-	1,436,454.45
STATE GRANTS:					
Transportation Trust Fund:					
2002 - Church Street	24,985.23				24,985.23
2006 - Boyd Street	3,610.88				3,610.88
2010 - Bennett Road	32,540.05				32,540.05
2011 - Bikepath Extension	95,750.00				95,750.00
2013 - Second Street	44,304.99				44,304.99
2013 - Bike Path - Phase 4	300,000.00		148,515.00		151,485.00
2014 - Bike Path - Phase 5		360,000.00			360,000.00
Reconstruction Third Street Grant		174,000.00			174,000.00
Drive Sober 2014	-	2,762.84	2,762.84		-
Drunk Driving Enforcement Fund Municipal Court Alcohol Grant 2014	-	7,551.98	7,551.98		-
Public Access Grant 2013	10,000.00	1,122.52	1,122.52		-

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

67625

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred From 2014 Revenues</u>	<u>Received</u>	<u>Cancellation Adjustments</u>	<u>Balance Dec. 31, 2014</u>
Recycling Tonnage Grant		43,114.88	43,114.88		-
Emergency Management Assistance		5,000.00	5,000.00		-
Body Armor Grant		5,637.43	5,637.43		-
Click It or Ticket 2014	-	3,726.84	3,726.84		-
Clean Communities Grant 2014		45,407.49	45,407.49		-
Health and Wellness Fund - Allen Associates Park/Recreation Upgrades Ockie Wisting Complex		500.00	500.00		-
Employee Health & Wellness Initiative		626,000.00			626,000.00
Green Communities Grant		325.00	325.00		-
Sustainable New Jersey 2013	10,000.00	3,000.00			3,000.00
Total State	<u>521,191.15</u>	<u>1,278,148.98</u>	<u>263,663.98</u>	<u>-</u>	<u>1,535,676.15</u>
	<u>\$ 2,057,852.60</u>	<u>1,441,983.98</u>	<u>527,705.98</u>	<u>-</u>	<u>2,972,130.60</u>

Cash Receipts	\$ 459,912.01
Unappropriated Reserves	67,793.97
	<u>527,705.98</u>

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2013		Reserve for		Disbursed	Encumbrances	Balance Dec. 31, 2014
	Appropriated	Encumbrances	2014 Appropriations	2014 Appropriations			
FEDERAL GRANTS:							
Small Cities Grants:	\$						
2002 - Whitesboro Water - Phase I	9,924.00						9,924.00
2004 - Whitesboro Water - Phase II	5,500.00						5,500.00
2006 - Whitesboro Sewer Connection Fees	192,675.00						192,675.00
2006 - Whitesboro School - Phase II	6,756.80						6,756.80
2008 - Whitesboro School - Phase III	11,471.72						11,471.72
2011 - Whitesboro School - Phase III	851.50	699.34				698.34	852.50
ADA Improvements	13,573.56	217,932.79			231,457.00	49.35	0.00
ADA Improvements	241,000.00				17,687.75	16,392.25	206,920.00
Emergency Management Assistance 2010	694.24						694.24
Emergency Management Assistance 2011	2,262.00						2,262.00
Emergency Management Assistance 2012	3,934.00						3,934.00
Emergency Management Assistance 2014			5,000.00				5,000.00
Justice Advocacy Grant - City of Wildwood	249.11				249.11		-
Bullet Proof Vest Partnership 2012	475.83				475.83		(0.00)
Bullet Proof Vest Partnership 2013							3,835.00
ISTEA Bike Path - 2006 - Goshen-Shellbay	22.60						22.60
Aggressive Driving Grant 10/1/07-9/30/08	943.58				943.58		-
FEMA - Reeds Beach	24,460.13						24,460.13
FEMA - Over the Limit, Under Arrest 2008	3,496.59				3,496.59		-
FEMA - Bennys Landing Road 2013	803,979.45				89,659.53	687,740.47	26,579.45
FEMA Hazard Mitigation - Generator Safe and Secure Communities	-		100,000.00				100,000.00
			60,000.00		60,000.00		-
Total Federal	<u>1,322,270.11</u>	<u>218,632.13</u>	<u>168,835.00</u>	<u>403,969.39</u>	<u>704,880.41</u>	<u>600,887.44</u>	
STATE GRANTS:							
Drunk Driving Enforcement Fund 2010	350.00				350.00		-
Drunk Driving Enforcement Fund 2011	8,003.81	3,928.91			11,262.97	669.75	-
Drunk Driving Enforcement Fund 2012	9,993.74				5,599.42		4,394.32
Drunk Driving Enforcement Fund 2013	-		7,551.98				7,551.98
Clean Communities 2012	15,725.24	449.80			16,168.06	6.98	0.00
Clean Communities 2013	48,414.69				16,318.29	92.42	32,003.98
Clean Communities 2014			45,407.49		104.40		45,303.09
Recycling Tonnage 2008	23.19				23.19		-
Recycling Tonnage 2009	15.93				15.93		-
Recycling Tonnage 2010	36,852.57				18,764.36	8,489.79	9,598.42
Recycling Tonnage 2011	56,361.94				17,960.88		38,401.06
Recycling Tonnage 2012	28,526.95	2,900.00			4,694.83		26,732.12
Recycling Tonnage 2013			43,114.88				43,114.88

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2013		2014		Disbursed	Encumbrances	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances	Appropriations	Encumbrances			
New Jersey Transportation Trust Fund							
2002 - Church Street	12,537.53						12,537.53
2010 - Bennett Road	19,260.87						19,260.87
2011 Main Street Sidewalk	-	4,361.83		4,361.83			-
2011 - Bikepath Ext. - Shellbay to Indian Trail	-	1,622.21		1,622.21			-
New Jersey Transportation Trust Fund							
2013 - Second Street	0.00	15,240.35			7,261.49	1,990.13	5,988.73
2013 - Bike Path - Phase 4	300,000.00				189,089.57	9,097.79	101,812.64
2014 - Bike Path Phase 5			360,000.00		40,422.17	9,452.83	310,125.00
Reconstruction Third Street Grant			174,000.00		14,731.84	149,265.70	10,002.46
Statewide Livable Communities Grant (MLK)	283.16						283.16
Employee Health & Wellness Initiative	-		325.00		129.85		195.15
Alcohol Education & Rehabilitation 2010	341.82						341.82
Alcohol Education & Rehabilitation 2011	2,157.39						2,157.39
Alcohol Education & Rehabilitation 2012	2,967.97						2,967.97
Alcohol Education & Rehabilitation 2013	3,602.45						3,602.45
Alcohol Education & Rehabilitation 2014			1,122.52				1,122.52
Drive Sober 2012	4,400.00				4,400.00		-
Drive Sober 2013	4,191.59				4,191.59		-
Drive Sober 2014			2,762.84		2,762.84		-
Enhanced 911 Grant - 2006	11.00				11.00		-
Click it or Ticket - 2013	-				3,726.84		-
County Narcotics Task Force 2004	27.65				27.65		-
Green Communities Grant			3,000.00				3,000.00
Police Body Armor Grant 2009	1,251.11				1,251.11		0.00
Police Body Armor Grant 2013			5,637.43		5,389.06		248.37
Sustainable New Jersey 2012	4,215.07				10,000.00		-
Sustainable New Jersey 2013					9,278.28		721.72
Stormwater Management 2006	737.39						737.39
Stormwater Management 2008	6,014.00	5,784.93					6,014.00
Public Access Grant 2013	10,000.00	10,000.00					-
Park/Recreation Upgrades Ockie Wisting Complex	-		626,000.00		7,382.50	2,617.50	611,800.00
					4,657.13	9,542.87	
Total State	576,267.06	44,288.03	1,272,648.98	197,209.80	395,975.25	1,300,019.02	
LOCAL GRANTS:							
Clean Air Cool Planet 2011	1,258.75				620.00		1,258.75
Pet Smart Charities Grant 2012	124.98	495.02	500.00		500.00		-
Health and Wellness Fund - Allen Associates	1,383.73	495.02	500.00		1,120.00		1,258.75
\$	1,899,920.90	263,415.18	1,441,983.98	902,090.21	801,064.64	1,902,165.21	

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	Balance Dec. 31, 2013	Transferred To 2014 Appropriations	Received	Balance Dec. 31, 2014
FEDERAL GRANTS:				
Emergency Management Grant	\$ 5,000.00	5,000.00	5,000.00	5,000.00
Total Federal	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>
STATE GRANTS:				
Police Body Armor Grant	5,637.43	5,637.43	4,295.81	4,295.81
Labor Day Crackdown - Sober Drunk Driving Enforcement Fund 2013	2,762.84	2,762.84	-	-
Click it or Ticket	7,551.98	7,551.98	-	-
Recycling Tonnage Grant	3,726.84	3,726.84	3,409.44	3,409.44
	43,114.88	43,114.88	44,066.06	44,066.06
Total State	<u>62,793.97</u>	<u>62,793.97</u>	<u>51,771.31</u>	<u>51,771.31</u>
	<u>\$ 67,793.97</u>	<u>67,793.97</u>	<u>56,771.31</u>	<u>56,771.31</u>

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2013		\$	17,576.76
Increased By Receipts:			
Dog Licenses Fees	\$	9,751.00	
Other		111.25	
State License Fees		2,781.60	
Interest Earned on Investments		39.33	
		<u> </u>	<u>12,683.18</u>
			<u>30,259.94</u>
Decreased By Disbursements:			
Animal Control Expenditures		2,410.00	
Due to Current Fund		6,752.31	
Due to State of New Jersey		2,780.40	
		<u> </u>	<u>11,942.71</u>
Balance December 31, 2014		\$	<u><u>18,317.23</u></u>

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2013 - Treasurer	\$	3,449,770.64	
Balance December 31, 2013 - Collector		98,317.89	<hr/>
		3,548,088.53	
Increased By Receipts:			
Escrow Deposits	\$	428,640.95	
Unemployment		58,482.02	
Emergency Housing - State Aid		150,941.00	
Forfeited Funds		10,113.96	
Municipal Alliance Grant Receipts		18,104.24	
Dedicated Recreation Receipts		139,609.98	
Dedicated Recreation - Drum Fish Tournament		11,810.00	
Dedicated Recreation - National Night Out		6,350.00	
Dedicated Recreation - Harvest Fest		23,378.84	
Dedicated Recreation - Seniors		5,924.00	
Sewer Escrow Receipts		4,522.38	
UDAG - Loan Repayments and Interest Earned		23,692.73	
COAH Funds Received & Interest Earned		5,371.72	
Tax Title Lien Premiums		562,000.00	
Tax Title Lien Redemptions		1,013,907.22	
Police Special Detail		549,797.97	
Subdivisions - Map Changes		2,900.00	
Parking Offenses		38.00	
Snow Removal		25,000.00	
State of New Jersey - Construction Code		10,084.20	
State of New Jersey - Marriage Licenses/Burial Permits		5,285.00	
State Training Fees		24,857.00	
Accumulated Absences and Interest Earned		154,805.24	
Burial Permits		5.00	<hr/>
		3,235,621.45	<hr/>
		6,783,709.98	

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Decreased By Disbursements:		
Escrow Disbursements	595,541.37	
Emergency Housing	135,422.00	
Smart Growth Plan	5,502.50	
Municipal Alliance Expenses	12,322.09	
Dedicated Recreation Expenditures	118,069.20	
Dedicated Recreation - Drum Fish Tournament	15,618.00	
Dedicated Recreation - National Night Out	7,963.54	
Dedicated Recreation - Harvest Fest	15,617.25	
Dedicated Recreation - Seniors	3,349.06	
Dedicated Recreation - Shade Tree	60.00	
Dedicated Recreation - Arts Program	2,310.50	
Sewer Escrow Expenditures	9,307.98	
Snow Removal Expenditures	39,443.68	
UDAG Expenses	75.00	
COAH Expenses	1,171,785.46	
Tax Title Lien Premiums	270,000.00	
Tax Title Lien Redemptions	968,201.01	
Forfeited Funds	526.00	
Police Special Detail	455,713.21	
Due to General Fund	1,102.98	
State of New Jersey - Marriage Licenses/Burial Permits	2,675.00	
State of New Jersey - Construction Code	6,670.72	
State Training Fees	28,305.00	
Accumulated Absences	144,368.97	
Unemployment	53,009.10	
		4,062,959.62
Balance December 31, 2014		\$ <u><u>2,720,750.36</u></u>
Balance December 31, 2014 - Treasurer		\$ 2,284,726.26
Balance December 31, 2014 - Collector		436,024.10
		\$ <u><u>2,720,750.36</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2013	\$	10,805.85
Increased By:		
Dog Licenses Fees Collected	\$	9,751.00
Other		111.25
Interest Earned on Investments		39.33
		9,901.58
		20,707.43
Decreased By Disbursements:		
Animal Control Expenditures		2,410.00
Statutory Excess Due to Current Fund		5,085.33
		7,495.33
Balance December 31, 2014		13,212.10

License Fees Collected	<u>Year</u>	
	2012	\$ 7,240.60
	2013	5,971.50
		13,212.10

TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND

Balance December 31, 2013		\$	6,752.31
Increased By:			
Statutory Excess in Reserves for Expenditures	\$	<u>5,085.33</u>	<u>5,085.33</u>
			11,837.64
Decreased By:			
Cash Disbursements		<u>6,752.31</u>	<u>6,752.31</u>
Balance December 31, 2014			<u><u>5,085.33</u></u>

SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

Balance December 31, 2013		\$	18.60
Increased By:			
Collected in 2014	\$	<u>2,781.60</u>	<u>2,781.60</u>
			2,800.20
Decreased By:			
Paid to State of New Jersey		<u>2,780.40</u>	<u>2,780.40</u>
Balance December 31, 2014			<u><u>19.80</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2013		\$ 3,898,104.13
Increased by:		
Bond Anticipation Notes Issued	\$ 4,523,000.00	
	<hr/>	<hr/>
		4,523,000.00
		8,421,104.13
Decreased by:		
Improvement Authorizations	834,406.42	
Bond Anticipation Notes Paid	4,523,000.00	
	<hr/>	<hr/>
		5,357,406.42
Balance December 31, 2014		<u><u>3,063,697.71</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance		Receipts		Disbursements		Transfers		Balance	
	Dec. 31, 2013	Dec. 31, 2014	Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	Dec. 31, 2014	
Fund Balance	\$ 127,364.84									127,364.84
Capital Improvement Fund	1,836,784.44						1,137,300.00			699,484.44
Contracts Payable	649,853.59						649,853.59			708,130.41
Due to Sewer Capital	-							108,750.00		108,750.00
Reserve for Payment of Bonds and Notes	26,192.78									26,192.78
<u>Improvement Authorizations:</u>										
Ord. Number										
874-93	Renovation to Police Headquarters	2,492.73			2,164.00					328.73
1126-03/ 1304/08	Various Capital Improvements a) Acquisition and Installation of Police Radio Communications System	6,948.69			174.98					6,948.69
	c) Improvements to Township Hall	174.98								-
	d) Telephone System	7,834.50								7,834.50
1169-04	Various Capital Improvements b) Recreational Improvements at the Clarence Davies Sports Complex	65.87								65.87
	d) Various Improvements to the Fort Apache Recreational Area	62,431.30			500.00		523.00			61,931.30
1180-05	Various Improvements at Fort Apache Recreation Area	153,440.67					740.00			153,440.67
1299-08	Various Capital Improvements a) Recreational Improvements	6,032.17								6,032.17
	b) Renovations & Improvements to Maintenance Building/Restrooms	8,186.68								8,186.68
1312-08	Reconstruction of Steel Road	45,000.00								45,000.00
1325-09	Various Capital Improvements b) Various Improvements to Municipal Building	81,516.58			24,191.00					57,325.58
1340-10	Police Radio Communications Equipment	23,980.81			10,814.00					13,166.81
1359-10	Road and Drainage Improvements	282,024.32			392,121.62		385,162.82		499,141.65	3,881.53
1360-10	Various Capital Improvements a) E Ticket Hardware & Software c) Purchase Ballistic Helmets e) Improve Server Dispatch Room	44,000.00								44,000.00
		77.20								77.20
		977.28			5,709.15				5,709.15	977.28
1374-11	Various Capital Improvements a) Police Computer/Hardware b) Recreation HVAC and Floors c) Public Works GPS Units d) Fingerprint Scanners e) Zoning and Clerk Scanners	792.92			792.92					-
		98,113.93								98,113.93
		3,109.00								3,109.00
		3,186.98			904.09					2,282.89
		1,124.81								1,124.81
1393-11	Whitesboro Water Project	50,000.00								50,000.00
1409-12	Various Capital Improvements a) Police Equipment & Radio Upgrades c) Recreation/Rio Grande Playground d) Public Works Equipment e) EMS Visibility Jackets	71,751.70			44,581.41			700.00		27,870.29
		8,571.67								8,571.67
		57,177.00								57,177.00
		133.00			133.00					-
1429-12	Repair and Acquisition of HVAC Units	14,858.71								14,858.71
1443-13	Direct Install MLK HVAC	167.98								167.98
								20,332.77		14,903.34
								20,457.02		-

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
1451-13 Various Capital Improvements	-			27,250.00			27,250.00	-
a) Bike Path Phase IV	-			75,000.00			75,000.00	-
b) GIS Mapping	23,737.00							23,737.00
1452-13 Repair and Acquisition of HVAC Units	200,000.00			12,300.00				187,700.00
1461-13 Demolition of Unsafe Structures								
1466-14 Various Capital Improvements				110,000.00			110,000.00	
a) Purchase of Police Emergency SUVs				41,525.00			41,525.00	
b) Ockee Wisting Improvements					30,475.00		30,475.00	
c) Benny's Landing/ Reed's Beach Improvements						90,000.00	90,000.00	
d) Small Cities ADA Grant 1						11,000.00	11,000.00	
1470-14 Sterback Harbor Dredge Project					108,750.00		108,750.00	
1478-14 Road Drainage and Improvements					207,670.59		207,670.59	
1485-14 Various Capital Improvements				42,644.11			42,644.11	
a) Public Works Equipment						333,100.00	333,100.00	
b) Police Equipment				2,688.00			2,688.00	
c) Rescue Squad SUV					56,950.00		56,950.00	
d) Record Archival/Clerk Documents					26,609.00		26,609.00	
	<u>\$ 3,898,104.13</u>	<u>-</u>	<u>-</u>	<u>834,406.42</u>	<u>2,604,034.00</u>	<u>2,604,034.00</u>	<u>2,604,034.00</u>	<u>3,063,697.71</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2013		\$	1,836,784.44
Increased by:			
None	\$	-	
			-
Decreased by:			1,836,784.44
Financed Improvement Authorization	1,137,300.00		
			1,137,300.00
Balance December 31, 2014			699,484.44

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

Balance December 31, 2013	\$	3,970,536.35
Increased by:		
None	\$	- <hr/>
		<hr/> - <hr/>
		3,970,536.35
Decreased by:		
2014 Budget Appropriation to Pay Bonds/Loans:		
Municipal Bonds	890,000.00	
Green Trust Loans	78,333.92	
New Jersey Environmental Infrastructure Trust Fund Loan	27,262.98	
		<hr/>
		995,596.90 <hr/>
Balance December 31, 2014	\$	<u><u>2,974,939.45</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Raised in 2014 Budget	Debt Issued	Balance Dec. 31, 2014	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1325-09	Various Capital Improvements	\$ 55,859.44		6,366.91		49,492.53	49,492.53		
	a) Reconstruction of Romney Place								
	b) Various Improvements to Municipal Building	88,453.17		10,081.97		78,371.20	78,371.20		
	c) Acquisition of Fire House	1,061,438.01		95,318.74		966,119.27	966,119.27		
1359-10	Road and Drainage Improvements	3,779,243.25		350,225.38		3,429,017.86	3,429,017.00		0.86
1470-14	Sterback Harbor Dredge Project		1,080,000.00			1,080,000.00			1,080,000.00
1478-14	Road Drainage and Improvements		3,800,000.00			3,800,000.00		50,314.70	3,749,685.30
		\$ 4,984,993.86	4,880,000.00	461,993.00	-	9,403,000.86	4,523,000.00	50,314.70	4,829,686.16

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Authorizations		Paid or Charged	Balance December 31, 2014	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
874-93	Renovation to Police Headquarters	12/2/1993	150,000	2,482.73	-	-	-	2,164.00	328.73	-
1126-03/1304/08	Various Capital Improvements a) Acquisition and Installation of Police Radio Communications System c) Improvements to Township Hall d) Telephone System	4/7/2003	2,982,000	6,948.69	-	-	-	174.98	6,948.69	-
1169-04	Various Capital Improvements b) Recreational Improvements at the Clarence Davies Sports Complex d) Various Improvements to the Fort Apache Recreational Area	8/13/2004	2,685,000	7,834.50	-	-	-	-	7,834.50	-
1180-05	Various Improvements at Fort Apache Recreation Area	2/7/2005	950,000	65.87	-	-	-	500.00	61,931.30	-
1299-08	Various Capital Improvements a) Recreational Improvements b) Renovations & Improvements to Maintenance Building/Restrooms			6,032.17	-	-	-		6,032.17	-
1312-08	Maintenance Building/Restrooms	12/15/2008	45,000	8,186.68	-	-	-		8,186.68	-
1325-09	Reconstruction of Steel Road Various Capital Improvements b) Various Improvements to Municipal Building	6/15/2009	1,435,000	45,000.00	-	-	-		45,000.00	-
1340-10	Police Radio Communications Equipment	4/5/2010	215,000	-	81,516.58	-	-	24,191.00	-	57,325.58
1359-10	Road and Drainage Improvements	6/21/2010	4,200,000	23,980.81	-	-	-	10,814.00	13,166.81	-
1360-10	Various Capital Improvements a) E Ticket Hardware & Software b) Purchase Ballistic Helmets c) Improve Server Dispatch Room	6/21/2010	298,700	44,000.00	282,025.18	-	-	278,142.79	-	3,882.39
1374-11	Various Capital Improvements a) Police Computer/Hardware b) Recreation HVAC and Floors c) Public Works GPS Units d) Fingerprint Scanners e) Zoning and Clerk Scanners	2/23/2011	230,000	77.20	-	-	-	792.92	44,000.00	-
1393-11	Whiteboro Water Project - Phase III			977.28	-	-	-		77.20	-
1409-12	Various Capital Improvements a) Police Equipment & Radio Upgrades b) Improvements to Public Buildings c) Recreation/Rio Grande Buildings d) Public Works Equipment e) EMS Visibility Jackets	6/18/2012	207,677	71,751.70	-	-	-	43,881.41	27,870.29	-
1429-12	Repair and Acquisition of HVAC Units	12/3/2012	77,000	8,571.67	-	-	-	133.00	8,571.67	-
1443-13	Repair and Acquisition of MLK HVAC	5/20/2013	20,625	57,177.00	-	-	-	(44.63)	57,177.00	-
1452-13	Repair/Acquisition of HVAC Units; Direct Install	8/5/2013	79,122	133.00	-	-	-	167.98	-	-
1461-13	Demolition of Unsafe Structures	12/3/2013	200,000	14,858.71	-	-	-		14,903.34	-
1466-14	Various Capital Improvements a) Purchase of Police Emergency SUVs b) Ockle Wisting Improvements c) Benny's Landing/ Reed's Beach Improvements d) Small Cities ADA	4/7/2014	311,000	167.98	-	-	-	12,300.00	79,122.00	-
1470-14	Sterback Harbor Dredge Project	4/21/2014	1,200,000	200,000.00	-	-	-	110,000.00	187,700.00	-
1478-14	Road Drainage and Improvements	7/21/2014	4,000,000	110,000.00	-	-	-	250,314.70	28,000.00	-
				100,000.00	-	-	-			
				90,000.00	-	-	-			
				11,000.00	-	-	-			
				120,000.00	-	-	-			
				200,000.00	-	-	-			
				1,080,000.00	-	-	-			1,080,000.00
				3,800,000.00	-	-	-			3,749,685.30

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014 Date	Interest Rate	Balance Dec. 31, 2013	Maturities of Bonds Outstanding		Balance Dec. 31, 2014
						Increased	Decreased	
General Improvement Bonds of 2006	7/6/2006	7,072,000	7/15/2015	4.125%	2,772,000.00		890,000.00	1,882,000.00
			7/15/2016	4.125%				
					\$ 2,772,000.00		890,000.00	1,882,000.00

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
987-97								
1029-98 Green Acres - Goshen Sports Complex	11/16/1999	215,345	1	2.000% \$	75,357.47		11,943.10	63,414.37
1070-00 Green Acres - Goshen Sports Complex	11/3/2004	340,000	2	2.000%	207,832.70		17,070.55	190,762.15
1107-02 Land Acquisition - Fort Apache Recreation Area	12/21/2004	250,000	3	2.000%	163,251.47		13,408.85	149,842.62
1094-01 Shellbay Park Improvements	12/31/2004	150,000	4	2.000%	82,896.52		7,707.89	75,188.63
1107-02 Land Acquisition - Fort Apache Recreation Area	12/24/2005	205,700	5	2.000%	97,014.56		10,905.04	86,109.52
1299-08 Goshen Rd Complex Ph II	6/28/2012	400,000.00	6	2.000%	383,042.36		17,298.49	365,743.87
					\$ 1,009,395.08	-	78,333.92	931,061.16
							\$ 78,333.92	
							\$ 78,333.92	

Funded by Budget Appropriation

- 1 \$6,695.42 Semi-annual payments to August 19, 2019 for Principal and Interest
- 2 \$10,571.14 Semi-annual payments to August 8, 2024 for Principal and Interest
- 3 \$8,303.58 Semi-annual payments to July 5, 2024 for Principal and Interest
- 4 \$4,663.74 Semi-annual payments to September 17, 2024 for Principal and Interest
- 5 \$6,395.54 Semi-annual payments to December 24, 2025 for Principal and Interest
- 6 \$12,436.64 Semi-annual payments to April 3, 2032 for Principal and Interest

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Various Capital Improvements									
a) Reconstruction of Romney Place	1325-09	11/17/2011	11/13/2014	11/12/2015	1.000% \$	55,859.44	49,492.53	55,859.44	49,492.53
b) Various Improvements to Municipal Building		11/17/2011	11/13/2014	11/12/2015	1.000%	88,453.17	78,371.20	88,453.17	78,371.20
c) Acquisition of Fire House		11/17/2011	11/13/2014	11/12/2015	1.000%	1,061,438.00	966,119.27	1,061,438.00	966,119.27
Road and Drainage Improvements	1359-10	11/17/2011 11/15/2013	11/13/2014 11/13/2014	11/12/2015 11/12/2015	1.000% 1.000%	2,847,499.39 931,743.00	2,497,274.00 931,743.00	2,847,499.39 931,743.00	2,497,274.00 931,743.00
					\$	<u>4,984,993.00</u>	<u>4,523,000.00</u>	<u>4,984,993.00</u>	<u>4,523,000.00</u>
						Cash Disbursed	\$	4,523,000.00	
						Paid by Budget Appropriation	\$	461,993.00	
							\$	<u>4,984,993.00</u>	

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Other	Balance Dec. 31, 2014
1359-10	Road and Drainage Improvements	\$ 0.86				0.86
1470-14	Sterback Harbor Dredge Project		1,080,000.00			1,080,000.00
1478-14	Road Drainage and Improvements		3,800,000.00			3,800,000.00
		\$ 0.86	4,880,000.00	-	-	4,880,000.86

**SEWER UTILITY FUND
SCHEDULE OF CASH**

	Operating	Capital
Balance December 31, 2013	\$ 1,523,534.06	1,381,576.28
Increased by Receipts:		
Sewer Rent Collected	\$ 3,756,011.99	
Sewer Liens Collected	2,740.71	
Sewer Overpayments	38,962.84	
Sewer Prepaid Rents	424,969.88	
Miscellaneous Revenue Anticipated	135,185.88	
Due from Current Fund	76,340.95	
Grants Receivable		168,023.00
	<u>4,434,212.25</u>	<u>168,023.00</u>
	5,957,746.31	1,549,599.28
Decreased by Disbursements:		
Current Appropriations	3,172,778.87	
Appropriation Reserves	153,423.52	
Improvement Authorizations		209,015.19
Bond Issue Costs Payable	4,447.76	-
Accrued Interest on Bonds and Notes	858,304.29	
	<u>4,188,954.44</u>	<u>209,015.19</u>
Balance December 31, 2014	\$ <u>1,768,791.87</u>	<u>1,340,584.09</u>

**SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2014
	Balance Dec. 31, 2013	Bonds/Loans Issued	Notes Issued	Misc.	Improvement Authorizations	Misc.	From	To	
Capital Fund Balance	\$ 114,856.65								114,856.65
Due (from) General Capital Fund	-				108,750.00			-	(108,750.00)
Contracts Payable	264,562.74						264,562.74	204,114.85	204,114.85
Reserve to Pay Bonds and Notes	248,155.02								248,155.02
Improvement Authorizations									
Ord.									
Number									
1137-03 Whitesboro/Edgewood Sewer Project - Phase I	87,393.68							0.20	87,393.88
1223-06/ Various Sewer Improvements:									
1267-07 (a) Shellbay, Shunpike, Crest Haven, Goshen Sewer Project	240,958.76			168,023.00	12,594.88		11,500.77	11,500.77	240,958.76
(b) Water Reuse Project	(157,910.89)						23,682.90	36,277.78	10,112.11
1294-08 Satt Blvd. Sanitary Sewer	3,037.67						0.01	0.01	3,037.67
1308-08 Whitesboro/Edgewood Sewer Phase 1 - Supplement	2,203.81								2,203.81
1364-10 Various Sewer Improvements: Shellbay, Shunpike, Crest Haven, Goshen Sewer Project - Supplement	(84,222.83)						87,029.40	1,629.40	(169,622.83)
1417-12 Grassy Sound Connection to Sewer:	737,541.67				64,928.50		29,643.58	140,154.58	783,124.17
1453-13 Various Sewer Improvements: (b) GIS Mapping	(75,000.00)				22,741.81		52,258.19	75,000.00	(75,000.00)
	\$ 1,381,576.28	-	-	168,023.00	209,015.19	-	468,677.59	468,677.59	1,340,584.09

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

Balance December 31, 2013		\$	262,217.07
Increased By:			
Sewer Rents and Other Charges Levied	\$	3,985,525.42	
		<hr/>	<hr/>
			3,985,525.42
			<hr/>
			4,247,742.49
Decreased By:			
Collections - Sewer Fund		3,756,011.99	
Collections - Current Fund		80,424.53	
Prepayments/Overpayments Applied		375,904.65	
Transfer to Lien		5,734.83	
		<hr/>	<hr/>
			4,218,076.00
			<hr/>
Balance December 31, 2014			<hr/> <hr/>
			29,666.49

SCHEDULE OF UTILITY LIENS

Balance December 31, 2013		\$	1,408.72
Increased By:			
Transfer from Sewer Accounts Receivable	\$	5,734.83	
Interest and Costs		1,413.18	
		<hr/>	<hr/>
			7,148.01
			<hr/>
			8,556.73
Decreased By:			
Collections		2,740.71	
Cancelled		67.13	
		<hr/>	<hr/>
			2,807.84
			<hr/>
Balance December 31, 2014			<hr/> <hr/>
			5,748.89

**SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Operating:					
Salaries and Wages	\$ 1,468.29	1,468.29		1,468.29	
Other Expenses	88,276.70	88,276.70	72,095.49	16,181.21	
CMCMUA User Charges	81,296.00	81,296.00	81,296.00	-	
Capital Outlay	543.81	543.81	32.03	511.78	
Social Security System	1,502.03	1,502.03		1,502.03	
TOTALS	<u>\$ 173,086.83</u>	<u>173,086.83</u>	<u>153,423.52</u>	<u>19,663.31</u>	<u>-</u>

Appropriation Reserves	\$ 84,576.10
Reserve for Encumbrances	88,510.73
	<u>\$ 173,086.83</u>

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
1417-12	Sewer Utility Grassy Sound Connection to Sewer System	12/27/2012	11/13/2014	11/12/2015	1.00% \$	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
						<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>

**SEWER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
AND NOTES AND ANALYSIS OF BALANCE**

Balance December 31, 2013		\$	230,487.36
Increased By:			
Budget Appropriation:			
Interest on Bonds		\$	855,984.28
			855,984.28
			1,086,471.64
Decreased By:			
Payments of Interest			858,304.29
			858,304.29
Balance December 31, 2014		\$	228,167.35

Analysis of Accrued Interest December 31, 2014

Principal Outstanding Dec. 31, 2014	Interest Rate	From	To	Days	Amount
<u>Serial Bonds</u>					
\$ 3,455,000.00	Variable	12/15/14	12/31/14	16	\$ 5,996.26
9,845,000.00	Variable	08/16/14	12/31/14	137	133,488.48
<u>Rural Development Bonds</u>					
2,904,144.40	4.00%	07/13/14	12/31/14	172	54,891.52
1,098,965.66	4.00%	07/13/14	12/31/14	172	20,771.66
1,727,853.50	2.25%	12/15/14	12/31/14	15	1,602.06
3,536,535.94	3.75%	12/15/14	12/31/14	15	5,465.11
98,220.21	3.500%	10/25/14	12/31/14	67	642.21
777,629.51	2.75%	10/25/14	12/31/14	67	3,994.97
<u>Bond Anticipation Notes</u>					
1,000,000.00	1.00%	11/13/14	12/31/14	48	1,315.07
24,443,349.21					\$ 228,167.35

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Dec. 31, 2014	Amount					
Refunding Issue of 2009	12/15/2009	\$ 4,365,000	12/15/2015	\$ 160,000.00	Variable	\$ 3,610,000.00		155,000.00	3,455,000.00	
			12/15/2016	165,000.00						
			12/15/2017-18	170,000.00						
			12/15/2019-20	185,000.00						
			12/15/2021	190,000.00						
			12/15/2022	200,000.00						
			12/15/2023	210,000.00						
			12/15/2024	215,000.00						
			12/15/2025-26	230,000.00						
			12/15/2027	245,000.00						
			12/15/2028	260,000.00						
			12/15/2029	265,000.00						
			12/15/2030	185,000.00						
			12/15/2031	190,000.00						
Refunding Bonds of 2013	4/30/2013	10,350,000	8/15/2015	285,000.00	3.000%	10,125,000.00		280,000.00	9,845,000.00	
			8/15/2016	290,000.00	3.000%					
			8/15/2017	305,000.00	3.000%					
			8/15/2018	315,000.00	4.000%					
			8/15/2019	320,000.00	4.000%					
			8/15/2020	335,000.00	4.000%					
			8/15/2021-22	360,000.00	4.000%					
			8/15/2023-24	390,000.00	4.000%					
			8/15/2025	410,000.00	4.000%					
			8/15/2026-27	435,000.00	3.000%					
			8/15/2028	455,000.00	3.125%					
			8/15/2029	465,000.00	3.250%					
			8/15/2030	480,000.00	3.375%					
			8/15/2031	495,000.00	3.375%					
8/15/2032	515,000.00	3.375%								
8/15/2033	530,000.00	3.625%								
8/15/2034	420,000.00	3.625%								
8/15/2035	365,000.00	3.625%								
8/15/2036	250,000.00	3.625%								
8/15/2037	205,000.00	3.875%								
8/15/2038-39	215,000.00	3.875%								
8/15/2040	225,000.00	3.875%								
8/15/2041	235,000.00	3.875%								
8/15/2042	145,000.00	3.875%								
						\$ 13,735,000.00		435,000.00	13,300,000.00	

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF RURAL DEVELOPMENT ADMINISTRATION BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2014 Date	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
1137-03 Whitesboro Phase I Sewerline	7/15/2010	3,039,000	8	4.00%	\$ 2,939,886.81		35,742.41	2,904,144.40
1156-04 Whitesboro Phase II Sewerline	7/15/2010	1,150,000	9	4.00%	1,112,491.91		13,526.25	1,098,965.66
1308-08 Whitesboro Phase I Sewerline Supplement	12/15/2011	1,815,000	10	2.25%	1,757,554.65		29,701.15	1,727,853.50
1223-06(a) Shellbay, Shunpike, Crest Haven, Goshen Sewerline	12/15/2011	3,663,000	11	3.75%	3,580,266.12		43,730.18	3,536,535.94
1223-06 (b) Water Reuse	4/24/2013	100,000	12	3.50%	99,417.00		1,196.79	98,220.21
1364-10 SSGC Phase II	4/24/2013	794,400	13	2.75%	788,886.00		11,256.49	777,629.51
					\$ 10,278,502.49	-	135,153.28	10,143,349.21

- 8 \$76,492 Semi-annual payments to July 13, 2050 for Principal and Interest
- 9 \$28,946 Semi-annual payments to December 27, 2051 for Principal and Interest
- 10 \$34,540 Semi-annual payments to December 27, 2051 for Principal and Interest
- 11 \$88,792 Semi-annual payments to December 27, 2051 for Principal and Interest
- 12 \$4,666 Semi-annual payments to December 27, 2051 for Principal and Interest
- 13 \$32,874 Semi-annual payments to December 27, 2051 for Principal and Interest

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

Ord. Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Bond, Notes or Grants Issued	Balance Dec. 31, 2014
1364-10	Various Sewer Improvements: a. Shellbay, Shunpike, Crest Haven and Goshen Sewer Project - Supplement	\$ 296,600.00			296,600.00
1417-12	Grassy Sound Connection to Sewer System	705,150.00		77,800.00	627,350.00
1453-13	Various Sewer Improvements a. Bennet Rd. Pkwy Sewer b. GIS Mapping	90,000.00 75,000.00			90,000.00 75,000.00
		<u>\$ 1,166,750.00</u>	<u>-</u>	<u>77,800.00</u>	<u>1,088,950.00</u>

**PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER**

	Trust Fund I	Trust Fund II
Balance December 31, 2013	\$ 20,369.71	-
Increased By Receipts:		
Other Receipts	539.41	-
	20,909.12	-
Decreased By Disbursements:		
None	-	-
Balance December 31, 2014	20,909.12	-

**PUBLIC ASSISTANCE FUND
STATEMENT OF PUBLIC ASSISTANCE CASH AND RECONCILIATION
PER N.J.S. 40A:5-5**

	Trust Fund I	Trust Fund II
Balance December 31, 2014	\$ 20,909.12	-
Increased By Receipts:		
Cash Receipts Record	4.86	
	4.86	-
	20,913.98	-
Decreased By Disbursements:		
Cash Disbursement Record	-	
	-	-
Balance April 30, 2015	\$ 20,913.98	-
Reconciliation April 30, 2015		
Balance on Deposit per Statement: Sturdy Savings Bank -#9800651136	\$ 20,913.98	
Less: Outstanding Checks		-
Book Balance	\$ 20,913.98	-

**PUBLIC ASSISTANCE FUND
SCHEDULE OF REVENUES**

	Trust Fund I	Trust Fund II
Township Contribution	\$ 500.00	-
Interest	39.41	-
Total Revenues (PATF)	<u>539.41</u>	<u>-</u>
	<u>539.41</u>	<u>-</u>

SCHEDULE OF EXPENDITURES

	Trust Fund I	Trust Fund II
None	-	-
Total Disbursements (PATF)	<u>\$ -</u>	<u>-</u>

TOWNSHIP OF MIDDLE

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2014

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." The Township's bid threshold was \$36,000.

The governing body of the Township of Middle 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 or agreement might result in a violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

Sidewalk Installation	Solid Waste, Refuse & Recycles
Police Uniforms	Home Rehabilitation Projects
Roadway Improvements	Janitorial Services

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Township Committee of the Township of Middle, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Township of Middle, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

This Resolution shall take effect January 6, 2014.

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

Delinquent Taxes and Tax Title Liens

The tax sale was held on March 5, 2014 and a first time accelerated tax sale on December 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 31st of the last three years.

<u>Year</u>	<u>Number</u>
2014	600
2013	370
2012	313

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2014 and 2015 Taxes	25
Delinquent Taxes	25
Tax Title Liens	1
Payment of Sewer Rents	25
Delinquent Sewer Rents	25
Total	<u>101</u>

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 47,327,251	47,006,721	99.32%
2013	46,866,913	45,744,818	97.61%
2012	44,993,968	43,923,527	97.62%
2011	45,560,974	44,337,352	97.31%
2010	44,863,840	43,503,519	96.97%

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ 1.651	1.650	1.410	1.365	1.306
Apportionment of Tax Rate:					
Municipal	0.455	0.454	0.391	0.390	0.363
County	0.248	0.259	0.216	0.208	0.209
Local School	0.948	0.937	0.803	0.767	0.734
Assessed Valuation	2,707,499,497	2,688,271,256	3,018,201,048	3,159,783,058	3,252,571,288

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Liens</u>	<u>Taxes</u>	<u>Delinquent</u>	<u>Levy</u>
2014	\$ 571,431	23,817	595,248	1.26%
2013	426,043	1,004,218	1,430,261	3.05%
2012	316,033	772,158	1,088,191	2.42%
2011	257,362	860,896	1,118,257	2.45%
2010	180,001	948,307	1,128,308	2.51%

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our examination revealed that municipal funds were deposited within the mandated time.

RECOMMENDATIONS

1. That the Township's general ledgers and bank reconciliations be completed and maintained on a monthly basis.
2. That the Township obtain and maintain all vendor W-9 forms, update computerized records, and ensure all applicable vendors are provided year end 1099 tax forms.
3. That the Township update their current list of assets ensuring all have identifying tag, model/and or serial numbers, and record all new asset acquisitions and disposals.
4. That the Township ensure billing and maintenance of their Urban Development Action Grant loans and related receivables.
5. That the Municipal Court review all tickets assigned to officers but not issued over six months old and appropriate action taken.
6. That all receipts be identified, support maintained and properly posted.
7. That the Township thoroughly review budget account balances to prevent overexpenditures.

In accordance with *Audits of States, Local Governments and Non-Profit Organizations*, and Division of Local Government Services Regulations, a Corrective Action Plan must be prepared and filed by the Township in response to my recommendations.

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 10, 2015