

BOROUGH OF STANHOPE

COUNTY OF SUSSEX

REPORT OF AUDIT

2013

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF STANHOPE

COUNTY OF SUSSEX

REPORT OF AUDIT

2013

BOROUGH OF STANHOPE
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BOROUGH OF STANHOPE

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2013



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Independent Auditors' Report

The Honorable Mayor and Members
 of the Borough Council
 Borough of Stanhope, NJ

Report on the Financial Statements

We have audited the financial statements-*regulatory basis* - of the various funds of the Borough of Stanhope in the County of Sussex (the "Borough") as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws 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 misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions 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, audit requirements prescribed by 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 Borough'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 Borough'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.

The Honorable Mayor and Members
of the Borough Council
Borough of Stanhope, NJ
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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, the financial statements are prepared by the Borough on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting 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 the 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 Borough as of December 31, 2013 and 2012, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

The Borough's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. The basis of accounting is not in accordance with U. S. generally accepted accounting principles but is in accordance with the accounting practices prescribed or permitted by the Division. As described in Note 1, based upon the underlying accounting records, we have not audited the general fixed assets account group.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2013 and 2012 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Stanhope as of December 31, 2013 and 2012, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The Honorable Mayor and Members
of the Borough Council
Borough of Stanhope, NJ
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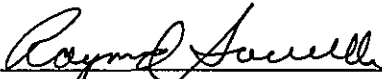
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2014 on our consideration of the Borough of Stanhope'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 result 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 Borough of Stanhope's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
April 1, 2014

NISIVOCCIA LLP


Raymond G. Sarinelli
Registered Municipal Accountant No. 383
Certified Public Accountant

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
CURRENT FUND

BOROUGH OF STANHOPE
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 2,609,930.01	\$ 2,432,660.32
Change Funds		250.00	275.00
Due from State of New Jersey:			
Veterans and Senior Citizens Deductions		935.85	716.67
		<u>2,611,115.86</u>	<u>2,433,651.99</u>
Receivables and Other Assets With			
Full Reserves:			
Delinquent Property Taxes Receivable	A-7	254,460.66	296,998.78
Tax Title Liens Receivable	A-8	141,642.41	185,168.89
Property Acquired for Taxes at Assessed Valuation		1,070,700.00	679,800.00
Revenue Accounts Receivable	A-9	83,157.40	38,065.52
Due from:			
Animal Control Fund	B	8,938.56	4,601.60
		<u>1,558,899.03</u>	<u>1,204,634.79</u>
Total Receivables and Other Assets With Full Reserves			
		<u>\$ 4,170,014.89</u>	<u>\$ 3,638,286.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-11	314,399.35	334,522.77
Encumbered	A-3;A-11	64,456.22	58,502.66
		<u>378,855.57</u>	<u>393,025.43</u>
Total Appropriation Reserves			
Accounts Payable - Vendors		66,000.00	43,000.00
Prepaid Taxes		52,240.79	41,742.75
Tax Overpayments		22,417.05	13,220.25
Due to County - Added and Omitted Taxes		2,801.03	3,150.33
Due to State of New Jersey:			
Marriage License Fees		150.00	150.00
Training Fees		379.00	632.00
Due to Other Trust Funds:			
Reserve for Snow Removal	B	40,000.00	

BOROUGH OF STANHOPE
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for:			
Sale of Municipal Assets		\$ 31,609.15	\$ 31,609.15
Shade Tree		1,170.04	1,856.04
Revaluation			5,613.32
Pending Tax Appeals		139,792.61	139,792.61
Garden State Preservation Trust Fund			4,439.00
Encumbrance - JIF Deductible		25,743.00	15,000.00
Appropriated Reserves:			
Drunk Driving Enforcement Fund		8,709.22	8,738.75
Body Armor Replacement Program		3,520.96	3,609.87
Clean Communities Program		18,148.71	18,447.23
Cablevision Grant			579.86
SLAHEOP Grant		2,405.72	2,405.72
North Jersey Conservation Grant			1,500.00
Alcohol Education Rehabilitation Program		1,135.00	1,135.00
Shade Tree Grant			344.00
Community Stewardship Incentive Program Grant			543.24
Housing Reimbursement Program		45,418.18	57,818.18
Highlands Initial Assessment Grant		12,890.00	12,890.00
Highlands Plan Conformance Grant		27,061.91	27,061.91
Business Stimulus Forestry Grant			439.00
Smart Growth Grant			7,500.00
Police Accreditation Services		50,000.00	
Unappropriated Reserves:			
Body Armor Replacement Program		1,527.49	1,288.09
Clean Communities Program		0.38	0.38
Recycling Tonnage Grant		3,551.26	3,689.17
Shade Tree Grant		165.00	165.00
Police Donations		500.00	500.00
Safe and Secure Communities Grant		22,500.00	
		<u>958,692.07</u>	<u>841,886.28</u>
Reserve for Receivables	A	1,558,899.03	1,204,634.79
Fund Balance	A-1	<u>1,652,423.79</u>	<u>1,591,765.71</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 4,170,014.89</u>	<u>\$ 3,638,286.78</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	<u>Year Ended December 31,</u>	
		<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 700,000.00	\$ 700,000.00
Miscellaneous Revenue Anticipated		471,586.56	444,457.87
Receipts from:			
Delinquent Taxes		298,144.63	229,706.99
Current Taxes		10,459,563.77	10,364,451.64
Nonbudget Revenue		145,137.10	97,471.13
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		213,019.84	266,066.86
Tax Overpayments Cancelled			90.91
Cancellation of Appropriated Reserves - Smart Growth Grant		7,500.00	
Cancellation of Appropriated Reserves - Business Stimulus Forestry Grant		439.00	
Cancellation of Appropriated Reserves - Community Stewardship Incentive Program Grant		543.24	
Cancellation of Appropriated Reserves - North Jersey Conservation Grant		1,500.00	
Interfunds Returned		4,601.60	4,361.60
Total Income		<u>12,302,035.74</u>	<u>12,106,607.00</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		3,983,642.16	3,860,994.99
County Taxes		1,598,036.74	1,720,972.04
Due County for Added and Omitted Taxes		2,801.03	3,150.33
Regional High School Taxes		1,986,683.00	1,896,508.99
Local School District Taxes		3,957,293.00	3,897,620.50
Refund of Prior Year Revenue		3,983.17	15,780.89
Interfunds Advanced		8,938.56	4,601.60
Total Expenditures		<u>11,541,377.66</u>	<u>11,399,629.34</u>
Excess in Revenue/ Statutory Excess to Fund Balance		760,658.08	706,977.66

BOROUGH OF STANHOPE
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2013	2012
<u>Fund Balance</u>			
Balance January 1		\$ 1,591,765.71	\$ 1,584,788.05
		2,352,423.79	2,291,765.71
Decreased by:			
Utilized as Anticipated Revenue		700,000.00	700,000.00
Balance December 31	A	<u>\$ 1,652,423.79</u>	<u>\$ 1,591,765.71</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 700,000.00		\$ 700,000.00	
Miscellaneous Revenue:				
Alcoholic Beverages Licenses	3,031.00		3,136.00	\$ 105.00
Fees and Permits	6,900.00		8,634.23	1,734.23
Uniform Construction Code Fees	45,000.00		84,592.00	39,592.00
Fines and Costs - Municipal Court	53,000.00		35,450.88	17,549.12 *
Interest and Costs on Taxes	50,000.00		62,078.51	12,078.51
Energy Receipt Tax	184,301.00		184,301.00	
Consolidated Municipal Property Tax Relief Aid	32,281.00		32,281.00	
Garden State Trust Fund	4,439.00		4,439.00	
Reserve to Pay Debt Service	15,000.00		8,910.64	6,089.36 *
State of New Jersey:				
Safe and Secure Communities Program	30,000.00		30,000.00	
Drunk Driving Enforcement Fund		\$ 1,900.05	1,900.05	
Body Armor Replacement Program	1,288.09		1,288.09	
Clean Communities Program		6,885.99	6,885.99	
Click-It or Ticket Grant		4,000.00	4,000.00	
Recycling Tonnage Grant	3,689.17		3,689.17	
Police Accreditation Services		50,000.00		50,000.00 *
	<u>428,929.26</u>	<u>62,786.04</u>	<u>471,586.56</u>	<u>20,128.74 *</u>
Receipts from Delinquent Taxes	230,000.00		298,144.63	68,144.63
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>3,221,928.00</u>		<u>3,574,750.00</u>	<u>352,822.00</u>
Budget Totals	4,580,857.26	62,786.04	5,044,481.19	400,837.89
Nonbudget Revenue			<u>145,137.10</u>	<u>145,137.10</u>
	<u>\$ 4,580,857.26</u>	<u>\$ 62,786.04</u>	<u>\$ 5,189,618.29</u>	<u>\$ 545,974.99</u>

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(continued)

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 10,459,563.77
Allocated to:		
Local School District Taxes	\$ 3,957,293.00	
Regional High School Taxes	1,986,683.00	
County Taxes	<u>1,600,837.77</u>	
		<u>7,544,813.77</u>
Balance for Support of Municipal Budget		2,914,750.00
Add: Appropriation "Reserve for Uncollected Taxes"		<u>660,000.00</u>
Realized for Support of Municipal Budget		<u><u>\$ 3,574,750.00</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 295,107.09
Tax Title Liens		<u>3,037.54</u>
		<u><u>\$ 298,144.63</u></u>

Fees and Permits - Other:

Board of Health		\$ 1,000.00
Police		679.23
Planning Board/Board of Adjustment		250.00
Zoning Officer		2,020.00
Clerk		<u>4,685.00</u>
		<u><u>\$ 8,634.23</u></u>

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(continued)

Analysis of Nonbudget Revenue:

Treasurer:

Interest on Investments and Deposits	\$ 3,857.80	
Administration Fee - Veterans and Senior Citizens Deductions	590.62	
Cable Franchise Fee	14,373.00	
Bid Specs	280.00	
Outside Detail Administration Fees	636.70	
DMV Inspection Fines	1,150.00	
Void Checks	75.00	
Payroll Closeout	39,253.77	
FEMA Storm Reimbursements	60,544.71	
Miscellaneous	<u>13,786.62</u>	
		\$ 134,548.22

Tax Collector Miscellaneous Revenue 125.00

Interest Earned - Due from Animal Control Fund	30.90	
Interest Earned - Due from Other Trust Fund	617.71	
Interest Earned - Due from General Capital Fund	876.71	
Statutory Excess in Animal Control Fund Reserve:		
Due from Animal Control Fund	<u>8,938.56</u>	
		<u>10,463.88</u>
		<u>\$ 145,137.10</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 56,447.00	\$ 56,447.00	\$ 56,447.00		
Other Expenses	30,110.00	30,110.00	28,303.73	\$ 1,806.27	
Mayor and Council:					
Salaries and Wages	19,447.00	19,447.00	19,292.23	154.77	
Other Expenses	11,923.00	11,923.00	8,682.39	3,240.61	
Municipal Clerk:					
Salaries and Wages	56,740.00	58,990.00	58,990.00		
Other Expenses	12,920.00	13,120.00	12,961.23	158.77	
Financial Administration:					
Salaries and Wages	93,172.00	93,172.00	93,172.00		
Other Expenses	6,502.00	6,865.00	5,959.50	905.50	
Annual Audit	29,806.00	29,806.00	29,800.00	6.00	
Insurance (N.J.S.A. 40A:4-45.3(00)):					
Liability Insurance	74,991.00	74,991.00	74,780.00	211.00	
Workers Compensation	61,395.00	61,395.00	61,395.00		
Employee Group Insurance	281,632.00	281,632.00	276,711.55	4,920.45	
Health Insurance Waiver	10,000.00	10,000.00	5,000.00	5,000.00	
Computerized Data Processing:					
Other Expenses	13,700.00	13,700.00	13,513.02	186.98	
Assessment of Taxes:					
Salaries and Wages	24,616.00	24,616.00	24,615.00	1.00	
Other Expenses	2,095.00	2,095.00	1,121.28	973.72	
Other Expenses - Fees and Appeals	8,000.00	8,000.00	1,862.50	6,137.50	
Collection of Taxes:					
Other Expenses	3,780.00	3,980.00	3,975.93	4.07	
Legal Services and Costs:					
Other Expenses	75,000.00	75,000.00	44,481.67	30,518.33	

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
GENERAL GOVERNMENT (continued):					
Engineering Services and Costs:					
Other Expenses	\$ 19,000.00	\$ 19,000.00	\$ 5,170.00	\$ 13,830.00	
Public Buildings and Grounds:					
Salaries and Wages	9,226.00	9,226.00	8,957.34	268.66	
Other Expenses	16,500.00	16,500.00	8,062.46	8,437.54	
Municipal Land Use Law (N.J.S.A.40:55d-1):					
Planning Board:					
Salaries and Wages	8,719.00	8,719.00	8,719.00		
Other Expenses	4,148.00	4,148.00	979.89	3,168.11	
Zoning and Code Enforcement:					
Salaries and Wages	22,597.00	22,597.00	22,596.00	1.00	
Other Expenses	640.00	640.00	154.35	485.65	
Regional Planning Board:					
Other Expenses	12,773.00	12,773.00	12,772.62	0.38	
Affordable Housing-COAH					
Other Expenses	5,000.00	5,000.00		5,000.00	
Shade Tree Commission:					
Other Expenses	1,415.00	1,415.00	327.36	1,087.64	
Environmental Commission (N.J.S.A. 40:56.1,et seq.):					
Other Expenses	1,240.00	1,240.00	653.98	586.02	
Insurance:					
Unemployment Compensation Insurance	5,500.00	5,500.00	5,500.00		
PUBLIC SAFETY:					
Fire:					
Other Expenses	41,175.00	41,305.00	41,299.78	5.22	

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
PUBLIC SAFETY (continued):					
Police:					
Salaries and Wages	\$ 953,094.00	\$ 947,094.00	\$ 903,674.28	\$ 43,419.72	
Other Expenses	58,980.00	64,980.00	64,971.75	8.25	
Police Radio and Communication -Contractual	92,346.00	92,346.00	92,346.00		
First Aid Organization Contribution	12,500.00	12,500.00	12,500.00		
Emergency Management:					
Other Expenses	2,881.00	2,881.00	2,880.40	0.60	
STREETS AND ROADS:					
Department of Public Works:					
Salaries and Wages	128,922.00	128,922.00	125,571.43	3,350.57	
Other Expenses	85,200.00	85,200.00	74,957.25	10,242.75	
HEALTH AND WELFARE:					
Board of Health:					
Salaries and Wages	4,118.00	4,118.00	4,118.00		
Other Expenses	850.00	850.00	211.21	638.79	
Animal Regulation:					
Other Expenses	8,000.00	8,000.00	4,613.46	3,386.54	
Garbage and Trash Removal:					
Salaries and Wages	10,790.00	10,825.00	10,807.27	17.73	
Other Expenses	30,855.00	24,077.00	14,316.57	9,760.43	
Contractual	332,860.00	332,860.00	280,260.00	52,600.00	
Vehicle Maintenance:					
Other Expenses	39,000.00	39,000.00	37,253.85	1,746.15	

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
RECREATION AND EDUCATION:					
Board of Recreation Commissioners (R.S.40:12):					
Other Expenses	\$ 12,550.00	\$ 12,550.00	\$ 6,613.24	\$ 5,936.76	
Celebration of Public Events:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Stormwater Management:					
Other Expenses	4,600.00	4,600.00	4,393.38	206.62	
UNIFORM CONSTRUCTION CODE - APPROPRIATION OFFSET BY DEDICATED REVENUE:					
Construction Code Official:					
Salaries and Wages	45,518.00	45,518.00	45,517.00	1.00	
Other Expenses	750.00	750.00	745.24	4.76	
UNCLASSIFIED:					
Utilities	163,620.00	167,220.00	136,364.83	30,855.17	
Condo Services	93,500.00	93,500.00	62,150.76	31,349.24	
Total Operations Within "CAPS"	<u>3,102,143.00</u>	<u>3,102,143.00</u>	<u>2,820,522.73</u>	<u>281,620.27</u>	
Contingent	<u>1,000.00</u>	<u>1,000.00</u>	<u>750.00</u>	<u>250.00</u>	
Total Operations Including Contingent Within "CAPS"	<u>3,103,143.00</u>	<u>3,103,143.00</u>	<u>2,821,272.73</u>	<u>281,870.27</u>	
Detail:					
Salaries and Wages	1,433,406.00	1,429,691.00	1,382,476.55	47,214.45	
Other Expenses	1,669,737.00	1,673,452.00	1,438,796.18	234,655.82	

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Cont'd):					
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Contributions to:					
Public Employees' Retirement System	\$ 66,568.00	\$ 66,568.00	\$ 66,568.00		
Social Security System (O.A.S.I.)	131,600.00	131,600.00	108,698.61	\$ 22,901.39	
Police and Firemen's Retirement System of NJ	166,716.00	166,716.00	166,716.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>364,884.00</u>	<u>364,884.00</u>	<u>341,982.61</u>	<u>22,901.39</u>	
 Total General Appropriations for Municipal Purposes Within "CAPS"	 <u>3,468,027.00</u>	 <u>3,468,027.00</u>	 <u>3,163,255.34</u>	 <u>304,771.66</u>	
 Operations Excluded from "CAPS":					
Employee Group Insurance	4,068.00	4,068.00	4,068.00		
Shared Service Agreements:					
Municipal Court (Hopatcong Borough)	71,400.00	71,400.00	71,400.00		

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Excluded from "CAPS" (Cont'd):					
State and Federal Programs Offset by Revenues:					
Body Armor Replacement Program	\$ 1,288.09	\$ 1,288.09	\$ 1,288.09		
Clean Communities Program (N.J.S.A. 40A:4-87 + \$6,885.99)		6,885.99	6,885.99		
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 + \$1,900.05)		1,900.05	1,900.05		
Safe and Secure Communities	30,000.00	30,000.00	30,000.00		
Click It or Ticket Grant (N.J.S.A. 40A:4-87 + \$4,000.00)		4,000.00	4,000.00		
Recycling Tonnage Grant	3,689.17	3,689.17	3,689.17		
Police Accreditation Services: (N.J.S.A. 40A:4-87 + \$50,000.00)		50,000.00	50,000.00		
Total Operations Excluded from "CAPS"	110,445.26	173,231.30	173,231.30		
Detail:					
Salaries and Wages					
Other Expenses	110,445.26	173,231.30	173,231.30		
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	20,000.00	20,000.00	20,000.00		
Road Repairs and Resurfacing	25,000.00	25,000.00	15,372.31	\$ 9,627.69	
Total Capital Improvements Excluded from "CAPS"	45,000.00	45,000.00	35,372.31	9,627.69	

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service Excluded from "CAPS":					
Payment of Note Principal	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00		
Interest on Notes	17,385.00	17,385.00	17,383.86		\$ 1.14
Total Municipal Debt Service Excluded from "CAPS"	<u>297,385.00</u>	<u>297,385.00</u>	<u>297,383.86</u>		<u>1.14</u>
Total General Appropriations Excluded from "CAPS"	<u>452,830.26</u>	<u>515,616.30</u>	<u>505,987.47</u>	\$ 9,627.69	<u>1.14</u>
Subtotal General Appropriations	3,920,857.26	3,983,643.30	3,669,242.81	314,399.35	1.14
Reserve for Uncollected Taxes	<u>660,000.00</u>	<u>660,000.00</u>	<u>660,000.00</u>		
Total General Appropriations	<u>\$ 4,580,857.26</u>	<u>\$ 4,643,643.30</u>	<u>\$ 4,329,242.81</u>	<u>\$ 314,399.35</u>	<u>\$ 1.14</u>

Ref.

A

BOROUGH OF STANHOPE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After</u>	<u>Paid or</u>
		<u>Modification</u>	<u>Charged</u>
Adopted Budget		\$ 4,580,857.26	
Appropriation by NJSA 40A:4-87		<u>62,786.04</u>	
		<u>\$ 4,643,643.30</u>	
Reserve for Uncollected Taxes			\$ 660,000.00
Cash Disbursed			3,616,556.39
Encumbrances	A		64,456.22
Encumbrance - JIF Deductible			10,743.00
Appropriated Reserves:			
Body Armor Replacement Program			1,288.09
Drunk Driving Enforcement Fund			1,900.05
Clean Communities Program			4,491.89
Police Accreditation Services			<u>50,000.00</u>
			4,409,435.64
Less: Appropriation Refunds			<u>80,192.83</u>
			<u>\$ 4,329,242.81</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
TRUST FUNDS

BOROUGH OF STANHOPE
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 17,454.96	\$ 12,881.20
		<u>17,454.96</u>	<u>12,881.20</u>
Other Trust Funds:			
Cash and Cash Equivalents:			
Recycling Tonnage Program	B-4	37,036.60	35,801.34
State Unemployment Insurance Fund	B-4	61,056.55	46,642.83
Performance Bonds and Escrow Deposits	B-4	50,926.88	53,017.26
Public Defender	B-4	12,146.04	17,123.82
Parking Offenses Adjudication Act	B-4	2,707.12	2,655.10
Other	B-4	384,587.59	277,934.59
COAH Housing	B-4	8,902.91	8,889.55
Due from Current Fund:			
Reserve for Snow Removal	A	40,000.00	
		<u>597,363.69</u>	<u>442,064.49</u>
<u>TOTAL ASSETS</u>		<u>\$ 614,818.65</u>	<u>\$ 454,945.69</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to Current Fund	A	\$ 8,938.56	\$ 4,601.60
Reserve for Animal Control Expenditures	B-6	8,514.00	8,274.20
Due to State of New Jersey		2.40	5.40
		<u>17,454.96</u>	<u>12,881.20</u>
Other Trust Funds:			
Reserve for:			
Recycling Tonnage Program Expenditures		37,036.60	35,801.34
State Unemployment Insurance Payments		61,056.55	46,642.83
Performance Bonds and Escrow Deposits		78,801.88	81,172.26
Public Defender		12,146.04	17,123.82
Parking Offenses Adjudication Act		2,707.12	2,655.10
Tax Sale Premiums		125,600.00	18,500.00
Snow Removal		138,800.01	98,800.01
Accumulated Sick and Vacation Compensation		103,972.35	103,972.35
Recreation Commission		26,340.23	26,507.23
Canal Restoration		2,000.00	2,000.00
COAH Housing		8,902.91	8,889.55
		<u>597,363.69</u>	<u>442,064.49</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 614,818.65</u>	<u>\$ 454,945.69</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
GENERAL CAPITAL FUND

BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 437,969.06	\$ 391,679.57
Deferred Charges to Future Taxation:			
Unfunded	C-4	1,927,843.91	2,114,945.00
<u>TOTAL ASSETS</u>		<u>\$ 2,365,812.97</u>	<u>\$ 2,506,624.57</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 1,814,945.00	\$ 1,753,945.00
Improvement Authorizations:			
Funded	C-5	56,983.30	57,810.95
Unfunded	C-5	200,842.78	525,476.09
Capital Improvement Fund	C-6	29,100.57	28,146.82
Due to Water Utility Capital Fund	D	80,000.00	
Due to Sewer Utility Capital Fund	E	74,000.00	20,000.00
Reserve for Sidewalk Improvements		16,655.02	16,655.02
Reserve for Road Improvements			19,453.75
Reserve to Pay Debt Service			8,910.64
Reserve for Preliminary Expenses		17,060.00	
Reserve for Canal Rehabilitation		49,900.00	49,900.00
Fund Balance	C-1	26,326.30	26,326.30
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,365,812.97</u>	<u>\$ 2,506,624.57</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 26,326.30
Balance December 31, 2013	C	<u>\$ 26,326.30</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
WATER UTILITY FUND

BOROUGH OF STANHOPE
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31	
		2013	2012
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-5	\$ 382,240.07	\$ 304,685.24
Collector's Change Fund		50.00	50.00
Due from Water Utility Capital Fund	D	842.71	
		<u>383,132.78</u>	<u>304,735.24</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	91,630.57	74,265.88
Total Operating Fund		<u>474,763.35</u>	<u>379,001.12</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	75,842.51	110,994.19
Fixed Capital	D-8	3,792,180.96	3,771,220.96
Fixed Capital Authorized and Uncompleted	D-9	2,953,000.00	2,828,000.00
Due from General Capital Fund	C	80,000.00	
Total Capital Fund		<u>6,901,023.47</u>	<u>6,710,215.15</u>
<u>TOTAL ASSETS</u>		<u>\$ 7,375,786.82</u>	<u>\$ 7,089,216.27</u>

BOROUGH OF STANHOPE
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-4;D-10	\$ 70,070.64	\$ 54,691.55
Encumbered	D-4;D-10	9,372.63	15,729.55
Total Appropriation Reserves		79,443.27	70,421.10
Accrued Interest on Notes		1,800.75	957.54
Water Rent Overpayments			233.53
		81,244.02	71,612.17
Reserve for Receivables	D	91,630.57	74,265.88
Fund Balance	D-1	301,888.76	233,123.07
Total Operating Fund		474,763.35	379,001.12
Capital Fund:			
Bond Anticipation Notes Payable	D-14	367,500.00	167,500.00
Improvement Authorizations:			
Funded	D-11	966.70	41,723.70
Unfunded	D-11	2,381,116.66	2,441,354.05
Capital Improvement Fund	D-12	25,566.54	20,566.54
Due to Water Utility Operating Fund	D	842.71	
Reserve For:			
Amortization	D-13	3,792,180.96	3,771,220.96
Deferred Amortization	D-13A	245,500.00	180,500.00
Connection Fees		38,231.00	38,231.00
Fund Balance	D-2	49,118.90	49,118.90
Total Capital Fund		6,901,023.47	6,710,215.15
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 7,375,786.82</u>	<u>\$ 7,089,216.27</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31	
		2013	2012
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 90,000.00	\$ 110,000.00
Rents		586,220.83	491,676.72
Miscellaneous		16,126.30	14,830.39
Other Credits to Income:			
Appropriation Reserves Lapsed		52,497.56	49,492.77
Total Income		<u>744,844.69</u>	<u>665,999.88</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		445,967.00	449,377.00
Capital Improvements		5,000.00	5,000.00
Capital Outlay		20,000.00	20,000.00
Debt Service		81,642.00	72,290.32
Deferred Charges and Statutory Expenditures		33,470.00	33,608.00
Total Expenditures		<u>586,079.00</u>	<u>580,275.32</u>
Excess in Revenue		158,765.69	85,724.56
<u>Fund Balance</u>			
Balance January 1		<u>233,123.07</u>	<u>257,398.51</u>
		391,888.76	343,123.07
Decreased by:			
Utilization as Anticipated Revenue		<u>90,000.00</u>	<u>110,000.00</u>
Balance December 31	D	<u>\$ 301,888.76</u>	<u>\$ 233,123.07</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>		
Balance December 31, 2012	D	\$	49,118.90
Balance December 31, 2013	D	\$	<u>49,118.90</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 90,000.00	\$ 90,000.00	
Water Rents	486,079.00	586,220.83	\$ 100,141.83
Miscellaneous	10,000.00	16,126.30	6,126.30
	<u>\$ 586,079.00</u>	<u>\$ 692,347.13</u>	<u>\$ 106,268.13</u>

Analysis of Water Rents

Collections	\$ 585,987.30
Overpayments Applied	<u>233.53</u>
	<u>\$ 586,220.83</u>

Analysis of Miscellaneous Revenue

Miscellaneous:	
Interest on Investments and Deposits	\$ 291.55
Interest on Water Rents	8,790.93
Miscellaneous	6,910.82
Due from Water Utility Capital Fund:	
Interest on Investments and Deposits	<u>133.00</u>
	<u>\$ 16,126.30</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 185,806.00	\$ 185,806.00	\$ 181,686.46	\$ 4,119.54	
Other Expenses	260,161.00	260,161.00	209,384.88	50,776.12	
Capital Improvements:					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		
Capital Outlay	20,000.00	20,000.00	5,420.00	14,580.00	
Debt Service:					
Payment of Bond Anticipation Notes	80,000.00	80,000.00	80,000.00		
Interest on Notes	1,642.00	1,642.00	1,642.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	14,170.00	14,170.00	14,170.00		
Social Security System (O.A.S.I.)	14,300.00	14,300.00	13,705.02	594.98	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	5,000.00	5,000.00	5,000.00		
	<u>\$ 586,079.00</u>	<u>\$ 586,079.00</u>	<u>\$ 516,008.36</u>	<u>\$ 70,070.64</u>	<u>\$ -0-</u>
		<u>Ref.</u>		<u>D</u>	
Analysis of Paid or Charged:					
Cash Disbursed			\$ 504,993.73		
Encumbrances		<u>D</u>	9,372.63		
Accrued Interest on Notes			1,642.00		
			<u>\$ 516,008.36</u>		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
SEWER UTILITY FUND

BOROUGH OF STANHOPE
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-5	\$ 461,629.72	\$ 427,738.13
Collector's Change Fund		50.00	50.00
		<u>461,679.72</u>	<u>427,788.13</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-8	152,303.36	174,038.43
		<u>152,303.36</u>	<u>174,038.43</u>
Total Operating Fund		<u>613,983.08</u>	<u>601,826.56</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	531,761.53	522,061.72
Fixed Capital	E-9	4,470,374.30	4,470,374.30
Fixed Capital Authorized and Uncompleted	E-10	205,000.00	60,000.00
Due from General Capital Fund	C	74,000.00	20,000.00
		<u>74,000.00</u>	<u>20,000.00</u>
Total Capital Fund		<u>5,281,135.83</u>	<u>5,072,436.02</u>
<u>TOTAL ASSETS</u>		<u>\$ 5,895,118.91</u>	<u>\$ 5,674,262.58</u>

BOROUGH OF STANHOPE
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-4;E-11	\$ 3,635.63	\$ 3,438.89
Unencumbered	E-4;E-11	110,443.73	48,994.91
Total Appropriation Reserves		114,079.36	52,433.80
Accrued Interest on Notes		392.00	423.03
		114,471.36	52,856.83
Reserve for Receivables	E	152,303.36	174,038.43
Fund Balance	E-1	347,208.36	374,931.30
Total Operating Fund		613,983.08	601,826.56
Capital Fund:			
Bond Anticipation Notes Payable	E-16	80,000.00	94,000.00
Improvement Authorizations:			
Funded	E-12	39,988.50	
Unfunded	E-12	163,639.31	59,928.00
Capital Improvement Fund	E-13	47,589.68	93,789.68
Reserve for:			
Amortization	E-14	4,450,374.30	4,376,374.30
Deferred Amortization	E-14A	40,000.00	
Debt Service		50,000.00	50,000.00
Connection Fees		330,335.00	330,335.00
Preliminary Expenses		11,200.00	
Fund Balance	E-2	68,009.04	68,009.04
Total Capital Fund		5,281,135.83	5,072,436.02
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 5,895,118.91</u>	<u>\$ 5,674,262.58</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31	
		2013	2012
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 79,000.00	\$ 35,000.00
Sewer Rents		950,802.85	1,082,170.31
Miscellaneous Revenue		19,865.70	25,694.56
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		48,952.02	92,721.02
Total Income		1,098,620.57	1,235,585.89
<u>Expenditures</u>			
Budget Expenditures:			
Operating		935,578.54	947,609.00
Capital Improvements		5,000.00	5,000.00
Debt Service		74,694.97	91,342.32
Deferred Charges and Statutory Expenditures		32,070.00	31,750.00
Total Expenditures		1,047,343.51	1,075,701.32
Excess in Revenue		51,277.06	159,884.57
<u>Fund Balance</u>			
Balance January 1		374,931.30	250,046.73
		426,208.36	409,931.30
Decreased by:			
Utilization as Anticipated Revenue		79,000.00	35,000.00
Balance December 31	E	\$ 347,208.36	\$ 374,931.30

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 68,009.04
Balance December 31, 2013	E	<u>\$ 68,009.04</u>

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 79,000.00	\$ 79,000.00	
Sewer Rents	948,374.54	950,802.85	\$ 2,428.31
Miscellaneous Revenue	20,000.00	19,865.70	134.30 *
	<u>\$ 1,047,374.54</u>	<u>\$ 1,049,668.55</u>	<u>\$ 2,294.01</u>

Analysis of Realized Revenue

Miscellaneous:

Interest on Sewer Rents	\$ 18,882.26
Interest on Investments and Deposits	448.49
Due from Sewer Utility Capital Fund:	
Interest on Investments and Deposits	<u>534.95</u>
	<u>\$ 19,865.70</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modi- fication	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 168,303.00	\$ 168,303.00	\$ 168,193.84	\$ 109.16	
Other Expenses	767,275.54	767,275.54	656,974.14	110,301.40	
Capital Improvements:					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		
Debt Service:					
Payment of Note Principal	74,000.00	74,000.00	74,000.00		
Interest on Notes	726.00	726.00	694.97		\$ 31.03
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement Fund	14,170.00	14,170.00	14,170.00		
Social Security System (O.A.S.I.)	12,900.00	12,900.00	12,866.83	33.17	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	5,000.00	5,000.00	5,000.00		
	<u>\$ 1,047,374.54</u>	<u>\$ 1,047,374.54</u>	<u>\$ 936,899.78</u>	<u>\$ 110,443.73</u>	<u>\$ 31.03</u>
				E	
Analysis of Paid or Charged:					
Cash Disbursed			\$ 932,569.18		
Encumbrances			3,635.63		
Accrued Interest on Notes			694.97		
			<u>\$ 936,899.78</u>		

Ref.

E

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

BOROUGH OF STANHOPE
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Unaudited)

	December 31,	
<u>ASSETS</u>	2013	2012
Land	\$ 1,022,100.00	\$ 1,022,100.00
Building	1,211,000.00	1,211,000.00
Equipment and Vehicles	2,998,854.90	2,759,853.42
 <u>TOTAL ASSETS</u>	 \$ 5,231,954.90	 \$ 4,992,953.42
 <u>RESERVE</u>		
Reserve for Fixed Assets	\$ 5,231,954.90	\$ 4,992,953.42
 <u>TOTAL RESERVE</u>	 \$ 5,231,954.90	 \$ 4,992,953.42

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Stanhope include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Stanhope, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Stanhope do not include the operations of the rescue squad or first aid organization.

Governmental Accounting Standards Board ("GASB") *Codification of Government Accounting and Financial Reporting Standards*, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Stanhope conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 Borough of Stanhope 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 capital facilities, other than those acquired in the Current Fund.

Water Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

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

General Fixed Assets Account Group (Unaudited) - These accounts were established with estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E - "Basis of Accounting".

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the Current Fund when it is received and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Other amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled 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.

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America; encumbrances would not be considered as expenditures, appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when received; inventories would not be reflected as expenditures at the time of purchase and fixed assets purchased by the Utility Capital Funds would be depreciated.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, or by selling bonds, by issuing loans or through capital lease purchase agreements.

E. Other Significant Accounting Policies Include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other Significant Accounting Policies Include: (Cont'd)

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

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

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

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 (Unaudited) – In accordance with New Jersey Administrative Code accounting requirements, the Borough has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost, except for land which is recorded at assessed value, and buildings, which are recorded at replacement value in the year in which they were originally recorded. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, the General Capital Fund and the Utility Capital Funds. The values recorded in the General Fixed Assets Account Group, Current Fund and the Capital Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other Significant Accounting Policies Include: (Cont'd)

General Fixed Assets (Unaudited) (Cont'd)

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

F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current and Water and Sewer Utility Operating Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

	<u>December 31,</u>		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Issued</u>			
General:			
Notes	\$ 1,814,945.00	\$ 1,753,945.00	\$ 2,018,745.00
Water Utility:			
Notes	367,500.00	167,500.00	237,500.00
Sewer Utility:			
Notes	80,000.00	94,000.00	164,000.00
Total Issued	<u>2,262,445.00</u>	<u>2,015,445.00</u>	<u>2,420,245.00</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
Reserve to Pay Debt Service		8,910.64	39,471.73
Total Deductions		<u>8,910.64</u>	<u>39,471.73</u>
Net Debt Issued	<u>2,262,445.00</u>	<u>2,006,534.36</u>	<u>2,380,773.27</u>

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt (Cont'd)

	December 31,		
	2013	2012	2011
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	\$ 112,898.91	\$ 361,000.00	\$ 57,210.00
Water Utility:			
Bonds and Notes	2,340,000.00	2,480,000.00	
Sewer Utility:			
Bonds and Notes	105,000.00	60,000.00	
Total authorized but not Issued	<u>2,557,898.91</u>	<u>2,901,000.00</u>	<u>57,210.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 4,820,343.91</u>	<u>\$ 4,907,534.36</u>	<u>\$ 2,437,983.27</u>

Summary of Municipal Debt Issued and Outstanding – Prior and Current Year

	Balance 12/31/2011	Additions	Retirements	Balance 12/31/2012
Bond Anticipation Notes:				
General Capital Fund	\$ 2,018,745.00	\$ 1,753,945.00	\$ 2,018,745.00	\$ 1,753,945.00
Water Utility Capital Fund	237,500.00	167,500.00	237,500.00	167,500.00
Sewer Utility Capital Fund	164,000.00	94,000.00	164,000.00	94,000.00
Total	<u>\$ 2,420,245.00</u>	<u>\$ 2,015,445.00</u>	<u>\$ 2,420,245.00</u>	<u>\$ 2,015,445.00</u>
	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013
Bond Anticipation Notes:				
General Capital Fund	\$ 1,753,945.00	\$ 1,814,945.00	\$ 1,753,945.00	\$ 1,814,945.00
Water Utility Capital Fund	167,500.00	367,500.00	167,500.00	367,500.00
Sewer Utility Capital Fund	94,000.00	80,000.00	94,000.00	80,000.00
Total	<u>\$ 2,015,445.00</u>	<u>\$ 2,262,445.00</u>	<u>\$ 2,015,445.00</u>	<u>\$ 2,262,445.00</u>

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Borough's debt issued and outstanding on December 31, 2013, is described as follows:

General Capital Fund

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u> <u>Outstanding Dec. 31, 2013</u>		
	<u>Rate</u>	<u>Date</u>	<u>Amount</u>
Acquisition of New Fire Truck	0.84%	5/30/2014	\$ 173,000.00
Acquisition of New and Additional Fire Fighting Equipment	0.84%	5/30/2014	13,000.00
Acquisition of New Police Equipment	0.84%	5/30/2014	30,000.00
Improvement of Elm St and Grove Rd	0.84%	5/30/2014	151,900.00
Improvement of the Municipal Building	0.84%	5/30/2014	130,000.00
Acquisition of New and Additional Equipment	0.84%	5/30/2014	17,000.00
Improvement of Various Roads	0.84%	5/30/2014	110,100.00
Various Improvements	0.84%	5/30/2014	20,000.00
Improvement of Various Roads	0.84%	5/30/2014	55,000.00
Improvement of Main St. and Grove Rd.	0.84%	5/30/2014	120,000.00
Various Improvements	0.84%	5/30/2014	70,000.00
Improvements on Main St- Phase II	0.84%	5/30/2014	35,000.00
Various Improvements	0.84%	5/30/2014	191,095.00
Various Improvements	0.84%	5/30/2014	250,000.00
Acquisition of New Equipment	0.84%	5/30/2014	73,850.00
Acquisition of Fire Equipment	0.84%	5/30/2014	34,000.00
Various Improvements	0.84%	5/30/2014	341,000.00
			<u>\$ 1,814,945.00</u>

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Borough's debt issued and outstanding on December 31, 2013, is described as follows:

Water Utility Capital Fund

Bond Anticipation Notes

<u>Purpose</u>	Maturities of Notes Outstanding Dec. 31, 2013		
	<u>Rate</u>	<u>Date</u>	<u>Amount</u>
Improvement to Water Supply and Distribution System	0.84%	5/30/2014	\$ 87,500.00
Improvement to Water Supply and Distribution System	0.84%	5/30/2014	120,000.00
Acquisition of New and Additional Vehicular Equipment	0.84%	5/30/2014	60,000.00
Improvement to Water Supply and Distribution System	0.84%	5/30/2014	100,000.00
			<u>\$ 367,500.00</u>

Sewer Utility Capital Fund

Bond Anticipation Notes

<u>Purpose</u>	Maturities of Notes Outstanding Dec. 31, 2013		
	<u>Rate</u>	<u>Date</u>	<u>Amount</u>
Improvement of the Sanitary Sewerage System	0.84%	5/30/2014	\$ 20,000.00
Improvement of the Sanitary Sewerage System	0.84%	5/30/2014	60,000.00
			<u>\$ 80,000.00</u>
Total Debt Issued and Outstanding			<u>\$ 2,262,445.00</u>

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

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 .55%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 2,780,000.00	\$ 2,780,000.00	
Water Utility Debt	2,707,500.00	2,707,500.00	
Sewer Utility Debt	185,000.00	185,000.00	
General Debt	<u>1,927,843.91</u>		<u>\$ 1,927,843.91</u>
	<u>\$ 7,600,343.91</u>	<u>\$ 5,672,500.00</u>	<u>\$ 1,927,843.91</u>

Net Debt \$1,927,843.91 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$351,667,237.33 = .55%.

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

3.5% Average Equalized Valuation of Real Property	\$ 12,308,353.31
Net Debt	<u>1,927,843.91</u>
Remaining Borrowing Power	<u>\$ 10,380,509.40</u>

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 692,347.13
Deductions:		
Operating and Maintenance Costs	\$ 479,437.00	
Debt Service	81,642.00	
Total Deductions	<u>561,079.00</u>	
Excess in Revenue		<u>\$ 131,268.13</u>

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 1,049,668.55
Deductions:		
Operating and Maintenance Costs	\$ 967,648.54	
Debt Service	74,694.97	
Total Deductions	<u>1,042,343.51</u>	
Excess in Revenue		<u>\$ 7,325.04</u>

Footnote:

If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount or the gross amount of authorized debt whichever is lesser.

The above is in agreement with the annual debt statement as filed by the Chief Financial Officer.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2013, which were appropriated and included as anticipated revenue in the year ending December 31, 2014 introduced budget, were as follows:

Current Fund	\$715,000.00
Water Utility Operating Fund	105,750.00
Sewer Utility Operating Fund	55,000.00

Note 4 School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Borough of Stanhope has not elected to defer school taxes.

Note 5: Pension Plans

Borough employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers PERS and PFRS which cover substantially all Borough employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.64% effective July 1, 2012 and increased to 6.78% effective July 1, 2013. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 5: Pension Plans (Cont'd)

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

Borough contributions to PFRS amounted to \$166,716, \$154,488, and \$106,320 for 2013, 2012 and 2011, respectively. Borough contributions to PERS amounted to \$94,908, \$91,860, and \$87,352 for 2013, 2012, and 2011, respectively.

Note 6: Accrued Sick and Vacation Benefits

The Borough of Stanhope permits employees to accrue unused sick and vacation pay, which may be taken as time off or paid upon retirement or separation. It is estimated that the current cost of such unpaid compensation would approximate \$180,663. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used. This amount is partially reserved in the Reserve for Accumulated Sick and Vacation Compensation of \$103,972.35 on the Trust Funds balance sheet at December 31, 2013.

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	\$ 3.65	\$ 3.12	\$ 3.03
<u>Apportionment of Tax Rate</u>			
Municipal	1.09	0.93	0.89
County	0.54	0.50	0.48
Local School	1.34	1.14	1.09
Regional High School	0.68	0.55	0.57
<u>Assessed Valuations</u>			
2013	<u>\$ 294,505,180.00</u> *		
2012		<u>\$ 342,337,122.00</u>	
2011			<u>\$ 349,816,154.00</u>

* - Reassessment Year

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 7: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$ 10,782,983.40	\$ 10,459,563.77	97.00%
2012	10,717,614.78	10,364,451.64	96.70%
2011	10,606,703.45	10,322,232.34	97.31%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Risk Management

The Borough 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. Health benefits are provided to employees through the State of New Jersey health benefits plan.

The Borough of Stanhope is a member of the Morris County Municipal Joint Insurance Fund. This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by the fund to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle

As a member of the Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 8: Risk Management (Cont'd)

The December 31, 2013 audit report for this fund was not filed as of the date of this report. Selected financial information for this Fund as of December 31, 2012 is as follows:

	<u>Morris County Municipal Joint Insurance Fund</u>
Total Assets	\$ 23,194,903
Net Position	\$ 9,573,823
Total Revenue	\$ 14,615,049
Total Expenses	\$ 16,961,968
Change in Net Position	\$ (2,346,919)
Members Dividends	\$ -0-

Financial statements for the fund are available at the Office of the Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054
(201) 881-7632

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough/employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Interest Earned</u>	<u>Borough/ Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 99.38	\$ 15,500.00	\$ 11,238.18	\$ 33,357.95
2012	121.66	15,500.00	2,336.78	46,642.83
2013	79.48	15,500.00	1,165.76	61,056.55

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 9: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal 5% of the average daily balance of public funds; and

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

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

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

As of December 31, 2013, cash and cash equivalents of the Borough of Stanhope consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>NJ Cash Management Fund</u>	<u>Totals</u>
Current	\$ 250.00	\$ 2,512,203.93	\$ 97,626.08	\$ 2,610,080.01
Animal Control		17,454.96		17,454.96
Other Trust		557,363.69		557,363.69
General Capital		431,105.37	6,863.69	437,969.06
Water Operating	50.00	292,518.94	89,721.13	382,290.07
Water Capital		71,073.36	4,769.15	75,842.51
Sewer Operating	50.00	430,530.56	31,099.16	461,679.72
Sewer Capital		217,167.53	314,594.00	531,761.53
	<u>\$ 350.00</u>	<u>\$ 4,529,418.34</u>	<u>\$ 544,673.21</u>	<u>\$ 5,074,441.55</u>

During the year ended December 31, 2013, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at year end was \$5,074,441.55 and the bank balance was \$5,037,248.63. The \$544,673.21 invested with the State of New Jersey Cash Management Fund is uninsured and unregistered.

Note 10: Post-Retirement Medical Benefits

In addition to the pension benefits described in Note 5, the Borough provides other post-retirement benefits to certain Borough employees after retirement, substantially similar in nature to the health benefits provided to employees presently working.

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

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.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 10: Post-Retirement Medical Benefits (Cont'd)

In accordance with the Borough's resolution, Borough employees are entitled to the following benefits:

The coverage applies to the employee and dependents. In the event of an employee's death, coverage ceases. In order to be eligible for this benefit, the employee must have a minimum of twenty-five (25) years of full-time service with the Borough.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget.

For the year ended December 31, 2013, the Borough had 1 employee who met post-retirement eligibility requirements for health care benefits and recognized expenses of \$6,323.

Note 11: Deferred Compensation Plan

The Borough of Stanhope offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by VALIC, is available to all Borough employees and permits participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

BOROUGH OF STANHOPE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 8,938.56	\$ 40,000.00
Animal Control		8,938.56
Other Trust	40,000.00	
General Capital		154,000.00
Water Utility Operating	842.71	
Water Utility Capital	80,000.00	842.71
Sewer Utility Capital	74,000.00	
	<u>\$ 203,781.27</u>	<u>\$ 203,781.27</u>

The interfund receivable in the Current Fund and the interfund payable in the Animal Control Fund represents the statutory excess collected in the Animal Control Fund. The interfund between the General Capital Fund, the Water Utility Capital Fund and the Sewer Utility Capital Fund represents principal paydown of bond anticipation notes that have not yet been reimbursed. The interfund receivable in the Other Trust Fund and the interfund payable in the Current Fund represents the Reserve for Snow Removal. The interfund between the Water Utility Operating Fund and the Water Utility Capital Fund represents the adjustment of accrued interest.

Note 13: Contingent Liabilities

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, disputes over contract awards, and as one of several hundred third-party defendants in "superfund" litigation. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Borough's financial position as of December 31, 2013.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

Various tax appeals on assessed valuations have been filed against the Borough and are awaiting a final decision. The ultimate outcome and effect of such appeals have not been determined; however, the Borough Tax Assessor will aggressively defend the Borough's assessments. The Borough has established a reserve for this contingency in the amount of \$139,792.61, which the Borough believes is adequate to cover any potential liability.

Note 14: Economic Dependency

The Borough receives a substantial amount of its support from the federal and state government. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

SUPPLEMENTARY DATA

BOROUGH OF STANHOPE
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2013

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Rosemarie Maio	Mayor		
Diana Kuncken	Council President		
James Benson	Councilperson		
Michael Depew	Councilperson		
George Graham	Councilperson (to April 23, 2013)		
Doreen Thistleton	Councilperson		
Bill Thornton	Councilperson		
Patricia Zdichocki	Councilperson (from May 14, 2013)		
Brian McNeilly	Administrator	*	
Ellen Horak	Borough Clerk	*	
Dana Mooney	Chief Financial Officer/Tax Collector	\$ 1,000,000	Municipal Excess Liability JIF
Toni Grisaffi	Sewer Collector, Water Collector	1,000,000	Municipal Excess Liability JIF
Richard Stein	Attorney		

* All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by the Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
CURRENT FUND

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 2,432,660.32
Increased by Receipts:		
Tax Collector		\$ 10,984,261.60
Revenue Accounts Receivable		357,305.75
Miscellaneous Revenue Not Anticipated		134,548.22
Change Fund		25.00
Appropriation Refunds		80,192.83
Due to State of New Jersey		
Veterans and Senior Citizens' Deductions		29,530.82
Training Fees		3,307.00
Marriage License Fees		525.00
Due Animal Control License Fund		4,632.50
Due Other Trust Funds		617.71
Due to General Capital Fund		876.71
Unappropriated Reserves:		
Body Armor Replacement Fund		1,527.49
Drunk Driving Enforcement Fund		1,900.05
Clean Communities Program		6,885.99
Click-It or Ticket		4,000.00
Safe and Secure Communities		52,500.00
Recycling Tonnage Grant		3,551.26
		11,666,187.93
		14,098,848.25

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF CASH - TREASURER

Decreased by Disbursements:

2013 Appropriation Expenditures	\$ 3,616,556.39
2012 Appropriation Reserves	117,005.59
Local School District Taxes	3,957,293.00
Regional School Taxes	1,986,683.00
County Taxes	1,601,187.07
Tax Overpayment Refunds	16,075.74
Due to State of New Jersey	
Training Fees	3,560.00
Marriage License Fees	525.00
Reserve for Shade Tree	686.00
Reserve for Third Party Tax Title Liens	158,329.11
Reserve for Revaluation	5,613.32
Refund of Prior Year Revenue	3,983.17
Appropriated Reserves:	
Housing Reimbursement Program	12,400.00
Clean Communities Program	4,790.41
Drunk Driving Enforcement Fund	1,929.58
Body Armor Replacement Program	1,377.00
Cablevision Grant	579.86
Shade Tree	344.00

\$ 11,488,918.24

Balance December 31, 2013

A

\$ 2,609,930.01

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by Receipts:

Taxes Receivable	\$ 10,666,250.91	
Tax Title Liens Receivable	3,037.54	
2014 Prepaid Taxes	52,240.79	
Tax Overpayments	42,199.74	
Outside Liens	158,329.11	
Interest and Costs on Taxes	62,078.51	
Nonbudget Revenue	125.00	
	<u>125.00</u>	<u>\$ 10,984,261.60</u>

Decreased by:

Payments to Treasurer		<u>\$ 10,984,261.60</u>
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CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2013 Levy	Added Taxes	Collections		Tax Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Foreclosed Property	Transferred to Tax Title Liens	Balance
	Dec 31, 2012			2012	2013						Dec 31, 2013
2006	\$ 514.84								\$ 514.84		
2007	549.00								549.00		
2008	575.60								575.60		
2011	2,693.76				\$ 2,693.76						
2012	292,665.58				292,413.33			\$ 178.12		\$ 74.13	
	296,998.78				295,107.09			178.12	1,639.44	74.13	
2013		\$ 10,782,983.40	\$ 733.39	\$ 41,742.75	10,371,143.82	\$ 16,927.20	\$ 29,750.00	32,904.75	14,287.42	22,500.19	\$ 254,460.66
	\$ 296,998.78	\$ 10,782,983.40	\$ 733.39	\$ 41,742.75	\$ 10,666,250.91	\$ 16,927.20	\$ 29,750.00	\$ 33,082.87	\$ 15,926.86	\$ 22,574.32	\$ 254,460.66

Ref. A A

Analysis of 2013 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 10,764,164.33
Added Taxes (54:4-63.1 et seq.)	18,819.07
	<u>\$ 10,782,983.40</u>

Tax Levy:

Local School District Taxes	\$ 3,957,293.00
Regional High School Taxes	1,986,683.00
County Taxes	\$ 1,598,036.74
County Added and Omitted Taxes	2,801.03
	<u>1,600,837.77</u>
	7,544,813.77
Local Tax for Municipal Purposes	\$ 3,221,928.00
Add: Additional Tax Levied	16,241.63
	<u>3,238,169.63</u>
	<u>\$ 10,782,983.40</u>

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2012	A	\$	185,168.89
Increased by:			
Interest and Costs		\$	21.28
Transfer from Taxes Receivable			<u>22,574.32</u>
			<u>22,595.60</u>
			207,764.49
Decreased by:			
Cash Collections			3,037.54
Transfer to Foreclosed Property			<u>63,084.54</u>
			<u>66,122.08</u>
Balance December 31, 2013	A	<u>\$</u>	<u>141,642.41</u>

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance Dec 31, 2012</u>	<u>Accrued In 2013</u>	<u>Collected by Treasurer</u>	<u>Cancelled</u>	<u>Balance Dec 31, 2013</u>
Clerk:					
Licenses:					
Alcoholic Beverages		\$ 3,136.00	\$ 3,136.00		
Fees and Permits		4,685.00	4,685.00		
Zoning Officer:					
Fees and Permits		2,020.00	2,020.00		
Board of Health:					
Fees and Permits		1,000.00	1,000.00		
Construction Code Official:					
Fees and Permits		84,592.00	84,592.00		
Municipal Court:					
Fines and Costs	\$ 3,652.12	35,981.76	35,450.88		\$ 4,183.00
Police Department:					
Fees and Permits		679.23	679.23		
Planning Board/Board of Adjustment:					
Fees and Permits		250.00	250.00		
Energy Receipts Tax		184,301.00	184,301.00		
Consolidated Municipal Property Tax Relief Aid		32,281.00	32,281.00		
Reserve to Pay Debt Service		8,910.64	8,910.64		
ANJEC Smart Growth 2010 - ERI Maps	5,000.00			\$ 5,000.00	
Business Stimulus Fund - Forestry Grant	439.00			439.00	
Police Accreditation Services		50,000.00			50,000.00
2009 Highlands Initial Assessment Grant	5,728.62				5,728.62
2009 Highlands Plan Conformance Grant	23,245.78				23,245.78
	<u>\$ 38,065.52</u>	<u>\$ 407,836.63</u>	<u>\$ 357,305.75</u>	<u>\$ 5,439.00</u>	<u>\$ 83,157.40</u>
<u>Ref.</u>	A				A

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Government:				
Administrative and Executive:				
Other Expenses	\$ 3,695.41	\$ 3,695.41	\$ 1,150.30	\$ 2,545.11
Mayor and Council:				
Salaries and Wages	231.71	231.71		231.71
Other Expenses	3,099.61	3,099.61	211.99	2,887.62
Municipal Clerk:				
Other Expenses	2,816.80	2,816.80	378.79	2,438.01
Financial Administration:				
Salaries and Wages	296.08	296.08		296.08
Other Expenses	1,501.24	1,501.24	858.25	642.99
Computerized Data Processing:				
Other Expenses	889.37	889.37	74.90	814.47
Assessment of Taxes:				
Other Expenses	33,643.28	33,643.28	24,709.36	8,933.92
Other Expenses - Fees & Appeals	4,703.00	4,703.00	536.25	4,166.75
Collection of Taxes:				
Other Expenses	122.49	122.49	24.00	98.49
Legal Services and Costs:				
Other Expenses	30,763.75	30,763.75	4,997.56	25,766.19
Engineering Services:				
Other Expenses	10,590.00	10,590.00	1,050.00	9,540.00
Public Buildings and Grounds:				
Salaries and Wages	36.59	36.59	36.00	0.59
Other Expenses	5,181.66	5,181.66	1,726.56	3,455.10
Municipal Land Use Law (N.J.S.A. 40:55d-1):				
Planning Board:				
Other Expenses	3,304.62	3,304.62		3,304.62
Zoning and Code Enforcement:				
Salaries and Wages	0.48	0.48		0.48
Other Expenses	526.89	526.89		526.89
Regional Planning Board:				
Other Expenses	0.45	0.45		0.45
Environmental Commission:				
Other Expenses	783.19	783.19		783.19
Shade Tree Commission:				
Other Expenses	488.12	488.12		488.12

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(continued)

	<u>Balance</u> <u>Dec 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Public Safety:				
Fire:				
Other Expenses	\$ 3,588.06	\$ 3,588.06	\$ 2,068.19	\$ 1,519.87
Police:				
Salaries and Wages	34,543.71	34,543.71		34,543.71
Other Expenses	5,740.86	5,740.86	2,776.08	2,964.78
Streets and Roads:				
Department of Public Works:				
Salaries and Wages	20,953.30	20,953.30	20,000.00	953.30
Other Expenses	47,923.76	47,923.76	43,214.74	4,709.02
Health and Welfare:				
Board of Health:				
Other Expenses	546.09	546.09		546.09
Animal Regulation:				
Other Expenses	5,101.90	5,101.90	1,154.15	3,947.75
Garbage and Trash Removal:				
Salaries and Wages	564.45	564.45	94.50	469.95
Other Expenses	11,175.56	11,175.56	1,414.93	9,760.63
Contractual	24,850.00	24,850.00	24,850.00	
Vehicle Maintenance:				
Other Expenses	2,149.21	2,149.21	1,281.13	868.08
Recreation and Education:				
Board of Recreation Commissioners:				
Other Expenses	8,166.01	8,166.01	797.86	7,368.15
Stormwater Management:				
Other Expenses	1,065.00	1,065.00		1,065.00
Road Repairs & Resurfacing	1,383.64	1,383.64	1,383.64	
Uniform Construction Code:				
Construction Code Official:				
Salaries and Wages	458.70	458.70		458.70
Other Expenses	1,000.00	1,000.00	39.95	960.05

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(continued)

	<u>Balance</u> <u>Dec 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Unclassified:				
Utilities	\$ 43,058.16	\$ 43,058.16	\$ 13,539.25	\$ 29,518.91
Condo Services:				
Other Expenses	45,920.06	45,920.06	31,634.26	14,285.80
Drunk Driving Enforcement Fund	2.95	2.95	2.95	
Social Security System (O.A.S.I.)	13,295.23	13,295.23		13,295.23
Insurance:				
General Liability Insurance	62.78	62.78		62.78
Employee Group Insurance	18,801.26	18,801.26		18,801.26
	<u>\$ 393,025.43</u>	<u>\$ 393,025.43</u>	<u>\$ 180,005.59</u>	<u>\$ 213,019.84</u>

Analysis of Balance December 31, 2012

	<u>Ref.</u>	
Unencumbered	A	\$ 334,522.77
Encumbered	A	58,502.66
		<u>\$ 393,025.43</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 117,005.59
Accounts Payable	23,000.00
Due to Other Trust Funds:	
Reserve for Snow Removal	40,000.00
	<u>\$ 180,005.59</u>

BOROUGH OF STANHOPE
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Increased by:	
Levy - Calendar Year 2013	\$ 3,957,293.00
Decreased by:	
Payments to Local School District	<u>\$ 3,957,293.00</u>

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Increased by:	
Levy - Calendar Year 2013	\$ 1,986,683.00
Decreased by:	
Payments to Regional School District	<u>\$ 1,986,683.00</u>

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
TRUST FUNDS

BOROUGH OF STANHOPE
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Other Trust Funds							
		Animal Control Fund	Recycling Tonnage Program	State Unemployment Insurance Fund	Performance Bonds and Escrow Deposits	Public Defender	Parking Offenses Adjudication Act	COAH Housing	Other
Balance December 31, 2012	B	\$ 12,881.20	\$ 35,801.34	\$ 46,642.83	\$ 53,017.26	\$ 17,123.82	\$ 2,655.10	\$ 8,889.55	\$ 277,934.59
Increased by Receipts:									
Animal Control Fees		7,461.20							
State Registration Fees		844.80							
Penalties and Miscellaneous		4,215.00							
Due to/from Current Fund:									
Interest Income		30.90			80.93				536.78
Tax Sale Premium									135,200.00
Due to Recreation Trust					280.00				
Interest on Deposits				79.48		22.22	4.02		
Unemployment Insurance Deposits				15,500.00					
Performance Bond and Escrow Deposits and Interest					2,112.42				
Parking Offenses Adjudication Act Recreation Trust							48.00		
COAH Housing Deposit and Interest								13.36	
Recycling Revenue and Interest			5,035.58						
Total Receipts		12,551.90	5,035.58	15,579.48	2,473.35	22.22	52.02	13.36	139,991.78
Total Funds Available		25,433.10	40,836.92	62,222.31	55,490.61	17,146.04	2,707.12	8,902.91	417,926.37
Decreased by Disbursements:									
State Registration Fees		847.80							
Animal Control Fund Expenditures		2,497.84							
Due to Current Fund		4,632.50			80.93				536.78
Reserve for Recycling Expenditures			3,800.32						
Performance Bond and Escrow Deposit Expenditures					4,482.80				
Public Defender Expenditures						5,000.00			
Tax Sale Premium Expenditures									28,100.00
Recreation Trust									4,702.00
State Unemployment Insurance Expenditures				1,165.76					
Total Disbursements		7,978.14	3,800.32	1,165.76	4,563.73	5,000.00			33,338.78
Balance December 31, 2013	B	\$ 17,454.96	\$ 37,036.60	\$ 61,056.55	\$ 50,926.88	\$ 12,146.04	\$ 2,707.12	\$ 8,902.91	\$ 384,587.59

BOROUGH OF STANHOPE
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF STANHOPE
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2012	B	\$	8,274.20
Increased by:			
Dog License Fees Collected		\$	4,831.20
Cat License Fees Collected			2,630.00
Penalties and Miscellaneous			4,215.00
			11,676.20
			19,950.40
Decreased by:			
Statutory Excess- Due to Current Fund			8,938.56
Animal Control Fund Expenditures			2,497.84
			11,436.40
Balance December 31, 2013	B	\$	8,514.00

License Fees Collected

<u>Year</u>		<u>Amount</u>
2011	\$	4,529.60
2012		3,984.40
		8,514.00
Maximum Allowable Reserve	\$	8,514.00

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
GENERAL CAPITAL FUND

BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance December 31, 2012	C		\$ 391,679.57
Increased by:			
Current Fund Budget Appropriation:			
Capital Improvement Fund		\$ 20,000.00	
Payment of Bond Anticipation Notes		280,000.00	
Bond Anticipation Notes Issued		1,814,945.00	
Due to/from Current Fund :			
Interest Income		876.71	
Due to Water Utility Capital Fund		80,000.00	
Due to Sewer Utility Capital Fund		74,000.00	
		<u>2,269,821.71</u>	<u>2,661,501.28</u>
Decreased by:			
Due to Sewer Utility Capital Fund		20,000.00	
Due to Current Fund:			
Interest		876.71	
Reserve for Debt Service		8,910.64	
Reserve for Preliminary Expenses		5,740.00	
Bond Anticipation Notes Payable		1,753,945.00	
Improvement Authorization Expenditures		434,059.87	
		<u>2,223,532.22</u>	
Balance December 31, 2013	C		<u>\$ 437,969.06</u>

BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec 31, 2012	Receipts			Disbursements			Transfers		Balance (Deficit) Dec 31, 2013		
		Bond Anticipation Notes	Budget Appropriations	Miscellaneous	Bond Anticipation Notes	Improvement Authori- zations	Miscellaneous	From	To			
Fund Balance	\$ 26,326.30									\$ 26,326.30		
Due Current Fund			\$ 280,000.00	\$ 876.71		\$ 876.71	\$ 280,000.00					
Due Water Utility Capital Fund				80,000.00						80,000.00		
Due Sewer Utility Capital Fund	20,000.00			74,000.00			20,000.00			74,000.00		
Capital Improvement Fund	28,146.82		20,000.00					19,046.25		29,100.57		
Reserve to Pay Debt Service	8,910.64					8,910.64						
Reserve for Sidewalk Improvements	16,655.02									16,655.02		
Reserve for Road Improvements	19,453.75							19,453.75				
Reserve for Morris Canal Rehabilitation	49,900.00									49,900.00		
Reserve for Preliminary Expenses						5,740.00		\$ 22,800.00		17,060.00		
<u>Ordinance</u>												
<u>No.</u>	<u>Date</u>	<u>Improvement Description</u>										
01-03	05/29/01	Improvements of Public Buildings	56,883.85							56,883.85		
05-09	07/11/05	Acquisition of New Fire Truck		\$ 173,000.00		\$ 260,000.00		87,000.00				
05-10	07/11/05	Acquisition of New and Additional Fire Fighting Equipment		13,000.00		20,000.00		7,000.00				
06-13	12/19/06	Acquisition of New Police Equipment		30,000.00		40,000.00		10,000.00				
07-02	04/25/07	Improvement of Elm Street and Grove Road		151,900.00		189,900.00		38,000.00				
07-05	06/26/07	Improvement of the Municipal Building	116,619.02	130,000.00		162,600.00	\$ 74,402.46	32,600.00		42,216.56		
07-06	06/26/07	Acquisition of New and Additional Equipment		17,000.00		23,302.40		6,302.40				
07-09	07/31/07	Improvement of Various Roads		110,100.00		137,700.00		27,600.00				
07-12	12/18/07	Various Improvements		20,000.00		33,842.45		13,842.45				
08-02	05/20/08	Improvements to Various Roads		55,000.00		62,000.00		7,000.00				
08-03	05/20/08	Improvement of Main Street and Grove Road	5,744.56	120,000.00		137,600.00	1,145.52	17,600.00		4,599.04		
08-09	09/30/08	Various Improvements		70,000.00		80,000.00		10,000.00				
09-08	07/21/09	Various Improvements	8,539.72	191,095.00		201,095.00	9,076.14	10,000.00		(536.42)		
09-13	07/28/09	Improvements on Main St- Phase II		35,000.00		37,255.15		2,255.15				
10-04	05/25/10	Various Improvements	40,999.62	250,000.00		256,500.00	1,202.81	6,500.00		39,796.81		
10-13	11/23/10	Acquisition of New Equipment	15,092.72	73,850.00		76,950.00	260.00	3,100.00		14,832.72		
11-13	07/12/11	Acquisition of Fire Equipment	569.25	34,000.00		35,200.00	157.87	1,200.00		411.38		
12-13	06/26/12	Acquisition of Fire Equipment	927.10			927.10						
12-15	06/26/12	Various Improvements	(23,088.80)	341,000.00		305,517.62				12,393.58		
13-07	06/11/13	Various Improvements				5,900.55		6,000.00		99.45		
13-08	06/25/13	Various Improvements				5,150.00		5,150.00				
13-12	07/09/13	Various Improvements				30,319.80		4,550.00		(25,769.80)		
			<u>\$ 391,679.57</u>	<u>\$ 1,814,945.00</u>	<u>\$ 300,000.00</u>	<u>\$ 154,876.71</u>	<u>\$ 1,753,945.00</u>	<u>\$ 434,059.87</u>	<u>\$ 35,527.35</u>	<u>\$ 318,500.00</u>	<u>\$ 318,500.00</u>	<u>\$ 437,969.06</u>

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

Ord. No.	Ord. Date	Improvement Description	Balance Dec 31, 2012	2013 Authorizations	Notes Paid by Budget Appropriation	Prior Period Adjustment	Balance Dec 31, 2013	Analysis of Balance December 31, 2013		
								Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
05-09	07/11/05	Acquisition of New Fire Truck	\$ 260,000.00		\$ 87,000.00		\$ 173,000.00	\$ 173,000.00		
05-10	07/11/05	Acquisition of New and Additional Fire Fighting Equipment	20,000.00		7,000.00		13,000.00	13,000.00		
06-13	12/19/06	Acquisition of New Police Equipment	40,000.00		10,000.00		30,000.00	30,000.00		
07-02	04/25/07	Improvement of Elm Street and Grove Road	189,900.00		38,000.00		151,900.00	151,900.00		
07-05	06/26/07	Improvement of the Municipal Building	162,600.00		32,600.00		130,000.00	130,000.00		
07-06	06/26/07	Acquisition of New and Additional Equipment	23,302.40		6,302.40		17,000.00	17,000.00		
07-09	07/31/07	Improvement of Various Roads	137,700.00		27,600.00		110,100.00	110,100.00		
07-12	12/18/07	Improvement of Various Roads	33,842.45		13,842.45		20,000.00	20,000.00		
08-02	05/20/08	Improvement of Various Roads	62,000.00		7,000.00		55,000.00	55,000.00		
08-03	05/20/08	Improvement on Main St and Grove St	137,600.00		17,600.00		120,000.00	120,000.00		
08-09	09/30/08	Various Improvements	80,000.00		10,000.00		70,000.00	70,000.00		
09-08	07/21/09	Various Improvements	201,095.00		10,000.00	\$ 6,448.91	197,543.91	191,095.00	\$ 536.42	\$ 5,912.49
09-13	07/28/09	Improvements on Main St- Phase II	37,255.15		2,255.15		35,000.00	35,000.00		
10-04	06/22/10	Various Improvements	271,500.00		6,500.00		265,000.00	250,000.00		15,000.00
10-13	11/23/10	Acquisition of New Equipment	81,950.00		3,100.00		78,850.00	73,850.00		5,000.00
11-13	07/12/11	Acquisition of Fire Equipment	35,200.00		1,200.00		34,000.00	34,000.00		
12-15	06/26/12	Various Improvements	341,000.00				341,000.00	341,000.00		
13-12	07/09/13	Various Improvements		\$ 86,450.00			86,450.00		25,769.80	60,680.20
			<u>\$ 2,114,945.00</u>	<u>\$ 86,450.00</u>	<u>\$ 280,000.00</u>	<u>\$ 6,448.91</u>	<u>\$ 1,927,843.91</u>	<u>\$ 1,814,945.00</u>	<u>\$ 26,306.22</u>	<u>\$ 86,592.69</u>
	<u>Ref.</u>			C			C			
							Improvement Authorizations - Unfunded			\$ 200,842.78
							Less: Unexpended Proceeds of Bond Anticipation			
							Notes Issued:			
							Ordinance # 07-05	\$ 42,216.56		
							Ordinance # 08-03	4,599.04		
							Ordinance # 10-04	39,796.81		
							Ordinance # 10-13	14,832.72		
							Ordinance # 11-13	411.38		
							Ordinance # 11-13	12,393.58		
										<u>114,250.09</u>
										<u>\$ 86,592.69</u>

BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012		2013 Authorizations		Paid or Charged	Prior Period Adjustment	Balance Dec. 31, 2013	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded
01-03	Improvements of Public Buildings	05/29/01	\$ 200,000.00	\$ 56,883.85						\$ 56,883.85	
07-05	Improvement of the Municipal Building	06/26/07	236,000.00		\$ 116,619.02			\$ 74,402.46			\$ 42,216.56
08-03	Improvement of Main Street and Grove Road	05/20/08	335,000.00		5,744.56			1,145.52			4,599.04
09-08	Various Improvements	07/21/09	421,900.00		8,539.72			9,076.14	\$ 6,448.91		5,912.49
10-04	Various Improvements	05/25/10	500,000.00		55,999.62			1,202.81			54,796.81
10-13	Acquisition of New Equipment	11/23/10	90,000.00		20,092.72			260.00			19,832.72
11-13	Acquisition of Fire Equipment	07/12/11	37,000.00		569.25			157.87			411.38
12-13	Acquisition of Fire Equipment	06/26/12	5,500.00	927.10				927.10			
12-15	Various Improvements	06/26/12	359,000.00		317,911.20			305,517.62			12,393.58
13-07	Various Improvements	06/11/13	6,000.00			\$ 6,000.00		5,900.55		99.45	
13-08	Various Improvements	06/25/13	5,150.00			5,150.00		5,150.00			
13-12	Various Improvements	07/09/13	91,000.00			4,550.00	\$ 86,450.00	30,319.80			60,680.20
				\$ 57,810.95	\$ 525,476.09	\$ 15,700.00	\$ 86,450.00	\$ 434,059.87	\$ 6,448.91	\$ 56,983.30	\$ 200,842.78
	<u>Ref.</u>			C	C					C	C

BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 28,146.82
Increased by:		
Current Fund Budget Appropriation		20,000.00
		48,146.82
Decreased by:		
Appropriated to Finance Improvement Authorizations		\$ 15,700.00
Preliminary Expenses		3,346.25
		19,046.25
Balance December 31, 2013	C	\$ 29,100.57

**BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Ord. No.	Improvement Description	Date of			Interest Rate	Balance		Balance	
		Issue of Original Note	Issue	Maturity		Dec 31, 2012	Issued	Matured	Dec 31, 2013
05-09	Acquisition of New Fire Truck	11/18/05	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	\$ 260,000.00	\$ 173,000.00	\$ 260,000.00	\$ 173,000.00
05-10	Acquisition of New and Additional Fire Fighting Equipment	11/18/05	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	20,000.00	13,000.00	20,000.00	13,000.00
06-13	Acquisition of New Police Equipment	12/19/06	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	40,000.00	30,000.00	40,000.00	30,000.00
07-02	Improvement of Elm Street and Grove Road	04/25/07	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	189,900.00	151,900.00	189,900.00	151,900.00
07-05	Improvement of the Municipal Building	10/26/07	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	162,600.00	130,000.00	162,600.00	130,000.00
07-06	Acquisition of New and Additional Equipment	10/26/07	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	23,302.40	17,000.00	23,302.40	17,000.00
07-09	Improvement of Various Roads	10/26/07	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	137,700.00	110,100.00	137,700.00	110,100.00
07-12	Various Improvements	10/26/07	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	33,842.45	20,000.00	33,842.45	20,000.00
08-02	Improvement of Various Roads	06/04/09	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	62,000.00	55,000.00	62,000.00	55,000.00
08-03	Improvement of Main St and Grove Rd	06/04/09	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	137,600.00	120,000.00	137,600.00	120,000.00
08-09	Various Improvements	06/04/09	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	80,000.00	70,000.00	80,000.00	70,000.00
09-13	Improvements on Main St- Phase II	06/04/09	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	37,255.15	35,000.00	37,255.15	35,000.00
09-08	Various Improvements	06/03/10	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	201,095.00	191,095.00	201,095.00	191,095.00
10-04	Various Improvements	06/03/11	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	256,500.00	250,000.00	256,500.00	250,000.00
10-13	Acquisition of New Equipment	06/03/11	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	76,950.00	73,850.00	76,950.00	73,850.00
11-13	Acquisition of Fire Equipment	05/31/12	05/31/12 05/30/13	05/31/13 05/30/14	0.980% 0.840%	35,200.00	34,000.00	35,200.00	34,000.00
12-15	Various Improvements	05/30/13	05/30/13	05/30/14	0.840%		341,000.00		341,000.00
						<u>\$ 1,753,945.00</u>	<u>\$ 1,814,945.00</u>	<u>\$ 1,753,945.00</u>	<u>\$ 1,814,945.00</u>

Ref.	C	C
Renewed		\$ 1,473,945.00
New Issues		341,000.00
Paid by Budget Appropriation		<u>280,000.00</u>
		<u>\$ 1,814,945.00</u>

BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF STANHOPE
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec 31, 2012</u>	<u>2013 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Prior Period Adjustment</u>	<u>Balance Dec 31, 2013</u>
09-08	07/21/09	Various Improvements				\$ 6,448.91	\$ 6,448.91
10-04	05/25/10	Various Improvements	\$ 15,000.00				15,000.00
10-13	11/23/10	Acquisition of New Equipment	5,000.00				5,000.00
12-15	06/26/12	Various Improvements	341,000.00		\$ 341,000.00		
13-12	07/09/13	Various Improvements		\$ 86,450.00			86,450.00
			<u>\$ 361,000.00</u>	<u>\$ 86,450.00</u>	<u>\$ 341,000.00</u>	<u>\$ 6,448.91</u>	<u>\$ 112,898.91</u>

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
WATER UTILITY FUND

BOROUGH OF STANHOPE
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	D	\$ 304,685.24	\$ 110,994.19
Increased by Receipts:			
Consumer Accounts Receivable - Water Rents		\$ 585,987.30	
Interest on Water Rents		8,790.93	
Miscellaneous Revenue		7,202.37	
Water Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			\$ 5,000.00
Payment of Bond Anticipation Notes			80,000.00
Bond Anticipation Notes Issued			367,500.00
Due from Water Utility Capital Fund		133.00	
Due to Water Utility Operating Fund - Interest Income			133.00
		<u>602,113.60</u>	<u>452,633.00</u>
		906,798.84	563,627.19
Decreased by Disbursements:			
2013 Appropriation Expenditures		504,993.73	
2012 Appropriation Reserves		17,923.54	
Interest on Bonds and Notes		1,641.50	
Bond Anticipation Notes Matured			167,500.00
Improvement Authorizations			240,151.68
Due from General Capital Fund			80,000.00
Due to Water Utility Operating Fund			133.00
		<u>524,558.77</u>	<u>487,784.68</u>
Balance December 31, 2013	D	<u>\$ 382,240.07</u>	<u>\$ 75,842.51</u>

BOROUGH OF STANHOPE
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - UTILITY COLLECTOR
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER CAPITAL CASH

	Balance/ (Deficit) Dec.31,2012	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec.31,2013	
		Bond Anticipation Notes	Budget Appropriations	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To		
Capital Improvement Fund	\$ 20,566.54		\$ 5,000.00							\$ 25,566.54	
Due Water Utility Operating Fund				\$ 133.00					\$ 842.71	842.71	
Due General Capital Fund						\$ 133.00				(80,000.00)	
Fund Balance	49,118.90					80,000.00				49,118.90	
Reserve for Connection Fees	38,231.00									38,231.00	
Ordinance											
<u>No.</u>		<u>General Improvements</u>									
2010-03	Improvement to Water Supply and Distribution System.	72,534.94	\$ 52,500.00	80,000.00	\$ 1,706.29	\$ 167,500.00				35,828.65	
2012-10	Improvement to Water Supply and Distribution System	(110,946.59)	120,000.00		283.65					8,769.76	
2012-13	Purchase Radio Read/ Touchpads	14,990.00			14,990.00						
2012-14	Acquisition of New and Additional Vehicular Equipment	(75.60)	60,000.00		35,993.47					23,930.93	
2012-18	Improvement to Water Supply and Distribution System	(158.70)	100,000.00		131,612.21			\$ 842.71		(32,613.62)	
2012-19	Preliminary Engineering for Phase I Water System Improvements	26,733.70			25,767.00					966.70	
2013-02	Acquisition and Installation of a New Generator		35,000.00		29,102.22					5,897.78	
2013-11	Acquisition of New and Additional Equipment				696.84					(696.84)	
		<u>\$ 110,994.19</u>	<u>\$ 367,500.00</u>	<u>\$ 85,000.00</u>	<u>\$ 133.00</u>	<u>\$ 240,151.68</u>	<u>\$ 167,500.00</u>	<u>\$ 80,133.00</u>	<u>\$ 842.71</u>	<u>\$ 842.71</u>	<u>\$ 75,842.51</u>

BOROUGH OF STANHOPE
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2012	D		\$ 74,265.88
Increased by:			
2013 Water Charges Levied			<u>603,585.52</u>
			677,851.40
Decreased by:			
Collections		\$ 585,987.30	
Overpayments Applied		<u>233.53</u>	
			<u>586,220.83</u>
Balance December 31, 2013	D		<u>\$ 91,630.57</u>

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec.31, 2012	Transferred from Fixed Capital Authorized and Uncompleted	Additions By Budget	Balance Dec.31, 2013
General Plant Equipment	\$ 73,681.46			\$ 73,681.46
Reservoir	19,263.63			19,263.63
Wells and Well House	66,156.02			66,156.02
Pump House	3,587.99			3,587.99
Distribution Mains and Accessories	103,285.91			103,285.91
General Equipment	1,737.20			1,737.20
Hydrants	1,441.55			1,441.55
Water Tank and Fence	53,183.01			53,183.01
Meters	56,557.48			56,557.48
Office Building	3,000.00			3,000.00
Chlorinator	11,618.13			11,618.13
Additional Water Supply	50,000.00			50,000.00
Extension of Water Main	6,000.00			6,000.00
Purchase and Installation of One Hundred Water Meters	8,000.00			8,000.00
Improvement to Reservoirs and Associated Pumping Equipment	5,000.00			5,000.00
Construction of a Well House	250,084.42			250,084.42
Improvement to Water System	916,810.75			916,810.75
Purchase of DPW Truck	8,000.00			8,000.00
Purchase of Storage Shed	3,000.00			3,000.00
Fencing at Well #2	4,300.00			4,300.00
Installation of Gate Closing Equipment	1,500.00			1,500.00
Improvement to Water System	1,089,397.91			1,089,397.91
Dump Truck	4,974.00			4,974.00
Computer Equipment	5,500.00			5,500.00
Water Meter Reader	118,606.50			118,606.50
Improvement to Water System	756,960.00			756,960.00
Purchase of DPW Backhoe	28,000.00			28,000.00
Purchase of Dump Truck	33,000.00			33,000.00
Backhoe Hammer Attachment	13,575.00			13,575.00
Improvement to Water Tower	30,000.00			30,000.00
Purchase and Installation of New Generator	45,000.00			45,000.00
Purchase Radio Read/Touchpads		\$ 15,000.00	\$ 5,960.00	20,960.00
	<u>\$ 3,771,220.96</u>	<u>\$ 15,000.00</u>	<u>\$ 5,960.00</u>	<u>\$ 3,792,180.96</u>

D

D

Appropriation Reserves	\$ 540.00
Current Year Budget	<u>5,420.00</u>
	<u>\$ 5,960.00</u>

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>No.</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec.31, 2012</u>	<u>Authorizations Deferred Charges to Future Revenue</u>	<u>Transfers</u>	<u>Costs to Fixed Capital</u>	<u>Balance Dec.31, 2013</u>
Improvement to Water Supply and Distribution System	2010-03	05/25/10	\$ 250,000.00	\$ 250,000.00		\$ (35,000.00)		\$ 215,000.00
Improvement to Water Supply and Distribution System	2012-10	05/22/12	120,000.00	120,000.00				120,000.00
Purchase Radio Read/ Touchpads	2012-13	06/26/12	15,000.00	15,000.00			\$ 15,000.00	
Acquisition of New and Additional Vehicular Equipment	2012-14	06/26/12	60,000.00	60,000.00				60,000.00
Improvement to Water Supply and Distribution System	2012-18	11/27/12	2,300,000.00	2,300,000.00				2,300,000.00
Preliminary Engineering for Phase I Water System Improvements	2012-19	10/23/12	83,000.00	83,000.00				83,000.00
Acquisition and Installation of a New Generator	2013-02	03/26/13	35,000.00			35,000.00		35,000.00
Acquisition of New and Additional Equipment	2013-11	07/09/13	140,000.00		\$ 140,000.00			140,000.00
				<u>\$ 2,828,000.00</u>	<u>\$ 140,000.00</u>	<u>\$ -0-</u>	<u>\$ 15,000.00</u>	<u>\$ 2,953,000.00</u>
		<u>Ref.</u>		D				D

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012		Authorizations	Paid or Charged	Adjustment	Balance Dec. 31, 2013	
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Revenue			Funded	Unfunded
2010-03	Improvement to Water Supply and Distribution System	05/25/10	\$ 250,000.00		\$ 72,534.94		\$ 1,706.29	\$ (35,000.00)		\$ 35,828.65
2012-10	Improvement to Water Supply and Distribution System	05/22/12	120,000.00		9,053.41		283.65			8,769.76
2012-13	Purchase Radio Read/ Touchpads	06/26/12	15,000.00	\$ 14,990.00			14,990.00			
2012-14	Acquisition of New and Additional Vehicular Equipment	06/26/12	60,000.00		59,924.40		35,993.47			23,930.93
2012-18	Improvement to Water Supply and Distribution System	11/27/12	2,300,000.00		2,299,841.30		132,454.92			2,167,386.38
2012-19	Preliminary Engineering for Phase I Water System Improvements	10/23/12	83,000.00	26,733.70			25,767.00		\$ 966.70	
2013-02	Acquisition and Installation of a New Generator	03/26/13	35,000.00				29,102.22	35,000.00		5,897.78
2013-11	Acquisition of New and Additional Equipment	07/09/13	140,000.00			\$ 140,000.00	696.84			139,303.16
				<u>\$ 41,723.70</u>	<u>\$ 2,441,354.05</u>	<u>\$ 140,000.00</u>	<u>\$ 240,994.39</u>	<u>\$ -0-</u>	<u>\$ 966.70</u>	<u>\$ 2,381,116.66</u>
<u>Ref.</u>				D	D				D	D
							Cash Disbursed	\$ 240,151.68		
							Due to Water Utility Operating Fund - Accrued Interest	842.71		
							<u>\$ 240,994.39</u>			

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 20,566.54
Increased by:		
Due from Water Utility Operating Fund - 2013 Budget Appropriation		<u>5,000.00</u>
Balance December 31, 2013	D	<u>\$ 25,566.54</u>

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>		
Balance December 31, 2012	D		\$ 3,771,220.96
Increased by:			
Transfer from Deferred Reserve for Amortization		\$ 15,000.00	
Additions by Budget:			
Appropriation Reserves		540.00	
Current Year Budget		5,420.00	
		<u>20,960.00</u>	<u>20,960.00</u>
Balance December 31, 2013	D		<u>\$ 3,792,180.96</u>

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec.31, 2012</u>	<u>Funded by Budget Appropriation</u>	<u>To Reserve for Amorti- zation</u>	<u>Balance Dec.31, 2013</u>
2010-03	Improvement to Water Supply and Distribution System	05/25/10	\$ 82,500.00	\$ 80,000.00		\$ 162,500.00
2012-13	Purchase Radio Read/ Touchpads	06/26/12	15,000.00		\$ 15,000.00	
2012-19	Preliminary Engineering for Phase I Water System Improvements	10/23/12	<u>83,000.00</u>			<u>83,000.00</u>
			<u>\$ 180,500.00</u>	<u>\$ 80,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 245,500.00</u>
		<u>Ref.</u>	D			D

**BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Ord. No.	Improvement Description	Date of		Interest Rate	Balance Dec.31, 2012	Issued	Matured	Balance Dec.31, 2013
		Issue of Original Note	Issue					
2010-03	Improvement to Water Supply and Distribution System	06/03/11	05/31/12	05/31/13	\$ 167,500.00		\$ 167,500.00	
		06/03/11	05/31/13	05/30/14			\$ 87,500.00	
2012-10	Improvement to Water Supply and Distribution System	05/31/13	05/31/13	05/30/14	0.840%	120,000.00		120,000.00
2012-14	Acquisition of New and Additional Vehicular Equipment	05/31/13	05/31/13	05/30/14	0.840%	60,000.00		60,000.00
2012-18	Improvement to Water Supply and Distribution System	05/31/13	05/31/13	05/30/14	0.840%		100,000.00	100,000.00
					\$ 167,500.00	\$ 367,500.00	\$ 167,500.00	\$ 367,500.00
					<u>Ref.</u>	D		D
					Renewed	\$ 87,500.00	\$ 87,500.00	
					New Issues	280,000.00		
					Paid by Budget Appropriation		80,000.00	
						\$ 367,500.00	\$ 167,500.00	

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER SUPPLY BOND REHABILITATION LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF STANHOPE
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec.31, 2012</u>	<u>2013 Authori- zations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec.31, 2013</u>
2012-10	05/22/12	Improvement to Water Supply and Distribution System	\$ 120,000.00		\$ 120,000.00	
2012-14	06/26/12	Acquisition of New and Additional Vehicular Equipment	60,000.00		60,000.00	
2012-18	11/27/12	Improvement to Water Supply and Distribution System	2,300,000.00		100,000.00	\$ 2,200,000.00
2013-11	07/09/13	Acquisition of New and Additional Equipment		\$ 140,000.00		140,000.00
			<u>\$ 2,480,000.00</u>	<u>\$ 140,000.00</u>	<u>\$ 280,000.00</u>	<u>\$ 2,340,000.00</u>

BOROUGH OF STANHOPE
COUNTY OF SUSSEX
2013
SEWER UTILITY FUND

BOROUGH OF STANHOPE
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	E	\$ 427,738.13	\$ 522,061.72
Increased by Receipts:			
Consumer Accounts Receivable - Sewer Rents		\$ 950,802.85	
Interest on Sewer Rents		18,882.26	
Interest on Investments and Deposits		448.49	
Sewer Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			\$ 5,000.00
Payment of Bond Anticipation Notes			74,000.00
Bond Anticipation Notes Issued			80,000.00
Due to General Capital Fund			20,000.00
Due from Sewer Utility Capital Fund		534.95	
Due to Sewer Utility Operating Fund - Interest Income			534.95
		<u>970,668.55</u>	<u>179,534.95</u>
		1,398,406.68	701,596.67
Decreased by Disbursements:			
2013 Appropriation Expenditures		932,569.18	
2012 Appropriation Reserves		3,481.78	
Interest on Bonds and Notes		726.00	
Bond Anticipation Notes Matured			94,000.00
Improvement Authorizations			1,300.19
Due from General Capital Fund			74,000.00
Due to Sewer Utility Operating Fund			534.95
		<u>936,776.96</u>	<u>169,835.14</u>
Balance December 31, 2013	E	<u>\$ 461,629.72</u>	<u>\$ 531,761.53</u>

BOROUGH OF STANHOPE
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - UTILITY COLLECTOR
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER CAPITAL CASH

	Balance/ (Deficit) Dec 31, 2012	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec 31, 2013	
		Bond Anticipation Notes	Budget Appropriations	Miscel- laneous	Bond Anticipation Notes	Improvement Authorizations	Miscel- laneous	From	To		
Capital Fund Balance	\$ 68,009.04									\$ 68,009.04	
Capital Improvement Fund	93,789.68		\$ 5,000.00				\$ 51,200.00			47,589.68	
Due General Capital Fund	(20,000.00)			\$ 20,000.00		\$ 74,000.00				(74,000.00)	
Due Sewer Utility Operating Fund				534.95		534.95					
Reserve for Connection Fees	330,335.00									330,335.00	
Reserve for Debt Service	50,000.00									50,000.00	
Reserve for Preliminary Expenses								\$ 11,200.00		11,200.00	
Ordinance No.											
	<u>General Improvements</u>										
08-11	Improvement of the Sanitary Sewerage System	\$ 20,000.00	74,000.00		\$ 94,000.00						
12-16	Improvement of the Sanitary Sewerage System	(72.00)	60,000.00			\$ 714.89				59,213.11	
13-07	Purchase of Radio Read Units & Touchpads					11.50		40,000.00		39,988.50	
13-10	Acquisition of New and Additional Equipment					573.80				(573.80)	
		<u>\$ 522,061.72</u>	<u>\$ 80,000.00</u>	<u>\$ 79,000.00</u>	<u>\$ 20,534.95</u>	<u>\$ 94,000.00</u>	<u>\$ 1,300.19</u>	<u>\$ 74,534.95</u>	<u>\$ 51,200.00</u>	<u>\$ 51,200.00</u>	<u>\$ 531,761.53</u>

BOROUGH OF STANHOPE
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 174,038.11
Increased by:		
2013 Sewer Charges Levied		929,068.10
		<u>1,103,106.21</u>
Decreased by:		
Collections		950,802.85
		<u>950,802.85</u>
Balance December 31, 2013	E	<u>\$ 152,303.36</u>

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec 31, 2012</u>	<u>Balance</u> <u>Dec 31, 2013</u>
Sanitary Sewer System Ordinances:		
Sanitary Sewerage Collection System	\$ 1,116,217.74	\$ 1,116,217.74
Improvement to Sanitary Sewerage Collection System	2,549,240.90	2,549,240.90
Purchase New Sewer Equipment	8,500.00	8,500.00
Purchase DPW Truck	8,000.00	8,000.00
Sewer System Extension Work	35,000.00	35,000.00
Purchase of Storage Shed	3,000.00	3,000.00
Purchase DPW Truck	44,980.00	44,980.00
Purchase and Installation of Gate Closing Equipment	2,500.00	2,500.00
Improvement of Sewer System	499,602.43	499,602.43
Computer Equipment	5,500.00	5,500.00
Purchase of Sewer Equipment	17,228.93	17,228.93
Purchase of DPW Backhoe	28,000.00	28,000.00
Purchase of Dump Truck	33,000.00	33,000.00
Acquisition of Sewer Cameras	85,000.00	85,000.00
Purchase of Backhoe Pallet Attachment	2,500.00	2,500.00
Purchase and Installation of New Generator	32,104.30	32,104.30
	<u>\$ 4,470,374.30</u>	<u>\$ 4,470,374.30</u>
<u>Ref.</u>	E	E

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Amount</u>	<u>Balance</u> <u>Dec 31, 2012</u>	<u>2013 Authori -</u> <u>zations</u>	<u>Balance</u> <u>Dec 31, 2013</u>
	<u>No.</u>	<u>Date</u>				
Improvement of the Sanitary Sewerage System	12-16	6/26/12	\$ 60,000.00	\$ 60,000.00		\$ 60,000.00
Purchase of Radio Read Units & Touchpads	13-07	6/11/13	40,000.00		\$ 40,000.00	40,000.00
Acquisition of New and Additional Equipment	13-10	7/9/13	105,000.00		105,000.00	105,000.00
				<u>\$ 60,000.00</u>	<u>\$ 145,000.00</u>	<u>\$ 205,000.00</u>
			<u>Ref.</u>	E		E

BOROUGH OF STANHOPE
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 1,166.41	\$ 1,166.41		\$ 1,166.41
Other Expenses	51,043.47	51,043.47	\$ 3,481.78	47,561.69
Deferred Charges and Statutory				
Expenditures:				
Social Security System (O.A.S.I.)	223.92	223.92		223.92
	<u>\$ 52,433.80</u>	<u>\$ 52,433.80</u>	<u>\$ 3,481.78</u>	<u>\$ 48,952.02</u>

Analysis of Balance December 31, 2012

	<u>Ref.</u>	
Unencumbered	E	\$ 48,994.91
Encumbered	E	<u>3,438.89</u>
		<u>\$ 52,433.80</u>

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012 Unfunded	2013 Authorizations		Paid or Charged	Balance Dec. 31, 2013	
		Date	Amount		Capital Improvement Fund	Deferred Charges to Future Revenue		Funded	Unfunded
12-16	Improvement of Sanitary Sewerage System	6/26/12	\$ 60,000.00	\$ 59,928.00			\$ 714.89		\$ 59,213.11
13-07	Purchase of Radio Read Units & Touchpads	6/11/13	40,000.00		\$ 40,000.00		11.50	\$ 39,988.50	
13-10	Acquisition of New and Additional Equipment	7/9/13	105,000.00			\$ 105,000.00	573.80		104,426.20
				<u>\$ 59,928.00</u>	<u>\$ 40,000.00</u>	<u>\$ 105,000.00</u>	<u>\$ 1,300.19</u>	<u>\$ 39,988.50</u>	<u>\$ 163,639.31</u>
			<u>Ref.</u>	E				E	E

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 93,789.68
Increased by:		
Due from Sewer Utility Operating Fund - 2013 Budget Appropriation		5,000.00
		98,789.68
Decreased by:		
Appropriated to Finance Improvement Authorizations	\$ 40,000.00	
Preliminary Expenses	11,200.00	
		51,200.00
Balance December 31, 2013	E	\$ 47,589.68

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 4,376,374.30
Increased by:		
Due from Sewer Utility Operating Fund - 2013 Budget Appropriation		<u>74,000.00</u>
Balance December 31, 2013	E	<u>\$ 4,450,374.30</u>

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>2013 Authorizations</u>	<u>Balance Dec 31, 2013</u>
13-07	Purchase of Radio Read Units & Touchpads	6/11/13	\$ 40,000.00	\$ 40,000.00
			<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>
		<u>Ref.</u>		E

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord, No.	Improvement Description	Issue of Original Note	Date of		Interest Rate	Balance Dec 31, 2012	Issued	Matured	Balance Dec 31, 2013
			Issue	Maturity					
08-11	Improvement of the Sanitary Sewerage System	06/04/2009	05/31/2012	05/31/2013	0.980%	\$ 94,000.00		\$ 94,000.00	
		06/04/2009	05/31/2013	05/30/2014	0.840%		\$ 20,000.00		\$ 20,000.00
12-16	Improvement of Sanitary Sewerage System	05/31/2013	05/31/2013	05/30/2014	0.840%		60,000.00		60,000.00
						<u>\$ 94,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 94,000.00</u>	<u>\$ 80,000.00</u>
					<u>Ref.</u>	<u>E</u>			<u>E</u>
					Renewed		\$ 20,000.00	\$ 20,000.00	
					New Issues		60,000.00		
					Budget Appropriation			74,000.00	
							<u>\$ 80,000.00</u>	<u>\$ 94,000.00</u>	

BOROUGH OF STANHOPE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

Ord. No.	Ord. Date	Improvement Description	Balance Dec 31, 2012	2013 Authori- zations	Bond Anticipation Notes Issued	Balance Dec 31, 2013
12-16	6/26/12	Improvement of the Sanitary Sewerage System	\$ 60,000.00		\$ 60,000.00	
13-10	7/9/13	Acquisition of New and Additional Equipment		\$ 105,000.00		\$ 105,000.00
			<u>\$ 60,000.00</u>	<u>\$ 105,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 105,000.00</u>

BOROUGH OF STANHOPE

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF STANHOPE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of Federal Agency or Department	Name of Program	C.F.D.A. Number	Pass Through Entity ID	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
				From	To				
U.S. Department of Homeland Security: (Passed through Federal Emergency Management Agency)	Disaster Grants - Public Assistance - F.E.M.A. Superstorm Sandy	97.036	N/A	01/01/12	12/31/12	\$ 60,544.71	\$ 60,544.71	\$ 60,544.71 *	\$ 60,544.71
Total U.S. Department of Homeland Security							60,544.71	60,544.71	60,544.71
U.S. Department of Transportation: (Passed through New Jersey Department of Law and Public Safety)	Click-It or Ticket	20.602	N/A	01/01/13	12/31/13	4,000.00	4,000.00	4,000.00	4,000.00
Total Department of Transportation							4,000.00	4,000.00	4,000.00
Total Federal Awards							\$ 64,544.71	\$ 64,544.71	\$ 64,544.71

N/A - Not Applicable/Not Available

* - Expended in Prior Years

BOROUGH OF STANHOPE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of State Agency or Department	Name of Program	State Account Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Law and Public Safety	Safe and Secure Communities Program	100-066-1020- 232-YCJF-6120	01/01/13	12/31/13	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
			01/01/14	12/31/14	22,500.00	22,500.00		
						<u>52,500.00</u>	<u>30,000.00</u>	<u>30,000.00</u>
	Drunk Driving Enforcement Fund	100-078-6400- YYYY	01/01/09	12/31/14	5,538.40		1,929.58	4,726.96
			01/01/13	12/31/14	1,900.05	1,900.05		
						<u>1,900.05</u>	<u>1,929.58</u>	<u>6,560.48</u>
	Body Armor Replacement Fund	718-066-1020-001 YCJF-6120	01/01/08	12/31/13	790.40		413.62	790.40
			01/01/10	12/31/14	1,929.38		963.38	963.38
			01/01/13	12/31/14	1,527.49	1,527.49		
						<u>1,527.49</u>	<u>1,377.00</u>	<u>1,753.78</u>
Total Department of Law and Public Safety						<u>55,927.54</u>	<u>33,306.58</u>	<u>38,314.26</u>
Department of Environmental Protection	Clean Communities Program	765-042-4900 004-V42Y-6020	01/01/09	12/31/13	10,457.15		1,723.34	10,457.15
			01/01/10	12/31/14	6,141.75		3,067.07	3,067.07
			01/01/13	12/31/14	6,885.99	6,885.99		
						<u>6,885.99</u>	<u>2,394.10</u>	<u>2,394.10</u>
							<u>7,184.51</u>	<u>17,010.42</u>
	Recycling Tonnage Grant	752-042-4900- 001-V42Y-6020	01/01/13	12/31/14	3,551.26	3,551.26		
					<u>3,551.26</u>			
Total Department of Environmental Protection						<u>10,437.25</u>	<u>7,184.51</u>	<u>17,010.42</u>
Total State Awards						<u>\$ 66,364.79</u>	<u>\$ 40,491.09</u>	<u>\$ 55,324.68</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF STANHOPE
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Note A. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Borough of Stanhope under programs of the federal and state governments for the year ended December 31, 2013. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedules of Expenditures of Federal and State Awards are presented on the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of Federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

Note C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

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

Independent Auditors' Report

The Honorable Mayor and Members
 of the Borough Council
 Borough of Stanhope
 Stanhope, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Stanhope, in the County of Sussex (the "Borough") as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated April 1, 2014. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

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

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

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

The Honorable Mayor and Members
of the Borough Council
Borough of Stanhope
Stanhope, New Jersey
Page 2

control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2013-01, that we consider to be a significant deficiency.

Compliance and Other Matters

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

The Borough's Response to the Finding

The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the Borough'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 Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
April 1, 2014

NISIVOCIA LLP



Raymond G. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 383

BOROUGH OF STANHOPE
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements of the Borough prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- A significant deficiency disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Borough was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey's OMB Circular 04-04 for the year ended December 31, 2013 as both state and federal grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2013-01
Segregation of Duties

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; and recording of collections. Also, the fund/account Treasurer disburses funds and reconciles the bank accounts for their respective funds or accounts. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

The Borough's segregation of duties finding has been evaluated. However, due to budgetary constraints, no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

BOROUGH OF STANHOPE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

The Borough's one finding noted during 2012 was not resolved and is included in the audit for the year ended December 31, 2013.

BOROUGH OF STANHOPE

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF STANHOPE
COMMENTS AND RECOMMENDATIONS

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

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

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 governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

The governing body of the Borough of Stanhope 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 violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

BOROUGH OF STANHOPE
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

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

On January 1, 2013, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

Interest to be charged at the rate of 18% on all delinquent taxes and utility charges in excess of \$1,500.00 as per N.J.S. 54:4-67 and Chap. 435-1979 and at the rate of 8% on all delinquent taxes and utility charges under \$1,500.00. Interest to be waived on current taxes paid within the first 10 days after due dates. An additional penalty of 6% will be imposed on delinquencies in excess of \$10,000 at December 31.

It appears from an examination of the Tax Collector's and the Utility Collector's records on a test basis that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 7, 2013 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2013	5
2012	25
2011	23

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

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed by the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Borough currently complies with the accounting requirements.

BOROUGH OF STANHOPE
COMMENTS AND RECOMMENDATIONS
(Continued)

Federal and State Grants

There are a large number of appropriated and unappropriated grant reserves in the Current Fund as of December 31, 2013. Some balances have offsetting receivables. It appears as though some of these awards may have exceeded the designated grant period under the terms of the original grant agreement. The Borough should continue to review and determine if appropriated grant balances, and offsetting receivables should be cancelled and/or reappropriated, or expended.

Management Response

The CFO will continue to review and evaluate what action can be taken relative to grant balances.

Corrective Action Plan

Recommendations #1 and #2 from the 2012 audit report are included in the current year recommendations and are in the process of being implemented, where possible.

BOROUGH OF STANHOPE
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. The Borough maintain an adequate segregation of duties, where possible, with respect to the recording and treasury functions.
2. The Borough continue to review and determine if appropriated grant balances and offsetting receivables should be cancelled and/or reappropriated or expended.

* * * * *