

*BOROUGH OF STANHOPE*

*COUNTY OF SUSSEX*

*REPORT OF AUDIT*

*2014*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF STANHOPE

COUNTY OF SUSSEX

REPORT OF AUDIT

2014

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BOROUGH OF STANHOPE  
PART I  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY DATA  
YEAR ENDED DECEMBER 31, 2014

## 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, 2014 and 2013, 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, 2014 and 2013, 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. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

***Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects on the December 31, 2014 and 2013 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, 2014 and 2013, 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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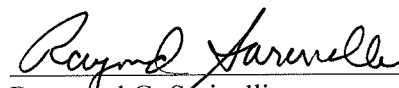
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to 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 May 19, 2015 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  
May 19, 2015

NISIVOCCIA LLP



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

BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
CURRENT FUND

BOROUGH OF STANHOPE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 2,880,543.54	\$ 2,609,930.01
Change Funds		250.00	250.00
Due from State of New Jersey:			
Veterans and Senior Citizens Deductions		1,597.49	935.85
		<u>2,882,391.03</u>	<u>2,611,115.86</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	229,810.50	254,460.66
Tax Title Liens Receivable	A-8	166,653.39	141,642.41
Property Acquired for Taxes at Assessed Valuation		1,070,700.00	1,070,700.00
Revenue Accounts Receivable	A-9	240,933.40	83,157.40
Due from:			
Animal Control Fund	B	1,898.20	8,938.56
Due from Lenape Valley Regional High School		1,096.63	
Due from Verizon		1,273.50	
		<u>1,712,365.62</u>	<u>1,558,899.03</u>
Total Receivables and Other Assets With Full Reserves		<u>1,712,365.62</u>	<u>1,558,899.03</u>
<u>TOTAL ASSETS</u>		<u>\$ 4,594,756.65</u>	<u>\$ 4,170,014.89</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 317,088.09	\$ 314,399.35
Encumbered	A-3;A-11	197,904.74	64,456.22
Total Appropriation Reserves		514,992.83	378,855.57
Accounts Payable - Vendors		51,066.34	66,000.00
Prepaid Taxes		48,217.96	52,240.79
Tax Overpayments		16,656.40	22,417.05
Due to County - Added and Omitted Taxes		3,227.77	2,801.03
Due to State of New Jersey:			
Marriage License Fees		125.00	150.00
Training Fees		671.00	379.00
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,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for:			
Sale of Municipal Assets		\$ 231,609.15	\$ 31,609.15
Shade Tree		1,170.04	1,170.04
Third Party Liens		39,911.52	0.00
Pending Tax Appeals		138,230.11	139,792.61
Encumbrance - JIF Deductible		35,743.00	25,743.00
Appropriated Reserves:			
Drunk Driving Enforcement Fund		5,341.67	8,709.22
Body Armor Replacement Program		1,524.61	3,520.96
Clean Communities Program		22,441.39	18,148.71
Cablevision 2014 PEG Access Grant		6,000.00	-
SLAHEOP Grant			2,405.72
Alcohol Education Rehabilitation Program		1,135.00	1,135.00
Housing Reimbursement Program		54,418.18	45,418.18
Highlands Initial Assessment Grant		12,890.00	12,890.00
Highlands Plan Conformance Grant		27,061.91	27,061.91
FEMA Assistance to Firefighters Grant		22,866.48	-
Police Accreditation Services		50,000.00	50,000.00
Unappropriated Reserves:			
Body Armor Replacement Program			1,527.49
Drunk Driving Enforcement Fund		1,965.65	-
Clean Communities Program		0.38	0.38
Recycling Tonnage Grant		3,626.68	3,551.26
Shade Tree Grant		165.00	165.00
Police Donations		500.00	500.00
Safe and Secure Communities Grant		22,500.00	22,500.00
		<u>1,314,058.07</u>	<u>958,692.07</u>
Reserve for Receivables	A	1,712,365.62	1,558,899.03
Fund Balance	A-1	<u>1,568,332.96</u>	<u>1,652,423.79</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 4,594,756.65</u>	<u>\$ 4,170,014.89</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.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	715,000.00	\$ 700,000.00
Miscellaneous Revenue Anticipated		455,683.62	471,586.56
Receipts from:			
Delinquent Taxes		253,593.19	298,144.63
Current Taxes		10,785,731.04	10,459,563.77
Nonbudget Revenue		37,663.94	145,137.10
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		251,750.75	213,019.84
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		8,938.56	4,601.60
Total Income		<u>12,508,361.10</u>	<u>12,302,035.74</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		4,067,211.36	3,983,642.16
County Taxes		1,718,284.47	1,598,036.74
Due County for Added and Omitted Taxes		3,227.77	2,801.03
Regional High School Taxes		2,033,395.00	1,986,683.00
Local School District Taxes		4,051,065.00	3,957,293.00
Refund of Prior Year Revenue			3,983.17
Interfunds Advanced		4,268.33	8,938.56
Total Expenditures		<u>11,877,451.93</u>	<u>11,541,377.66</u>
Excess in Revenue/ Statutory Excess to Fund Balance		630,909.17	760,658.08

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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>Fund Balance</u>			
Balance January 1		\$ 1,652,423.79	\$ 1,591,765.71
		<u>2,283,332.96</u>	<u>2,352,423.79</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>715,000.00</u>	<u>700,000.00</u>
Balance December 31	A	<u>\$ 1,568,332.96</u>	<u>\$ 1,652,423.79</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, 2014

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 715,000.00		\$ 715,000.00	
Miscellaneous Revenue:				
Alcoholic Beverages Licenses	3,000.00		3,031.00	\$ 31.00
Fees and Permits	7,000.00		6,600.39	399.61 *
Uniform Construction Code Fees	55,000.00		64,791.00	9,791.00
Fines and Costs - Municipal Court	33,000.00		45,334.23	12,334.23
Interest and Costs on Taxes	50,000.00		62,110.18	12,110.18
Energy Receipt Tax	185,460.00		185,460.00	
Consolidated Municipal Property Tax Relief Aid	31,122.00		31,122.00	
Garden State Trust Fund	4,439.00		4,439.00	
State of New Jersey:				
Safe and Secure Communities Program	30,000.00		30,000.00	
Body Armor Replacement Program	1,527.49	\$ 1,259.16	2,786.65	
Clean Communities Program		6,457.91	6,457.91	
Click-It or Ticket Grant		4,000.00	4,000.00	
Recycling Tonnage Grant	3,551.26		3,551.26	
FEMA Assistance to Firefighters Grant		157,776.00		157,776.00 *
Cablevision 2014 PEG Access Grant		6,000.00	6,000.00	
	404,099.75	175,493.07	455,683.62	123,909.20 *
Receipts from Delinquent Taxes	210,000.00		253,593.19	43,593.19
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	3,242,618.54		3,659,758.80	417,140.26
Budget Totals	4,571,718.29	175,493.07	5,084,035.61	336,824.25
Nonbudget Revenue			37,663.94	37,663.94
	\$ 4,571,718.29	\$ 175,493.07	\$ 5,121,699.55	\$ 374,488.19

BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(continued)

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 10,785,731.04
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Allocated to:

Local School District Taxes	\$ 4,051,065.00	
Regional High School Taxes	2,033,395.00	
County Taxes	1,721,512.24	

7,805,972.24

Balance for Support of Municipal Budget

2,979,758.80

Add: Appropriation "Reserve for Uncollected Taxes"

680,000.00

Realized for Support of Municipal Budget

\$ 3,659,758.80

Receipts from Delinquent Taxes:

Delinquent Tax Collections

\$ 253,593.19

Fees and Permits - Other:

Board of Health

\$ 885.00

Police

612.39

Planning Board/Board of Adjustment

550.00

Zoning Officer

1,745.00

Clerk

2,808.00

\$ 6,600.39



BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(continued)

Analysis of Nonbudget Revenue:

Treasurer:

Interest on Investments and Deposits	\$	3,594.13	
Administration Fee - Veterans and Senior Citizens Deductions		580.00	
Cable Franchise Fee		16,088.00	
Bid Specs		1,450.00	
Outside Detail Administration Fees		2,723.99	
DMV Inspection Fines		700.00	
Miscellaneous		8,905.56	
			\$ 34,041.68

Tax Collector Miscellaneous Revenue 105.00

Interest Earned - Due from Animal Control Fund		30.76	
Interest Earned - Due from Other Trust Fund		714.98	
Interest Earned - Due from General Capital Fund		873.32	
Statutory Excess in Animal Control Fund Reserve:			
Due from Animal Control Fund		1,898.20	
			3,517.26
			\$ 37,663.94

BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 57,434.00	\$ 57,434.00	\$ 57,434.00		
Other Expenses	26,112.00	26,112.00	18,103.19	\$ 8,008.81	
Mayor and Council:					
Salaries and Wages	19,447.00	19,447.00	19,447.00		
Other Expenses	12,158.00	12,158.00	9,053.30	3,104.70	
Municipal Clerk:					
Salaries and Wages	57,731.00	57,731.00	57,731.00		
Other Expenses	13,170.00	13,170.00	10,795.64	2,374.36	
Financial Administration:					
Salaries and Wages	94,802.00	94,802.00	93,362.32	1,439.68	
Other Expenses	6,469.00	6,469.00	6,200.11	268.89	
Annual Audit	30,400.00	30,400.00	30,400.00		
Insurance (N.J.S.A. 40A:4-45.3(00)):					
Liability Insurance	78,300.00	78,300.00	77,809.69	490.31	
Workers Compensation	65,000.00	65,000.00	65,000.00		
Employee Group Insurance	267,800.00	267,800.00	262,772.84	5,027.16	
Health Insurance Waiver	10,000.00	10,000.00	10,000.00		
Computerized Data Processing:					
Other Expenses	14,900.00	14,900.00	13,499.03	1,400.97	
Assessment of Taxes:					
Salaries and Wages	25,046.00	25,046.00	25,046.00		
Other Expenses	2,115.00	2,115.00	1,617.10	497.90	
Other Expenses - Fees and Appeals	5,000.00	5,000.00		5,000.00	
Collection of Taxes:					
Other Expenses	3,795.00	3,795.00	3,559.51	235.49	
Legal Services and Costs:					
Other Expenses	76,000.00	76,000.00	35,659.65	40,340.35	

BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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	\$ 8,120.00	\$ 10,880.00	
Public Buildings and Grounds:					
Salaries and Wages	9,351.00	9,351.00	9,155.93	195.07	
Other Expenses	16,500.00	16,500.00	13,845.52	2,654.48	
Municipal Land Use Law (N.J.S.A.40:55d-1):					
Planning Board:					
Salaries and Wages	8,872.00	8,962.00	8,962.00		
Other Expenses	3,985.00	3,895.00	1,773.05	2,121.95	
Zoning and Code Enforcement:					
Salaries and Wages	22,956.00	22,956.00	22,956.00		
Other Expenses	640.00	640.00	531.93	108.07	
Regional Planning Board:					
Other Expenses	12,800.00	12,800.00	12,788.98	11.02	
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	412.17	1,002.83	
Environmental Commission (N.J.S.A. 40:56.1,et seq.):					
Other Expenses	1,240.00	1,240.00	695.80	544.20	
Insurance:					
Unemployment Compensation Insurance	5,500.00	5,500.00	5,500.00		
PUBLIC SAFETY:					
Fire:					
Other Expenses	41,998.00	41,998.00	39,953.75	2,044.25	

BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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):					
PUBLIC SAFETY (continued):					
Police:					
Salaries and Wages	\$ 966,106.00	\$ 966,106.00	\$ 927,718.96	\$ 38,387.04	
Other Expenses	58,730.00	58,730.00	58,704.14	25.86	
Police Radio and Communication -Contractual	92,346.00	92,346.00	92,346.00		
First Aid Organization Contribution	14,000.00	14,000.00	14,000.00		
Emergency Management:					
Other Expenses	2,940.00	2,940.00	2,938.00	2.00	
STREETS AND ROADS:					
Department of Public Works:					
Salaries and Wages	140,791.00	140,791.00	132,029.38	8,761.62	
Other Expenses	86,800.00	86,800.00	82,608.48	4,191.52	
HEALTH AND WELFARE:					
Board of Health:					
Salaries and Wages	4,190.00	4,190.00	4,190.00		
Other Expenses	850.00	850.00	59.74	790.26	
Animal Regulation:					
Other Expenses	8,000.00	8,000.00	3,240.00	4,760.00	
Garbage and Trash Removal:					
Salaries and Wages	10,790.00	10,790.00	9,462.50	1,327.50	
Other Expenses	18,855.00	18,855.00	1,015.00	17,840.00	
Contractual	277,650.00	277,650.00	277,650.00		
Vehicle Maintenance:					
Other Expenses	39,000.00	39,000.00	32,487.67	6,512.33	

BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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	\$ 12,801.00	\$ 12,801.00	\$ 7,001.17	\$ 5,799.83	
Celebration of Public Events:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Stormwater Management:					
Other Expenses	5,000.00	5,000.00	1,276.02	3,723.98	
UNIFORM CONSTRUCTION CODE - APPROPRIATION					
OFFSET BY DEDICATED REVENUE:					
Construction Code Official:					
Salaries and Wages	46,034.00	46,034.00	45,588.10	445.90	
Other Expenses	750.00	750.00	600.98	149.02	
UNCLASSIFIED:					
Utilities	154,898.00	154,898.00	129,705.21	25,192.79	
Condo Services	94,967.00	94,967.00	55,956.10	39,010.90	
Total Operations Within "CAPS"	<u>3,051,434.00</u>	<u>3,051,434.00</u>	<u>2,800,762.96</u>	<u>250,671.04</u>	
Contingent	<u>1,000.00</u>	<u>1,000.00</u>		<u>1,000.00</u>	
Total Operations Including Contingent Within "CAPS"	<u>3,052,434.00</u>	<u>3,052,434.00</u>	<u>2,800,762.96</u>	<u>251,671.04</u>	
Detail:					
Salaries and Wages	1,463,550.00	1,463,640.00	1,413,083.19	50,556.81	
Other Expenses	1,588,884.00	1,588,794.00	1,387,679.77	201,114.23	

BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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	\$ 68,712.00	\$ 68,712.00	\$ 59,239.00	\$ 9,473.00	
Social Security System (O.A.S.I.)	130,000.00	130,000.00	110,993.95	19,006.05	
Police and Firemen's Retirement System of NJ	172,420.00	172,420.00	160,482.00	11,938.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>371,132.00</u>	<u>371,132.00</u>	<u>330,714.95</u>	<u>40,417.05</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>3,423,566.00</u>	<u>3,423,566.00</u>	<u>3,131,477.91</u>	<u>292,088.09</u>	
Operations Excluded from "CAPS":					
Shared Service Agreements:					
Municipal Court (Hopatcong Borough)	72,828.00	72,828.00	72,828.00		

BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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 (N.J.S.A. 40A:4-87 + \$1,259.16)	\$ 1,527.49	\$ 2,786.65	\$ 2,786.65		
Clean Communities Program (N.J.S.A. 40A:4-87 + \$6,457.91)		6,457.91	6,457.91		
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		
Cablevision 2014 PEG Access Grant (N.J.S.A. 40A:4-87 + \$6,000.00)		6,000.00	6,000.00		
FEMA Assistance to Firefighters Grant (N.J.S.A. 40A:4-87 + \$157,776.00)		157,776.00	157,776.00		
Recycling Tonnage Grant	3,551.26	3,551.26	3,551.26		
<b>Total Operations Excluded from "CAPS"</b>	<b>107,906.75</b>	<b>283,399.82</b>	<b>283,399.82</b>		
Detail:					
Salaries and Wages					
Other Expenses	107,906.75	283,399.82	283,399.82		
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		\$ 25,000.00	
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>45,000.00</b>	<b>45,000.00</b>	<b>20,000.00</b>	<b>25,000.00</b>	

BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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>	
Municipal Debt Service Excluded from "CAPS":					
Payment of Note Principal	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00		
Interest on Notes	15,245.54	15,245.54	15,245.54		
Total Municipal Debt Service Excluded from "CAPS"	<u>315,245.54</u>	<u>315,245.54</u>	<u>315,245.54</u>		
Total General Appropriations Excluded from "CAPS"	<u>468,152.29</u>	<u>643,645.36</u>	<u>618,645.36</u>	\$ 25,000.00	
Subtotal General Appropriations	3,891,718.29	4,067,211.36	3,750,123.27	317,088.09	
Reserve for Uncollected Taxes	<u>680,000.00</u>	<u>680,000.00</u>	<u>680,000.00</u>		
Total General Appropriations	<u>\$ 4,571,718.29</u>	<u>\$ 4,747,211.36</u>	<u>\$ 4,430,123.27</u>	<u>\$ 317,088.09</u>	<u>\$ -0-</u>

Ref.

A



BOROUGH OF STANHOPE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After</u>	<u>Paid or</u>
		<u>Modification</u>	<u>Charged</u>
Adopted Budget		\$ 4,571,718.29	
Appropriation by NJSA 40A:4-87		<u>175,493.07</u>	
		<u>\$ 4,747,211.36</u>	
Reserve for Uncollected Taxes			\$ 680,000.00
Cash Disbursed			3,614,549.07
Encumbrances	A		197,904.74
Encumbrance - JIF Deductible			10,000.00
Appropriated Reserves:			
Body Armor Replacement Program			1,524.61
Clean Communities Program			5,257.73
Cablevision 2014 PEG Access Grant			6,000.00
FEMA Assistance to Firefighters Grant			<u>22,866.48</u>
			4,538,102.63
Less: Appropriation Refunds			<u>107,979.36</u>
			<u>\$ 4,430,123.27</u>

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

BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
TRUST FUNDS

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 13,345.00	\$ 17,454.96
		13,345.00	17,454.96
Other Trust Funds:			
Cash and Cash Equivalents:			
Recycling Tonnage Program	B-4	37,445.95	37,036.60
State Unemployment Insurance Fund	B-4	75,493.00	61,056.55
Performance Bonds and Escrow Deposits	B-4	69,097.38	50,926.88
Public Defender	B-4	12,164.29	12,146.04
Parking Offenses Adjudication Act	B-4	2,783.24	2,707.12
Other	B-4	535,568.04	384,587.59
COAH Housing	B-4	11,391.92	8,902.91
Due from Current Fund:			
Reserve for Snow Removal	A		40,000.00
		743,943.82	597,363.69
<u>TOTAL ASSETS</u>		\$ 757,288.82	\$ 614,818.65
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to Current Fund	A	\$ 1,898.20	\$ 8,938.56
Reserve for Animal Control Expenditures	B-6	11,445.60	8,514.00
Due to State of New Jersey		1.20	2.40
		13,345.00	17,454.96
Other Trust Funds:			
Reserve for:			
Recycling Tonnage Program Expenditures		37,445.95	37,036.60
State Unemployment Insurance Payments		75,493.00	61,056.55
Performance Bonds and Escrow Deposits		96,972.38	78,801.88
Public Defender		12,164.29	12,146.04
Parking Offenses Adjudication Act		2,783.24	2,707.12
Tax Sale Premiums		241,500.00	125,600.00
Snow Removal		133,800.01	138,800.01
Accumulated Sick and Vacation Compensation		103,972.35	103,972.35
Recreation Commission		26,420.68	26,340.23
Canal Restoration		2,000.00	2,000.00
COAH Housing		11,391.92	8,902.91
		743,943.82	597,363.69
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 757,288.82	\$ 614,818.65

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, 2014

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, 2014

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 254,290.54	\$ 437,969.06
Grants Receivable:			
New Jersey Department of Transportation		450,000.00	
Deferred Charges to Future Taxation:			
Unfunded	C-4	2,186,098.91	1,927,843.91
<u>TOTAL ASSETS</u>		<u>\$ 2,890,389.45</u>	<u>\$ 2,365,812.97</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 1,860,900.00	\$ 1,814,945.00
Improvement Authorizations:			
Funded	C-5	488,979.28	56,983.30
Unfunded	C-5	447,391.17	200,842.78
Capital Improvement Fund	C-6	655.57	29,100.57
Due to Water Utility Capital Fund	D		80,000.00
Due to Sewer Utility Capital Fund	E		74,000.00
Reserve for Sidewalk Improvements		16,655.02	16,655.02
Reserve for Preliminary Expenses			17,060.00
Reserve for Canal Rehabilitation		49,900.00	49,900.00
Fund Balance	C-1	25,908.41	26,326.30
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,890,389.45</u>	<u>\$ 2,365,812.97</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, 2013	C	\$ 26,326.30
Increased by:		
Premium on Note Sale		10,182.11
		<u>36,508.41</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		10,600.00
		<u>10,600.00</u>
Balance December 31, 2014	C	<u>\$ 25,908.41</u>

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



BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
WATER UTILITY FUND

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

		December 31	
	<u>Ref.</u>	2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-5	\$ 377,100.29	\$ 382,240.07
Collector's Change Fund		50.00	50.00
Due from Water Utility Capital Fund	D	1,928.94	842.71
		379,079.23	383,132.78
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	84,659.65	91,630.57
Total Operating Fund		463,738.88	474,763.35
Capital Fund:			
Cash and Cash Equivalents	D-5	135,432.22	75,842.51
Fixed Capital	D-8	4,157,403.84	3,792,180.96
Fixed Capital Authorized and Uncompleted	D-9	3,048,527.12	2,953,000.00
NJ Environmental Infrastructure Trust Grant Receivable		16,665.00	
NJ Environmental Infrastructure Trust Loan Receivable		251,417.00	
Due from General Capital Fund	C		80,000.00
Total Capital Fund		7,609,445.18	6,901,023.47
<u>TOTAL ASSETS</u>		\$ 8,073,184.06	\$ 7,375,786.82

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

	<u>Ref.</u>	<u>December 31</u>	
		<u>2014</u>	<u>2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-4;D-10	\$ 45,042.28	\$ 70,070.64
Encumbered	D-4;D-10	19,765.89	9,372.63
Total Appropriation Reserves		<u>64,808.17</u>	<u>79,443.27</u>
Accrued Interest on Loans and Notes		10,635.36	1,800.75
		<u>75,443.53</u>	<u>81,244.02</u>
Reserve for Receivables	D	84,659.65	91,630.57
Fund Balance	D-1	<u>303,635.70</u>	<u>301,888.76</u>
 Total Operating Fund		 <u>463,738.88</u>	 <u>474,763.35</u>
Capital Fund:			
Bond Anticipation Notes Payable	D-14	511,500.00	367,500.00
NJ Environmental Infrastructure Trust Loans Payable #1	D-16	1,166,665.26	
NJ Environmental Infrastructure Trust Loans Payable #2	D-16a	491,525.43	
Improvement Authorizations:			
Funded	D-11	236,479.97	966.70
Unfunded	D-11	397,038.87	2,381,116.66
Capital Improvement Fund	D-12	12,566.54	25,566.54
Due to Water Utility Operating Fund	D	1,928.94	842.71
Reserve For:			
Amortization	D-13	4,603,390.27	3,792,180.96
Deferred Amortization	D-13A	101,000.00	245,500.00
Connection Fees		38,231.00	38,231.00
Fund Balance	D-2	<u>49,118.90</u>	<u>49,118.90</u>
 Total Capital Fund		 <u>7,609,445.18</u>	 <u>6,901,023.47</u>
 <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		 <u>\$ 8,073,184.06</u>	 <u>\$ 7,375,786.82</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	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 105,750.00	\$ 90,000.00
Rents		604,313.13	586,220.83
Miscellaneous		15,404.50	16,126.30
Other Credits to Income:			
Appropriation Reserves Lapsed		49,711.64	52,497.56
Total Income		<u>775,179.27</u>	<u>744,844.69</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		452,404.00	445,967.00
Capital Improvements		5,000.00	5,000.00
Capital Outlay		20,000.00	20,000.00
Debt Service		155,838.33	81,642.00
Deferred Charges and Statutory Expenditures		34,440.00	33,470.00
Total Expenditures		<u>667,682.33</u>	<u>586,079.00</u>
Excess in Revenue		107,496.94	158,765.69
<u>Fund Balance</u>			
Balance January 1		<u>301,888.76</u>	<u>233,123.07</u>
		409,385.70	391,888.76
Decreased by:			
Utilization as Anticipated Revenue		<u>105,750.00</u>	<u>90,000.00</u>
Balance December 31	D	<u>\$ 303,635.70</u>	<u>\$ 301,888.76</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, 2013	D	<u>\$ 49,118.90</u>
Balance December 31, 2014	D	<u><u>\$ 49,118.90</u></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, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 105,750.00	\$ 105,750.00	
Water Rents	585,931.00	604,313.13	\$ 18,382.13
Miscellaneous	10,500.00	15,404.50	4,904.50
	<u>\$ 702,181.00</u>	<u>\$ 725,467.63</u>	<u>\$ 23,286.63</u>

Analysis of Miscellaneous Revenue

Miscellaneous:

Interest on Investments and Deposits	\$ 418.23
Interest on Water Rents	10,933.47
Miscellaneous	3,663.14
Due from Water Utility Capital Fund:	
Interest on Investments and Deposits	<u>389.66</u>
	<u>\$ 15,404.50</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, 2014

	<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	\$ 193,707.00	\$ 193,707.00	\$ 189,323.23	\$ 4,383.77	
Other Expenses	258,697.00	258,697.00	238,038.49	20,658.51	
Capital Improvements:					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		
Capital Outlay	20,000.00	20,000.00		20,000.00	
Debt Service:					
Payment of Loan Principal	70,000.00	70,000.00	39,434.31		\$ 30,565.69
Payment of Bond Anticipation Notes	100,000.00	100,000.00	100,000.00		
Interest on Loans	17,250.00	17,250.00	13,317.02		3,932.98
Interest on Notes	3,087.00	3,087.00	3,087.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	15,000.00	15,000.00	15,000.00		
Social Security System (O.A.S.I.)	14,440.00	14,440.00	14,440.00		
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	5,000.00	5,000.00	5,000.00		
	<u>\$ 702,181.00</u>	<u>\$ 702,181.00</u>	<u>\$ 622,640.05</u>	<u>\$ 45,042.28</u>	<u>\$ 34,498.67</u>
		<u>Ref.</u>		<u>D</u>	
Analysis of Paid or Charged:					
Cash Disbursed			\$ 586,470.14		
Encumbrances		<u>D</u>	19,765.89		
Accrued Interest on Loans and Notes			16,404.02		
			<u>\$ 622,640.05</u>		

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

BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
SEWER UTILITY FUND



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

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2014	2013
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-5	\$ 597,587.39	\$ 461,629.72
Collector's Change Fund		50.00	50.00
Due from Sewer Utility Capital Fund	E	373.63	
		598,011.02	461,679.72
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-8	144,730.81	152,303.36
		742,741.83	613,983.08
Total Operating Fund			
Capital Fund:			
Cash and Cash Equivalents	E-5	585,942.66	531,761.53
Fixed Capital	E-9	4,510,374.30	4,470,374.30
Fixed Capital Authorized and Uncompleted	E-10	165,000.00	205,000.00
Due from General Capital Fund	C		74,000.00
		5,261,316.96	5,281,135.83
Total Capital Fund			
		\$ 6,004,058.79	\$ 5,895,118.91
<u>TOTAL ASSETS</u>		<u>\$ 6,004,058.79</u>	<u>\$ 5,895,118.91</u>

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

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-4;E-11	\$ 33,160.92	\$ 3,635.63
Unencumbered	E-4;E-11	82,110.65	110,443.73
Total Appropriation Reserves		115,271.57	114,079.36
Accrued Interest on Notes		765.63	392.00
		116,037.20	114,471.36
Reserve for Receivables	E	144,730.81	152,303.36
Fund Balance	E-1	481,973.82	347,208.36
Total Operating Fund		742,741.83	613,983.08
Capital Fund:			
Bond Anticipation Notes Payable	E-16	105,000.00	80,000.00
Improvement Authorizations:			
Funded	E-12	35,099.94	39,988.50
Unfunded	E-12	49,270.37	163,639.31
Capital Improvement Fund	E-13	52,589.68	47,589.68
Due to Sewer Utility Operating Fund	E	373.63	
Reserve for:			
Amortization	E-14	4,570,374.30	4,450,374.30
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		265.00	11,200.00
Fund Balance	E-2	68,009.04	68,009.04
Total Capital Fund		5,261,316.96	5,281,135.83
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 6,004,058.79</u>	<u>\$ 5,895,118.91</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	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 55,000.00	\$ 79,000.00
Sewer Rents		933,353.57	950,802.85
Miscellaneous Revenue		19,419.02	19,865.70
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		110,086.87	48,952.02
		<u>1,117,859.46</u>	<u>1,098,620.57</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		809,322.00	935,578.54
Capital Improvements		5,000.00	5,000.00
Debt Service		80,672.00	74,694.97
Deferred Charges and Statutory Expenditures		33,100.00	32,070.00
		<u>928,094.00</u>	<u>1,047,343.51</u>
Excess in Revenue		189,765.46	51,277.06
<u>Fund Balance</u>			
Balance January 1		347,208.36	374,931.30
		<u>536,973.82</u>	<u>426,208.36</u>
Decreased by:			
Utilization as Anticipated Revenue		55,000.00	79,000.00
		<u>55,000.00</u>	<u>79,000.00</u>
Balance December 31	E	<u>\$ 481,973.82</u>	<u>\$ 347,208.36</u>

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, 2013	E	<u>\$ 68,009.04</u>
Balance December 31, 2014	E	<u><u>\$ 68,009.04</u></u>

SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 55,000.00	\$ 55,000.00	
Sewer Rents	858,094.00	933,353.57	\$ 75,259.57
Miscellaneous Revenue	15,000.00	19,419.02	4,419.02
	<u>\$ 928,094.00</u>	<u>\$ 1,007,772.59</u>	<u>\$ 79,678.59</u>

Analysis of Realized Revenue

Miscellaneous:

Interest on Sewer Rents	\$ 18,489.17
Interest on Investments and Deposits	541.09
Due from Sewer Utility Capital Fund:	
Interest on Investments and Deposits	<u>388.76</u>
	<u><u>\$ 19,419.02</u></u>

BOROUGH OF STANHOPE  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended</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	\$ 176,207.00	\$ 176,207.00	\$ 170,451.67	\$ 5,755.33	
Other Expenses	633,115.00	633,115.00	556,771.26	76,343.74	
Capital Improvements:					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		
Debt Service:					
Payment of Note Principal	80,000.00	80,000.00	80,000.00		
Interest on Notes	672.00	672.00	672.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement Fund	15,000.00	15,000.00	15,000.00		
Social Security System (O.A.S.I.)	13,100.00	13,100.00	13,088.42	11.58	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	5,000.00	5,000.00	5,000.00		
	<u>\$ 928,094.00</u>	<u>\$ 928,094.00</u>	<u>\$ 845,983.35</u>	<u>\$ 82,110.65</u>	<u>\$ -0-</u>
		<u>Ref.</u>		E	
Analysis of Paid or Charged:					
Cash Disbursed			\$ 812,150.43		
Encumbrances		E	33,160.92		
Accrued Interest on Notes			672.00		
			<u>\$ 845,983.35</u>		

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

BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(UNAUDITED)

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

	December 31,	
	2014	2013
<u>ASSETS</u>		
Land	\$ 1,022,100.00	\$ 1,022,100.00
Building	1,211,000.00	1,211,000.00
Equipment and Vehicles	3,284,434.90	2,998,854.90
<u>TOTAL ASSETS</u>	<u>\$ 5,517,534.90</u>	<u>\$ 5,231,954.90</u>
<u>RESERVE</u>		
Reserve for Fixed Assets	\$ 5,517,534.90	\$ 5,231,954.90
<u>TOTAL RESERVE</u>	<u>\$ 5,517,534.90</u>	<u>\$ 5,231,954.90</u>

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

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

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, 2014  
(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, 2014  
(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, 2014  
(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, 2014  
(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.

	December 31,		
	2014	2013	2012
<u>Issued</u>			
General:			
Notes	\$ 1,860,900.00	\$ 1,814,945.00	\$ 1,753,945.00
Water Utility:			
Loans and Notes	2,169,690.69	367,500.00	167,500.00
Sewer Utility:			
Notes	105,000.00	80,000.00	94,000.00
Total Issued	<u>4,135,590.69</u>	<u>2,262,445.00</u>	<u>2,015,445.00</u>
Less:			
Funds Temporarily Held to			
Pay Bonds and Notes:			
Reserve to Pay Debt Service			8,910.64
Total Deductions			<u>8,910.64</u>
Net Debt Issued	<u>4,135,590.69</u>	<u>2,262,445.00</u>	<u>2,006,534.36</u>

BOROUGH OF STANHOPE  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2014  
 (Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2014	2013	2012
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	\$ 325,198.91	\$ 112,898.91	\$ 361,000.00
Water Utility:			
Bonds and Notes	331,850.00	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>657,048.91</u>	<u>2,557,898.91</u>	<u>2,901,000.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 4,792,639.60</u>	<u>\$ 4,820,343.91</u>	<u>\$ 4,907,534.36</u>

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

	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>
	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014
Bond Anticipation Notes:				
General Capital Fund	\$ 1,814,945.00	\$ 1,860,900.00	\$ 1,814,945.00	\$ 1,860,900.00
Water Utility Capital Fund	367,500.00	511,500.00	367,500.00	511,500.00
Sewer Utility Capital Fund	80,000.00	105,000.00	80,000.00	105,000.00
Loans Payable:				
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loans		1,697,250.00	39,059.31	1,658,190.69
Total	<u>\$ 2,262,445.00</u>	<u>\$ 4,174,650.00</u>	<u>\$ 2,301,504.31</u>	<u>\$ 4,135,590.69</u>

BOROUGH OF STANHOPE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

The Borough's debt issued and outstanding on December 31, 2014, is described as follows:

General Capital Fund

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u> <u>Outstanding Dec. 31, 2014</u>		
	<u>Rate</u>	<u>Date</u>	<u>Amount</u>
Acquisition of New Fire Truck	1.25%	5/30/2015	\$ 87,000.00
Acquisition of New and Additional Fire Fighting Equipment	1.25%	5/30/2015	6,000.00
Acquisition of New Police Equipment	1.25%	5/30/2015	20,000.00
Improvement of Elm St and Grove Rd	1.25%	5/30/2015	113,900.00
Improvement of the Municipal Building	1.25%	5/30/2015	98,000.00
Acquisition of New and Additional Equipment	1.25%	5/30/2015	13,000.00
Improvement of Various Roads	1.25%	5/30/2015	100,100.00
Improvement of Various Roads	1.25%	5/30/2015	45,000.00
Improvement of Main St. and Grove Rd.	1.25%	5/30/2015	100,000.00
Various Improvements	1.25%	5/30/2015	60,000.00
Improvements on Main St- Phase II	1.25%	5/30/2015	25,000.00
Various Improvements	1.25%	5/30/2015	182,600.00
Various Improvements	1.25%	5/30/2015	198,000.00
Acquisition of New Equipment	1.25%	5/30/2015	73,850.00
Acquisition of Fire Equipment	1.25%	5/30/2015	33,000.00
Various Improvements	1.25%	5/30/2015	334,000.00
Various Improvements	1.25%	5/30/2015	86,450.00
Maple and Mountain Terrance	1.25%	5/30/2015	233,000.00
James Street Improvements	1.25%	5/30/2015	52,000.00
			<u>\$ 1,860,900.00</u>

BOROUGH OF STANHOPE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

The Borough's debt issued and outstanding on December 31, 2014, is described as follows:

Water Utility Capital Fund

Bond Anticipation Notes

<u>Purpose</u>	Maturities of Notes Outstanding Dec. 31, 2014		
	<u>Rate</u>	<u>Date</u>	<u>Amount</u>
Improvement to Water Supply and Distribution System	1.25%	5/30/2015	\$ 91,230.24
Acquisition of New and Additional Vehicular Equipment	1.25%	5/30/2015	26,069.07
Improvement to Water Supply and Distribution System	1.25%	5/30/2015	90,000.00
Acquisition and Installation of a New Generator	1.25%	5/30/2015	21,602.22
Acquisition of New and Additional Equipment	1.25%	5/30/2015	140,000.00
Improvement to Water Supply and Distribution System	1.25%	5/30/2015	104,000.00
Improvement to Water Supply and Distribution System	1.25%	5/30/2015	38,598.47
			<u>\$ 511,500.00</u>

NJ Environmental Infrastructure Trust Loans

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
Fund Loan #1	08/01/2033	N/A	\$ 871,665.26
Trust Loan #1	08/01/2033	3.00%-5.00%	295,000.00
Fund Loan #2	08/01/2033	N/A	241,525.43
Trust Loan #2	08/01/2033	0.20%-3.35%	250,000.00
			<u>\$ 1,658,190.69</u>

BOROUGH OF STANHOPE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Sewer Utility Capital Fund

Bond Anticipation Notes

<u>Purpose</u>	Maturities of Notes Outstanding Dec. 31, 2014		
	Rate	Date	Amount
Acquisition of New and Additional Equipment	1.25%	5/30/2015	\$ 105,000.00
			\$ 105,000.00
Total Debt Issued and Outstanding			\$ 4,135,590.69

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.651%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 2,540,000.00	\$ 2,540,000.00	
Water Utility Debt	2,501,540.69	2,501,540.69	
Sewer Utility Debt	105,000.00	105,000.00	
General Debt	2,186,098.91		\$ 2,186,098.91
	\$ 7,332,639.60	\$ 5,146,540.69	\$ 2,186,098.91

Net Debt \$2,186,098.91 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended,  
\$335,856,741.33 = 0.651%.

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

3.5% Average Equalized Valuation of Real Property	\$ 11,754,985.95
Net Debt	2,186,098.91
Remaining Borrowing Power	\$ 9,568,887.04



BOROUGH OF STANHOPE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(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	\$	725,467.63
Deductions:		
Operating and Maintenance Costs	\$	486,844.00
Debt Service		155,838.33
Total Deductions		<u>642,682.33</u>
Excess in Revenue	\$	<u>82,785.30</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	\$	1,007,772.59
Deductions:		
Operating and Maintenance Costs	\$	842,422.00
Debt Service		80,672.00
Total Deductions		<u>923,094.00</u>
Excess in Revenue	\$	<u>84,678.59</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.

Schedule of Annual Debt Service for the Next Five Years and Thereafter for Loans Issued and Outstanding

Year Ended Dec. 31,	Water Utility Capital		Total
	Principal	Interest	
2015	\$ 79,998	\$ 16,574	\$ 96,572
2016	80,020	16,251	96,271
2017	80,070	15,902	95,972
2018	80,144	15,327	95,471
2019	80,260	14,711	94,971
2020-2024	429,167	60,689	489,856
2025-2029	451,567	37,089	488,656
2030-2033	376,965	11,494	388,459
Total	<u>\$ 1,658,191</u>	<u>\$ 188,037</u>	<u>\$ 1,846,228</u>

BOROUGH OF STANHOPE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2014, which were appropriated and included as anticipated revenue in the year ending December 31, 2015 adopted budget, were as follows:

Current Fund	\$715,000.00
Water Utility Operating Fund	112,000.00
Sewer Utility Operating Fund	75,000.00

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 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> 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, 2014  
(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 \$160,482, \$166,716 and \$154,488 for 2014, 2013 and 2012, respectively. Borough contributions to PERS amounted to \$89,239, \$94,908 and \$91,860 for 2014, 2013 and 2012, 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 \$176,326. 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, 2014.

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.

	2014	2013	2012
<u>Tax Rate</u>	\$ 3.76	\$ 3.65	\$ 3.12
<u>Apportionment of Tax Rate</u>			
Municipal	1.10	1.09	0.93
County	0.59	0.54	0.50
Local School	1.38	1.34	1.14
Regional High School	0.69	0.68	0.55
<u>Assessed Valuations</u>			
2014	\$ 293,931,458.00		
2013		\$ 294,505,180.00	*
2012			\$ 342,337,122.00

\* - Reassessment Year

BOROUGH OF STANHOPE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(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>
2014	\$ 11,066,645.09	\$ 10,785,731.04	97.46%
2013	10,782,983.40	10,459,563.77	97.00%
2012	10,717,614.78	10,364,451.64	96.70%

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, 2014  
(Continued)

Note 8: Risk Management (Cont'd)

The December 31, 2014 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, 2013 is as follows:

	<u>Morris County Municipal Joint Insurance Fund</u>
Total Assets	\$ 25,334,768
Net Position	\$ 9,645,581
Total Revenue	\$ 15,621,282
Total Expenses	\$ 15,549,524
Change in Net Position	\$ 71,758
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 216  
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>
2012	\$ 121.66	\$ 15,500.00	\$ 2,336.78	\$ 46,642.83
2013	79.48	15,500.00	1,165.76	61,056.55
2014	105.42	15,500.00	1,168.97	75,493.00

BOROUGH OF STANHOPE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(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, 2014  
(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, 2014  
(Continued)

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

As of December 31, 2014, 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 Manage- ment Fund</u>	<u>Totals</u>
Current	\$ 250.00	\$ 2,782,861.13	\$ 97,682.41	\$ 2,880,793.54
Animal Control		13,345.00		13,345.00
Other Trust		743,943.82		743,943.82
General Capital		247,422.89	6,867.65	254,290.54
Water Operating	50.00	287,327.38	89,772.91	377,150.29
Water Capital		130,660.31	4,771.91	135,432.22
Sewer Operating	50.00	566,470.27	31,117.12	597,637.39
Sewer Capital		271,167.12	314,775.54	585,942.66
	<u>\$ 350.00</u>	<u>\$ 5,043,197.92</u>	<u>\$ 544,987.54</u>	<u>\$ 5,588,535.46</u>

During the year ended December 31, 2014, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at year end was \$5,588,535.46 and the bank balance was \$5,481,508.37. The \$544,987.54 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, 2014  
(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, 2014, the Borough had no employees who met post-retirement eligibility requirements for health care benefits and recognized expenses of \$-0-.

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, 2014  
(Continued)

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 1,898.20	
Animal Control		\$ 1,898.20
Water Utility Operating	1,928.94	
Water Utility Capital		1,928.94
Sewer Utility Operating	373.63	
Sewer Utility Capital		373.63
	<u>\$ 4,200.77</u>	<u>\$ 4,200.77</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 both the Water Utility and Sewer Utility Operating Funds and the Water Utility and Sewer Utility Capital Funds 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, 2014.

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 \$138,230.11, 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, 2014

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		
Doreen Thistleton	Council President		
James Benson	Councilperson		
Michael Depew	Councilperson		
Diana Kuncken	Councilperson		
Bill Thornton	Councilperson		
Patricia Zdichocki	Councilperson		
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 (to 10/14/14)	1,000,000	Municipal Excess Liability JIF
Maria Mascuch	Sewer Collector, Water Collector (from 10/15/14)	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  
2014  
CURRENT FUND

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 2,609,930.01
Increased by Receipts:		
Tax Collector		\$ 11,279,296.80
Revenue Accounts Receivable		340,777.62
Miscellaneous Revenue Not Anticipated		34,041.68
Appropriation Refunds		107,979.36
Due to State of New Jersey		
Veterans and Senior Citizens' Deductions		29,000.00
Training Fees		1,922.00
Marriage License Fees		500.00
Due Animal Control License Fund		8,969.32
Due Other Trust Funds		714.98
Due to General Capital Fund		873.32
Unappropriated Reserves:		
Body Armor Replacement Fund		1,259.16
Drunk Driving Enforcement Fund		1,965.65
Clean Communities Program		6,457.91
Click-It or Ticket		4,000.00
Cablevision 2014 PEG Access Grant		6,000.00
Safe and Secure Communities		30,000.00
Recycling Tonnage Grant		3,626.68
Appropriated Reserves:		
Housing Reimbursement Program Reimbursement		9,000.00
Reserve for Sale of Municipal Assets		200,000.00
		12,066,384.48
		14,676,314.49

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

Decreased by Disbursements:

2014 Appropriation Expenditures	\$	3,614,549.07	
2013 Appropriation Reserves		106,161.23	
Accounts Payable		35,877.25	
Local School District Taxes		4,051,065.00	
Regional School Taxes		2,033,395.00	
County Taxes		1,721,085.50	
Tax Overpayment Refunds		69.78	
Due to Other Trust Funds:			
Reserve for Snow Removal		40,000.00	
Due to State of New Jersey			
Training Fees		1,630.00	
Marriage License Fees		525.00	
Due from Lenape Valley Regional High School		1,096.63	
Due from Verizon		1,273.50	
Reserve for Third Party Tax Title Liens		177,221.21	
Reserve for Pending Tax Appeals		1,562.50	
Appropriated Reserves:			
Clean Communities Program		965.05	
Drunk Driving Enforcement Fund		3,367.55	
Body Armor Replacement Program		3,520.96	
SLAHEOP Grant		2,405.72	
			\$ 11,795,770.95
Balance December 31, 2014	A		\$ 2,880,543.54

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

Increased by Receipts:

Taxes Receivable	\$ 10,942,901.57	
2015 Prepaid Taxes	48,217.96	
Tax Overpayments	8,829.36	
Outside Liens	217,132.73	
Interest and Costs on Taxes	62,110.18	
Nonbudget Revenue	105.00	
		\$ 11,279,296.80

Decreased by:

Payments to Treasurer		\$ 11,279,296.80
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CURRENT FUND  
SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE



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

Year	Balance	2014 Levy	Added Taxes	Collections		Tax Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec 31, 2013			2013	2014					Dec 31, 2014
2013	\$ 254,460.66				\$ 253,593.19				\$ 867.47	
	254,460.66				253,593.19				867.47	
2014		\$ 11,066,645.09	\$ 1,290.50	\$ 52,240.79	10,689,308.38	\$ 14,520.23	\$ 29,661.64	\$ 28,361.63	24,032.42	\$ 229,810.50
	\$ 254,460.66	\$ 11,066,645.09	\$ 1,290.50	\$ 52,240.79	\$ 10,942,901.57	\$ 14,520.23	\$ 29,661.64	\$ 28,361.63	\$ 24,899.89	\$ 229,810.50
Ref.	A									A

Analysis of 2014 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 11,045,944.19
Added Taxes (54:4-63.1 et seq.)	20,700.90
	<u>\$ 11,066,645.09</u>

Tax Levy:

Local School District Taxes	\$ 4,051,065.00
Regional High School Taxes	2,033,395.00
County Taxes	\$ 1,718,284.47
County Added and Omitted Taxes	3,227.77
	<u>1,721,512.24</u>
	7,805,972.24
Local Tax for Municipal Purposes	3,242,618.54
Add: Additional Tax Levied	18,054.31
	<u>3,260,672.85</u>
	<u>\$ 11,066,645.09</u>

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2013	A	\$	141,642.41
Increased by:			
Interest and Costs		\$	111.09
Transfer from Taxes Receivable			<u>24,899.89</u>
			<u>25,010.98</u>
Balance December 31, 2014	A	\$	<u>166,653.39</u>

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec 31, 2013</u>	<u>Accrued In</u> <u>2014</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec 31, 2014</u>
Clerk:				
Licenses:				
Alcoholic Beverages		\$ 3,031.00	\$ 3,031.00	
Fees and Permits		2,808.00	2,808.00	
Zoning Officer:				
Fees and Permits		1,745.00	1,745.00	
Board of Health:				
Fees and Permits		885.00	885.00	
Construction Code Official:				
Fees and Permits		64,791.00	64,791.00	
Municipal Court:				
Fines and Costs	\$ 4,183.00	45,334.23	45,334.23	\$ 4,183.00
Police Department:				
Fees and Permits		612.39	612.39	
Planning Board/Board of Adjustment:				
Fees and Permits		550.00	550.00	
Energy Receipts Tax		185,460.00	185,460.00	
Consolidated Municipal Property Tax Relief Aid		31,122.00	31,122.00	
Garden State Trust Fund		4,439.00	4,439.00	
FEMA Assistance to Firefighters Grant		157,776.00		157,776.00
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>\$ 83,157.40</u>	<u>\$ 498,553.62</u>	<u>\$ 340,777.62</u>	<u>\$ 240,933.40</u>
<u>Ref.</u>	A			A

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
General Government:				
Administrative and Executive:				
Other Expenses	\$ 3,175.88	\$ 3,175.88	\$ 2,264.99	\$ 910.89
Mayor and Council:				
Salaries and Wages	154.77	154.77		154.77
Other Expenses	3,240.61	1,992.61	60.00	1,932.61
Municipal Clerk:				
Other Expenses	180.67	180.67	41.90	138.77
Financial Administration:				
Other Expenses	905.50	905.50	836.50	69.00
Annual Audit	6.00	6.00		6.00
Computerized Data Processing:				
Other Expenses	1,736.98	1,736.98	1,550.00	186.98
Assessment of Taxes:				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	1,862.46	1,862.46	1,294.99	567.47
Other Expenses - Fees & Appeals	6,181.25	6,181.25	43.75	6,137.50
Collection of Taxes:				
Other Expenses	4.07	4.07		4.07
Legal Services and Costs:				
Other Expenses	33,332.08	33,332.08	3,297.50	30,034.58
Engineering Services:				
Other Expenses	13,935.00	13,935.00	11,144.75	2,790.25
Public Buildings and Grounds:				
Salaries and Wages	268.66	268.66		268.66
Other Expenses	9,206.60	9,206.60	769.06	8,437.54
Municipal Land Use Law (N.J.S.A. 40:55d-1):				
Planning Board:				
Other Expenses	3,168.11	3,168.11	87.50	3,080.61
Zoning and Code Enforcement:				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	485.65	485.65		485.65
Regional Planning Board:				
Other Expenses	0.38	0.38		0.38
Affordable Housing-COAH				
Other Expenses	5,000.00	5,000.00		5,000.00
Environmental Commission:				
Other Expenses	586.02	586.02		586.02
Shade Tree Commission:				
Other Expenses	1,087.64	1,087.64	50.00	1,037.64

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Balance Dec 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
Public Safety:				
Fire:				
Other Expenses	\$ 147.25	\$ 1,017.25	\$ 1,010.62	\$ 6.63
Police:				
Salaries and Wages	43,419.72	43,419.72		43,419.72
Other Expenses	8,805.08	8,905.08	8,903.84	1.24
Emergency Management:				
Other Expenses	0.60	0.60		0.60
Streets and Roads:				
Department of Public Works:				
Salaries and Wages	3,350.57	3,350.57		3,350.57
Other Expenses	18,657.24	18,935.24	18,934.48	0.76
Health and Welfare:				
Board of Health:				
Other Expenses	638.79	638.79		638.79
Animal Regulation:				
Other Expenses	3,386.54	3,386.54	168.90	3,217.64
Garbage and Trash Removal:				
Salaries and Wages	17.73	17.73		17.73
Other Expenses	32,810.43	32,810.43	5,000.00	27,810.43
Contractual	52,600.00	52,600.00	18,050.00	34,550.00
Vehicle Maintenance:				
Other Expenses	1,822.30	1,822.30	155.55	1,666.75
Recreation and Education:				
Celebration of Public Events:				
Other Expenses	1,000.00	1,000.00		1,000.00
Board of Recreation Commissioners:				
Other Expenses	6,142.80	6,142.80	231.04	5,911.76
Stormwater Management:				
Other Expenses	206.62	206.62		206.62
Road Repairs & Resurfacing	9,627.69	9,627.69	9,627.69	
Uniform Construction Code:				
Construction Code Official:				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	154.76	154.76	150.00	4.76

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Balance Dec 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
Unclassified:				
Utilities	\$ 42,607.26	\$ 42,607.26	\$ 15,609.37	\$ 26,997.89
Condo Services:				
Other Expenses	35,149.24	35,149.24	27,215.61	7,933.63
Contingent	375.00	375.00	125.00	250.00
Drunk Driving Enforcement Fund				
Social Security System (O.A.S.I.)	22,901.39	22,901.39		22,901.39
Insurance:				
General Liability Insurance	211.00	211.00		211.00
Health Insurance Waiver	5,000.00	5,000.00		5,000.00
Employee Group Insurance	5,302.23	5,302.23	481.78	4,820.45
	\$ 378,855.57	\$ 378,855.57	\$ 127,104.82	\$ 251,750.75

Analysis of Balance December 31, 2013

	<u>Ref.</u>		
Unencumbered	A	\$ 314,399.35	
Encumbered	A	64,456.22	
		\$ 378,855.57	

Analysis of Paid or Charged

Cash Disbursed	\$ 106,161.23
Accounts Payable	20,943.59
	\$ 127,104.82

BOROUGH OF STANHOPE  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

Increased by:	
Levy - Calendar Year 2014	\$ 4,051,065.00
Decreased by:	
Payments to Local School District	<u>\$ 4,051,065.00</u>

CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

Increased by:	
Levy - Calendar Year 2014	\$ 2,033,395.00
Decreased by:	
Payments to Regional School District	<u>\$ 2,033,395.00</u>



BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
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, 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
Increased by Receipts:									
Animal Control Fees		5,036.40							
State Registration Fees		543.60							
Penalties and Miscellaneous		706.20							
Due to/from Current Fund:									
Interest Income		30.76			64.15				650.83
Interfund Advanced/Returned									40,000.00
Tax Sale Premium									219,600.00
Interest on Deposits				105.42		18.25	4.12		
Unemployment Insurance Deposits				15,500.00					
Performance Bond and Escrow									
Deposits and Interest					25,832.36				
Parking Offenses Adjudication Act							72.00		
Recreation Trust									15,280.00
COAH Housing Deposit and Interest								2,489.01	
Recycling Revenue and Interest			4,445.35						
<b>Total Receipts</b>		<b>6,316.96</b>	<b>4,445.35</b>	<b>15,605.42</b>	<b>25,896.51</b>	<b>18.25</b>	<b>76.12</b>	<b>2,489.01</b>	<b>275,530.83</b>
<b>Total Funds Available</b>		<b>23,771.92</b>	<b>41,481.95</b>	<b>76,661.97</b>	<b>76,823.39</b>	<b>12,164.29</b>	<b>2,783.24</b>	<b>11,391.92</b>	<b>660,118.42</b>
Decreased by Disbursements:									
State Registration Fees		544.80							
Animal Control Fund Expenditures		912.80							
Due to Current Fund		8,969.32			64.15				650.83
Reserve for Recycling Expenditures			4,036.00						
Performance Bond and Escrow									
Deposit Expenditures					7,661.86				
Tax Sale Premium Expenditures									103,700.00
Snow Removal Expenditures									5,000.00
Recreation Trust									15,199.55
State Unemployment Insurance									
Expenditures				1,168.97					
<b>Total Disbursements</b>		<b>10,426.92</b>	<b>4,036.00</b>	<b>1,168.97</b>	<b>7,726.01</b>				<b>124,550.38</b>
<b>Balance December 31, 2014</b>	B	<b>\$ 13,345.00</b>	<b>\$ 37,445.95</b>	<b>\$ 75,493.00</b>	<b>\$ 69,097.38</b>	<b>\$ 12,164.29</b>	<b>\$ 2,783.24</b>	<b>\$ 11,391.92</b>	<b>\$ 535,568.04</b>

BOROUGH OF STANHOPE  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2014

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, 2013	B	\$ 8,514.00
Increased by:		
Dog License Fees Collected		\$ 3,326.40
Cat License Fees Collected		1,710.00
Penalties and Miscellaneous		706.20
		5,742.60
		14,256.60
Decreased by:		
Animal Control Fund Expenditures		912.80
Statutory Excess- Due to Current Fund		1,898.20
		2,811.00
Balance December 31, 2014	B	\$ 11,445.60

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 3,984.40
2013	7,461.20
	11,445.60
Maximum Allowable Reserve	\$ 11,445.60

BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
GENERAL CAPITAL FUND

BOROUGH OF STANHOPE  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 437,969.06
Increased by:		
Current Fund Budget Appropriation:		
Capital Improvement Fund		\$ 20,000.00
Payment of Bond Anticipation Notes		300,000.00
Bond Anticipation Notes Issued		1,860,900.00
Premium on Note Sale		10,182.11
Due to/from Current Fund :		
Interest Income		873.32
		2,191,955.43
		2,629,924.49
Decreased by:		
Due to Water Utility Capital Fund		80,000.00
Due to Sewer Utility Capital Fund		74,000.00
Due to Current Fund:		
Interest		873.32
Reserve for Preliminary Expenses		17,060.00
Bond Anticipation Notes Payable		1,814,945.00
Improvement Authorization Expenditures		388,755.63
		2,375,633.95
Balance December 31, 2014	C	\$ 254,290.54

BOROUGH OF STANHOPE  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance (Deficit) Dec 31, 2013	Receipts			Disbursements			Transfers		Balance (Deficit) Dec 31, 2014		
		Bond Anticipation Notes	Budget Appropriations	Miscellaneous	Bond Anticipation Notes	Improvement Authori- zations	Miscellaneous	From	To			
Fund Balance	\$ 26,326.30			\$ 10,182.11			\$ 10,600.00		\$ 25,908.41			
Due Current Fund			\$ 300,000.00	873.32		\$ 873.32	300,000.00					
Due Water Utility Capital Fund	80,000.00					80,000.00						
Due Sewer Utility Capital Fund	74,000.00					74,000.00						
Capital Improvement Fund	29,100.57		20,000.00				48,445.00		655.57			
Reserve for Sidewalk Improvements	16,655.02								16,655.02			
New Jersey Department of Transportation Grant Receivable							450,000.00		(450,000.00)			
Reserve for Morris Canal Rehabilitation	49,900.00								49,900.00			
Reserve for Preliminary Expenses	17,060.00					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		\$ 87,000.00		\$ 173,000.00		\$ 86,000.00				
05-10	07/11/05	Acquisition of New and Additional Fire Fighting Equipment		6,000.00		13,000.00		7,000.00				
06-13	12/19/06	Acquisition of New Police Equipment		20,000.00		30,000.00		10,000.00				
07-02	04/25/07	Improvement of Elm Street and Grove Road		113,900.00		151,900.00		38,000.00				
07-05	06/26/07	Improvement of the Municipal Building	42,216.56	98,000.00		130,000.00	\$ 11,599.42	32,000.00		30,617.14		
07-06	06/26/07	Acquisition of New and Additional Equipment		13,000.00		17,000.00		4,000.00				
07-09	07/31/07	Improvement of Various Roads		100,100.00		110,100.00		10,000.00				
07-12	12/18/07	Various Improvements				20,000.00		20,000.00				
08-02	05/20/08	Improvements to Various Roads		45,000.00		55,000.00		10,000.00				
08-03	05/20/08	Improvement of Main Street and Grove Road	4,599.04	100,000.00		120,000.00		20,000.00		4,599.04		
08-09	09/30/08	Various Improvements		60,000.00		70,000.00		10,000.00				
09-08	07/21/09	Various Improvements	(536.42)	182,600.00		191,095.00		14,943.91		5,912.49		
09-13	07/28/09	Improvements on Main St- Phase II		25,000.00		35,000.00		10,000.00				
10-04	05/25/10	Various Improvements	39,796.81	198,000.00		250,000.00	690.60	15,000.00		2,106.21		
10-13	11/23/10	Acquisition of New Equipment	14,832.72	73,850.00		73,850.00	11,100.00	5,000.00		8,732.72		
11-13	07/12/11	Acquisition of Fire Equipment	411.38	33,000.00		34,000.00		1,000.00		411.38		
12-15	06/26/12	Various Improvements	12,393.58	334,000.00		341,000.00	5,454.17	7,000.00		6,939.41		
13-07	06/11/13	Various Improvements	99.45							99.45		
13-12	07/09/13	Various Improvements	(25,769.80)	86,450.00			56,696.80			3,983.40		
14-08	04/08/14	Maple and Mountain Terrance Reconstruction		233,000.00			238,109.53	12,000.00		6,890.47		
14-10	06/24/14	Computer Hardware/ Software					5,128.76	17,300.00		12,171.24		
14-12	06/24/14	James Street Improvements		52,000.00			21,086.55	206,756.09		237,669.54		
14-13	06/24/14	Various Improvements					38,889.80	273,045.00		234,155.20		
			<u>\$ 437,969.06</u>	<u>\$ 1,860,900.00</u>	<u>\$ 320,000.00</u>	<u>\$ 11,055.43</u>	<u>\$ 1,814,945.00</u>	<u>\$ 388,755.63</u>	<u>\$ 171,933.32</u>	<u>\$ 809,045.00</u>	<u>\$ 809,045.00</u>	<u>\$ 254,290.54</u>

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

Ord. No.	Ord. Date	Improvement Description	Balance Dec 31, 2013	2014 Authorizations	Notes Paid by Budget Appropriation	Funded by Budget Appropriation	Adjustment	Analysis of Balance December 31, 2014		
								Balance Dec 31, 2014	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
05-09	07/11/05	Acquisition of New Fire Truck	\$ 173,000.00		\$ 86,000.00			\$ 87,000.00	\$ 87,000.00	
05-10	07/11/05	Acquisition of New and Additional Fire Fighting Equipment	13,000.00		7,000.00			6,000.00	6,000.00	
06-13	12/19/06	Acquisition of New Police Equipment	30,000.00		10,000.00			20,000.00	20,000.00	
07-02	04/25/07	Improvement of Elm Street and Grove Road	151,900.00		38,000.00			113,900.00	113,900.00	
07-05	06/26/07	Improvement of the Municipal Building	130,000.00		32,000.00			98,000.00	98,000.00	
07-06	06/26/07	Acquisition of New and Additional Equipment	17,000.00		4,000.00			13,000.00	13,000.00	
07-09	07/31/07	Improvement of Various Roads	110,100.00		10,000.00			100,100.00	100,100.00	
07-12	12/18/07	Improvement of Various Roads	20,000.00		20,000.00					
08-02	05/20/08	Improvement of Various Roads	55,000.00		10,000.00			45,000.00	45,000.00	
08-03	05/20/08	Improvement on Main St and Grove St	120,000.00		20,000.00			100,000.00	100,000.00	
08-09	09/30/08	Various Improvements	70,000.00		10,000.00			60,000.00	60,000.00	
09-08	07/21/09	Various Improvements	197,543.91		8,495.00	\$ 6,448.91		182,600.00	182,600.00	
09-13	07/28/09	Improvements on Main St- Phase II	35,000.00		10,000.00			25,000.00	25,000.00	
10-04	06/22/10	Various Improvements	265,000.00			15,000.00	\$ 52,000.00	198,000.00	198,000.00	
10-13	11/23/10	Acquisition of New Equipment	78,850.00			5,000.00		73,850.00	73,850.00	
11-13	07/12/11	Acquisition of Fire Equipment	34,000.00		1,000.00			33,000.00	33,000.00	
12-15	06/26/12	Various Improvements	341,000.00		7,000.00			334,000.00	334,000.00	
13-12	07/09/13	Various Improvements	86,450.00					86,450.00	86,450.00	
14-08	04/08/14	Maple and Mountain Terrance Reconstruction		\$ 233,000.00				233,000.00	233,000.00	
14-12	06/24/14	James Street Improvements		133,300.00		56.09	(52,000.00)	185,243.91	52,000.00	\$ 133,243.91
14-13	06/24/14	Various Improvements		191,955.00				191,955.00		191,955.00
			<u>\$ 1,927,843.91</u>	<u>\$ 558,255.00</u>	<u>\$ 273,495.00</u>	<u>\$ 26,505.00</u>	<u>\$ -0-</u>	<u>\$ 2,186,098.91</u>	<u>\$ 1,860,900.00</u>	<u>\$ 325,198.91</u>

Ref.

C

C

Improvement Authorizations - Unfunded \$ 447,391.17  
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance # 07-05	\$ 30,617.14
Ordinance # 08-03	4,599.04
Ordinance # 09-08	5,912.49
Ordinance # 10-04	2,106.21
Ordinance # 10-13	8,732.72
Ordinance # 11-13	411.38
Ordinance # 12-15	6,939.41
Ordinance # 13-12	3,983.40
Ordinance # 14-08	6,890.47
Ordinance # 14-12	52,000.00
	<u>\$ 325,198.91</u>



BOROUGH OF STANHOPE  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations					Balance Dec. 31, 2014		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Fund Balance	New Jersey Department of Transportation Grant Program	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Adjustments	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		\$ 42,216.56				\$ 11,599.42				\$ 30,617.14
08-03	Improvement of Main Street and Grove Road	05/20/08	335,000.00		4,599.04								4,599.04
09-08	Various Improvements	07/21/09	421,900.00		5,912.49								5,912.49
10-04	Various Improvements	05/25/10	500,000.00		54,796.81				690.60	\$ (52,000.00)			2,106.21
10-13	Acquisition of New Equipment	11/23/10	90,000.00		19,832.72				11,100.00				8,732.72
11-13	Acquisition of Fire Equipment	07/12/11	37,000.00		411.38								411.38
12-15	Various Improvements	06/26/12	359,000.00		12,393.58				5,454.17				6,939.41
13-07	Various Improvements	06/11/13	6,000.00	99.45								99.45	
13-08	Various Improvements	06/25/13	5,150.00										
13-12	Various Improvements	07/09/13	91,000.00		60,680.20				56,696.80				3,983.40
14-08	Maple and Mountain Terrace Reconstruction	04/08/14	245,000.00			\$ 12,000.00			238,109.53		\$ 233,000.00		6,890.47
14-10	Computer Hardware/ Software	06/24/14	17,300.00			6,700.00	\$ 10,600.00		5,128.76			12,171.24	
14-12	James Street Improvements	06/24/14	392,000.00			6,700.00		\$ 200,000.00	21,086.55	52,000.00	133,300.00	185,669.54	185,243.91
14-13	Various Improvements	06/24/14	465,000.00			23,045.00		250,000.00	38,889.80		191,955.00	234,155.20	191,955.00
				<u>\$ 56,983.30</u>	<u>\$ 200,842.78</u>	<u>\$ 48,445.00</u>	<u>\$ 10,600.00</u>	<u>\$ 450,000.00</u>	<u>\$ 388,755.63</u>	<u>\$ -0-</u>	<u>\$ 488,979.28</u>	<u>\$ 447,391.17</u>	
Ref.				C	C							C	C

BOROUGH OF STANHOPE  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 29,100.57
Increased by:		
Current Fund Budget Appropriation		<u>20,000.00</u>
		49,100.57
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>48,445.00</u>
Balance December 31, 2014	C	<u><u>655.57</u></u>

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance			
		Issue of Original Note	Issue	Maturity		Dec 31, 2013	Issued	Matured	Dec 31, 2014
05-09	Acquisition of New Fire Truck	11/18/05	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	\$ 173,000.00	\$ 87,000.00	\$ 173,000.00	\$ 87,000.00
05-10	Acquisition of New and Additional Fire Fighting Equipment	11/18/05	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	13,000.00	6,000.00	13,000.00	6,000.00
06-13	Acquisition of New Police Equipment	12/19/06	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	30,000.00	20,000.00	30,000.00	20,000.00
07-02	Improvement of Elm Street and Grove Road	04/25/07	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	151,900.00	113,900.00	151,900.00	113,900.00
07-05	Improvement of the Municipal Building	10/26/07	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	130,000.00	98,000.00	130,000.00	98,000.00
07-06	Acquisition of New and Additional Equipment	10/26/07	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	17,000.00	13,000.00	17,000.00	13,000.00
07-09	Improvement of Various Roads	10/26/07	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	110,100.00	100,100.00	110,100.00	100,100.00
07-12	Various Improvements	10/26/07	05/30/13	05/30/14	0.840%	20,000.00		20,000.00	
08-02	Improvement of Various Roads	06/04/09	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	55,000.00	45,000.00	55,000.00	45,000.00
08-03	Improvement of Main St and Grove Rd	06/04/09	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	120,000.00	100,000.00	120,000.00	100,000.00
08-09	Various Improvements	06/04/09	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	70,000.00	60,000.00	70,000.00	60,000.00
09-13	Improvements on Main St- Phase II	06/04/09	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	35,000.00	25,000.00	35,000.00	25,000.00
09-08	Various Improvements	06/03/10	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	191,095.00	182,600.00	191,095.00	182,600.00
10-04	Various Improvements	06/03/11	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	250,000.00	198,000.00	250,000.00	198,000.00
10-13	Acquisition of New Equipment	06/03/11	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	73,850.00	73,850.00	73,850.00	73,850.00
11-13	Acquisition of Fire Equipment	05/31/12	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	34,000.00	33,000.00	34,000.00	33,000.00
12-15	Various Improvements	05/30/13	05/30/13 05/30/14	05/30/14 05/30/15	0.840% 1.250%	341,000.00	334,000.00	341,000.00	334,000.00
13-12	Various Improvements	05/30/14	05/30/14	05/30/15	1.250%		86,450.00		86,450.00
14-08	Maple and Mountain Terrance	05/30/14	05/30/14	05/30/15	1.250%		233,000.00		233,000.00
14-12	James Street Improvements	05/30/14	05/30/14	05/30/15	1.250%		52,000.00		52,000.00
						\$ 1,814,945.00	\$ 1,860,900.00	\$ 1,814,945.00	\$ 1,860,900.00
Ref						C			C
							\$ 1,541,450.00	\$ 1,541,450.00	
							319,450.00		
								273,495.00	
						\$ 1,860,900.00	\$ 1,814,945.00	\$ 1,814,945.00	\$ 1,860,900.00

BOROUGH OF STANHOPE  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF STANHOPE  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL LOANS PAYABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

Ord. No.	Ord. Date	Improvement Description	Balance Dec 31, 2013	2014 Authorizations	Bond Anticipation Notes Issued	Funded by Budget Appropriation	Balance Dec 31, 2014
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	
13-12	07/09/13	Various Improvements	86,450.00		\$ 86,450.00		
14-08	04/08/14	Maple and Mountain Terrance Reconstruction		\$ 233,000.00	233,000.00		
14-12	06/24/14	James Street Improvements		133,300.00		56.09	\$ 133,243.91
14-13	06/24/14	Various Improvements		191,955.00			191,955.00
			<u>\$ 112,898.91</u>	<u>\$ 558,255.00</u>	<u>\$ 319,450.00</u>	<u>\$ 26,505.00</u>	<u>\$ 325,198.91</u>

BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
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, 2013	D	\$ 382,240.07	\$ 75,842.51
Increased by Receipts:			
Consumer Accounts Receivable - Water Rents		\$ 604,313.13	
Interest on Water Rents		10,933.47	
Miscellaneous Revenue		4,081.37	
Water Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			\$ 5,000.00
Payment of Bond Anticipation Notes			100,000.00
Bond Anticipation Notes Issued			511,500.00
Due to General Capital Fund			80,000.00
Due from Water Utility Capital Fund		1,232.37	
Due to Water Utility Operating Fund - Interest Income			389.66
NJEIT Loan Receivable			1,445,833.00
NJEIT Grant Receivable			483,335.00
		<u>620,560.34</u>	<u>2,626,057.66</u>
		1,002,800.41	2,701,900.17
Decreased by Disbursements:			
2014 Appropriation Expenditures		586,470.14	
2013 Appropriation Reserves		29,731.63	
Interest on Loans and Notes		9,498.35	
Bond Anticipation Notes Matured			367,500.00
Improvement Authorizations			2,197,735.58
Due to Water Utility Operating Fund			1,232.37
		<u>625,700.12</u>	<u>2,566,467.95</u>
Balance December 31, 2014	D	<u>\$ 377,100.29</u>	<u>\$ 135,432.22</u>



BOROUGH OF STANHOPE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CASH - UTILITY COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

	Balance/ (Deficit) Dec.31,2013	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec.31,2014	
		Bond Anticipation Notes	Budget Appropriations	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To		
Capital Improvement Fund	\$ 25,566.54		\$ 5,000.00					\$ 18,000.00		\$ 12,566.54	
Due Water Utility Operating Fund	842.71		100,000.00	\$ 389.66		\$ 1,232.37		100,000.00	\$ 1,928.94	1,928.94	
Due General Capital Fund	(80,000.00)			80,000.00							
Fund Balance	49,118.90									49,118.90	
Reserve for Connection Fees	38,231.00									38,231.00	
NJEIT Loan Receivable				1,445,833.00				1,697,250.00		(251,417.00)	
NJEIT Grant Receivable				483,335.00				500,000.00		(16,665.00)	
<b>Ordinance</b>											
<u>No.</u>		<u>General Improvements</u>									
2010-03	Improvement to Water Supply and Distribution System.	35,828.65				\$ 52,500.00		35,828.65	52,500.00		
2012-10	Improvement to Water Supply and Distribution System	8,769.76	\$ 91,230.24			120,000.00			20,000.00		
2012-14	Acquisition of New and Additional Vehicular Equipment	23,930.93	26,069.07			60,000.00			10,000.00		
2012-18	Improvement to Water Supply and Distribution System	(32,613.62)	90,000.00		\$ 1,976,995.82	100,000.00		1,928.94	2,207,250.00	185,711.62	
2012-19	Preliminary Engineering for Phase I Water System Improvements	966.70								966.70	
2013-02	Acquisition and Installation of a New Generator	5,897.78	21,602.22			35,000.00			7,500.00		
2013-11	Acquisition of New and Additional Equipment	(696.84)	140,000.00		101,575.95					37,727.21	
2014-07	Improvement to Water Supply and Distribution System		104,000.00		84,012.11					19,987.89	
2014-10	Various Improvements				22.50				18,000.00	17,977.50	
2014-11	Improvement to Water Supply and Distribution System				16,028.40					(16,028.40)	
2014-14	Various Improvements				15,096.30					(15,096.30)	
2014-18	Improvement to Water Supply and Distribution System		38,598.47		4,004.50				35,828.65	70,422.62	
		<u>\$ 75,842.51</u>	<u>\$ 511,500.00</u>	<u>\$ 105,000.00</u>	<u>\$ 2,009,557.66</u>	<u>\$ 2,197,735.58</u>	<u>\$ 367,500.00</u>	<u>\$ 1,232.37</u>	<u>\$ 2,353,007.59</u>	<u>\$ 2,353,007.59</u>	<u>\$ 135,432.22</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 91,630.57
Increased by:		
2014 Water Charges Levied		<u>597,342.21</u>
		688,972.78
Decreased by:		
Collections		<u>604,313.13</u>
Balance December 31, 2014	D	<u><u>\$ 84,659.65</u></u>

BOROUGH OF STANHOPE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec.31, 2013	Transferred from Fixed Capital Authorized and Uncompleted	Additions By Budget	Balance Dec.31, 2014
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	\$ 290,401.59	\$ 9,650.00	1,216,862.34
Purchase of DPW Truck	8,000.00	36,069.07		44,069.07
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	29,102.22		74,102.22
Purchase Radio Read/Touchpads	20,960.00			20,960.00
	<u>\$ 3,792,180.96</u>	<u>\$ 355,572.88</u>	<u>\$ 9,650.00</u>	<u>\$ 4,157,403.84</u>

D

D

Appropriation Reserves \$ 9,650.00

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

Improvement Description	No.	Ordinance Date	Amount	Balance Dec.31, 2013	2014 Authorizations			Costs to Fixed Capital	Balance Dec.31, 2014
					Capital Improvement Fund	Deferred Charges to Future Revenue	Transfers		
Improvement to Water Supply and Distribution System	2010-03	05/25/10	\$ 250,000.00	\$ 215,000.00			\$ (35,828.65)	\$ 179,171.35	
Improvement to Water Supply and Distribution System	2012-10	05/22/12	120,000.00	120,000.00			(8,769.76)	111,230.24	
Acquisition of New and Additional Vehicular Equipment	2012-14	06/26/12	60,000.00	60,000.00			(23,930.93)	36,069.07	
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			(5,897.78)	29,102.22	
Acquisition of New and Additional Equipment	2013-11	07/09/13	140,000.00	140,000.00					140,000.00
Improvement to Water Supply and Distribution System	2014-07	04/08/14	104,000.00			\$ 104,000.00			104,000.00
Various Improvements	2014-10	06/24/14	18,000.00		\$ 18,000.00				18,000.00
Improvement to Water Supply and Distribution System	2014-11	06/24/14	265,000.00				256,000.00		256,000.00
Various Improvements	2014-14	08/12/14	35,000.00				35,000.00		35,000.00
Improvement to Water Supply and Distribution System	2014-18	08/26/14	38,100.00				38,100.00		112,527.12
				<u>\$ 2,953,000.00</u>	<u>\$ 18,000.00</u>	<u>\$ 433,100.00</u>	<u>\$ -0-</u>	<u>\$ 355,572.88</u>	<u>\$ 3,048,527.12</u>

Ref.

D

D

BOROUGH OF STANHOPE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec.31, 2013</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	\$ 4,119.54	\$ 4,119.54		\$ 4,119.54
Other Expenses	60,148.75	60,148.75	\$ 20,081.63	40,067.12
Capital Improvements:				
Capital Outlay	14,580.00	14,580.00	9,650.00	4,930.00
Deferred Charges and Statutory				
Expenditures:				
Social Security System (O.A.S.I.)	594.98	594.98		594.98
	<u>\$ 79,443.27</u>	<u>\$ 79,443.27</u>	<u>\$ 29,731.63</u>	<u>\$ 49,711.64</u>

Ref.                      D

Analysis of Balance December 31, 2013

	<u>Ref.</u>	
Unencumbered	D	\$ 70,070.64
Encumbered	D	<u>9,372.63</u>
		<u>\$ 79,443.27</u>

BOROUGH OF STANHOPE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations		Paid or Charged	Adjustment	Balance Dec. 31, 2014	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue			Funded	Unfunded
2010-03	Improvement to Water Supply and Distribution System	05/25/10	\$ 250,000.00		\$ 35,828.65				\$ (35,828.65)		
2012-10	Improvement to Water Supply and Distribution System	05/22/12	120,000.00		8,769.76				(8,769.76)		
2012-14	Acquisition of New and Additional Vehicular Equipment	06/26/12	60,000.00		23,930.93				(23,930.93)		
2012-18	Improvement to Water Supply and Distribution System	11/27/12	2,300,000.00		2,167,386.38			\$ 1,978,924.76		\$ 185,711.62	\$ 2,750.00
2012-19	Preliminary Engineering for Phase I Water System Improvements	10/23/12	83,000.00	\$ 966.70						966.70	
2013-02	Acquisition and Installation of a New Generator	03/26/13	35,000.00		5,897.78				(5,897.78)		
2013-11	Acquisition of New and Additional Equipment	07/09/13	140,000.00		139,303.16			101,575.95			37,727.21
2014-07	Improvement to Water Supply and Distribution System	04/08/14	104,000.00				\$ 104,000.00	84,012.11			19,987.89
2014-10	Various Improvements	06/24/14	18,000.00			\$ 18,000.00		22.50		17,977.50	
2014-11	Improvement to Water Supply and Distribution System	06/24/14	256,000.00					256,000.00	16,028.40		239,971.60
2014-14	Various Improvements	08/12/14	35,000.00					35,000.00	15,096.30		19,903.70
2014-18	Improvement to Water Supply and Distribution System	08/26/14	112,527.12					38,100.00	4,004.50	74,427.12	76,698.47
				\$ 966.70	\$ 2,381,116.66	\$ 18,000.00	\$ 433,100.00	\$ 2,199,664.52	\$ -0-	\$ 236,479.97	\$ 397,038.87
	<u>Ref.</u>			D	D					D	D
								Cash Disbursed	\$ 2,197,735.58		
								Due to Water Utility Operating Fund - Accrued Interest	1,928.94		
									<u>\$ 2,199,664.52</u>		

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 25,566.54
Increased by:		
Due from Water Utility Operating Fund - 2014 Budget Appropriation		<u>5,000.00</u> 30,566.54
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>18,000.00</u>
Balance December 31, 2014	D	<u><u>\$ 12,566.54</u></u>



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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 3,792,180.96
Increased by:		
Transfer from Deferred Reserve for Amortization		\$ 162,500.00
Capital Outlay:		
Appropriation Reserves		9,650.00
Paid by Water Utility Operating Budget:		
Notes		100,000.00
NJEIT Loan #1		30,584.74
NJEIT Loan #2		8,474.57
NJEIT Grant Receivable		<u>500,000.00</u>
		<u>811,209.31</u>
Balance December 31, 2014	D	<u>\$ 4,603,390.27</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec.31, 2013	2014 Authorizations	To Reserve for Amorti- zation	Balance Dec.31, 2014
2010-03	Improvement to Water Supply and Distribution System	05/25/10	\$ 162,500.00		\$ 162,500.00	
2012-19	Preliminary Engineering for Phase I Water System Improvements	10/23/12	83,000.00			\$ 83,000.00
2014-10	Various Improvements	06/24/14	<u>                    </u>	\$ 18,000.00	<u>                    </u>	<u>18,000.00</u>
			<u>\$ 245,500.00</u>	<u>\$ 18,000.00</u>	<u>\$ 162,500.00</u>	<u>\$ 101,000.00</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, 2013	Issued	Matured	Balance Dec.31, 2014
		Issue of Original Note	Issue	Maturity					
2010-03	Improvement to Water Supply and Distribution System	06/03/11	05/31/13	05/30/14	0.840%	\$ 52,500.00		\$ 52,500.00	
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	
		05/31/13	05/30/14	05/30/15	1.250%		\$ 91,230.24		\$ 91,230.24
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	
		05/31/13	05/30/14	05/30/15	1.250%		26,069.07		26,069.07
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	
		05/31/13	05/30/14	05/30/15	1.250%		90,000.00		90,000.00
2013-02	Acquisition and Installation of a New Generator	05/31/13	05/31/13	05/30/14	0.840%	35,000.00		35,000.00	
		05/31/13	05/30/14	05/30/15	1.250%		21,602.22		21,602.22
2013-11	Acquisition of New and Additional Equipment	05/30/14	05/30/14	05/30/15	1.250%		140,000.00		140,000.00
2014-07	Improvement to Water Supply and Distribution System	05/30/14	05/30/14	05/30/15	1.250%		104,000.00		104,000.00
2014-18	Improvement to Water Supply and Distribution System	05/30/14	05/30/14	05/30/15	1.250%		38,598.47		38,598.47
						<u>\$ 367,500.00</u>	<u>\$ 511,500.00</u>	<u>\$ 367,500.00</u>	<u>\$ 511,500.00</u>
						Ref	D		D
							\$ 267,500.00	\$ 267,500.00	
							244,000.00		
								100,000.00	
						<u>\$ 511,500.00</u>	<u>\$ 511,500.00</u>	<u>\$ 367,500.00</u>	<u>\$ 367,500.00</u>

BOROUGH OF STANHOPE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF STANHOPE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE #1  
YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>
Increased by:	
Loan Proceeds	\$ 1,197,250.00
Decreased by:	
Principal Matured	<u>30,584.74</u>
Balance December 31, 2014	D <u><u>\$ 1,166,665.26</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Trust Loan - 2014 Issue

Payment Number	Due Date	Principal	Interest	Loan Balance
				\$ 295,000.00
1	02/01/15		\$ 5,512.50	295,000.00
2	08/01/15	\$ 10,000.00	5,512.50	285,000.00
3	02/01/16		5,362.50	285,000.00
4	08/01/16	10,000.00	5,362.50	275,000.00
5	02/01/17		5,212.50	275,000.00
6	08/01/17	10,000.00	5,212.50	265,000.00
7	02/01/18		4,962.50	265,000.00
8	08/01/18	10,000.00	4,962.50	255,000.00
9	02/01/19		4,712.50	255,000.00
10	08/01/19	10,000.00	4,712.50	245,000.00
11	02/01/20		4,462.50	245,000.00
12	08/01/20	15,000.00	4,462.50	230,000.00
13	02/01/21		4,087.50	230,000.00
14	08/01/21	15,000.00	4,087.50	215,000.00
15	02/01/22		3,712.50	215,000.00
16	08/01/22	15,000.00	3,712.50	200,000.00
17	02/01/23		3,337.50	200,000.00
18	08/01/23	15,000.00	3,337.50	185,000.00
19	02/01/24		2,962.50	185,000.00
20	08/01/24	15,000.00	2,962.50	170,000.00
21	02/01/25		2,587.50	170,000.00
22	08/01/25	15,000.00	2,587.50	155,000.00
23	02/01/26		2,362.50	155,000.00
24	08/01/26	15,000.00	2,362.50	140,000.00
25	02/01/27		2,137.50	140,000.00
26	08/01/27	20,000.00	2,137.50	120,000.00
27	02/01/28		1,837.50	120,000.00
28	08/01/28	20,000.00	1,837.50	100,000.00
29	02/01/29		1,537.50	100,000.00
30	08/01/29	20,000.00	1,537.50	80,000.00
31	02/01/30		1,237.50	80,000.00
32	08/01/30	20,000.00	1,237.50	60,000.00
33	02/01/31		937.50	60,000.00
34	08/01/31	20,000.00	937.50	40,000.00
35	02/01/32		637.50	40,000.00
36	08/01/32	20,000.00	637.50	20,000.00
37	02/01/33		325.00	20,000.00
38	08/01/33	20,000.00	325.00	
		<u>\$ 295,000.00</u>	<u>\$ 115,850.00</u>	

BOROUGH OF STANHOPE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE #1  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Schedule of Principal Payments Outstanding December 31, 2014  
Fund Loan - 2014 Issue

Payment Number	Due Date	Principal	Loan Balance
			\$ 871,665.26
1	02/01/15	\$ 15,292.37	856,372.89
2	08/01/15	30,584.74	825,788.15
3	02/01/16	15,292.37	810,495.78
4	08/01/16	30,584.74	779,911.04
5	02/01/17	15,292.37	764,618.67
6	08/01/17	30,584.74	734,033.93
7	02/01/18	15,292.37	718,741.56
8	08/01/18	30,584.74	688,156.82
9	02/01/19	15,292.37	672,864.45
10	08/01/19	30,584.74	642,279.71
11	02/01/20	15,292.37	626,987.34
12	08/01/20	30,584.74	596,402.60
13	02/01/21	15,292.37	581,110.23
14	08/01/21	30,584.74	550,525.49
15	02/01/22	15,292.37	535,233.12
16	08/01/22	30,584.74	504,648.38
17	02/01/23	15,292.37	489,356.01
18	08/01/23	30,584.74	458,771.27
19	02/01/24	15,292.37	443,478.90
20	08/01/24	30,584.74	412,894.16
21	02/01/25	15,292.37	397,601.79
22	08/01/25	30,584.74	367,017.05
23	02/01/26	15,292.37	351,724.68
24	08/01/26	30,584.74	321,139.94
25	02/01/27	15,292.37	305,847.57
26	08/01/27	30,584.74	275,262.83
27	02/01/28	15,292.37	259,970.46
28	08/01/28	30,584.74	229,385.72
29	02/01/29	15,292.37	214,093.35
30	08/01/29	30,584.74	183,508.61
31	02/01/30	15,292.37	168,216.24
32	08/01/30	30,584.74	137,631.50
33	02/01/31	15,292.37	122,339.13
34	08/01/31	30,584.74	91,754.39
35	02/01/32	15,292.37	76,462.02
36	08/01/32	30,584.74	45,877.28
37	02/01/33	15,292.37	30,584.91
38	08/01/33	30,584.91	
		<u>\$ 871,665.26</u>	

BOROUGH OF STANHOPE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE #2  
YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	
Increased by:		\$ 500,000.00
Loan Proceeds		
Decreased by:		<u>8,474.57</u>
Principal Matured		
	D	<u>\$ 491,525.43</u>
Balance December 31, 2014		

Schedule of Principal and Interest Payments Outstanding December 31, 2014

Trust Loan - 2014 Issue

Payment Number	Due Date	Principal	Interest	Loan Balance
				\$ 250,000.00
1	02/01/15		\$ 2,774.30	250,000.00
2	08/01/15	\$ 11,409.00	2,774.30	238,591.00
3	02/01/16		2,762.89	238,591.00
4	08/01/16	11,431.00	2,762.89	227,160.00
5	02/01/17		2,738.31	227,160.00
6	08/01/17	11,481.00	2,738.31	215,679.00
7	02/01/18		2,701.00	215,679.00
8	08/01/18	11,555.00	2,701.00	204,124.00
9	02/01/19		2,643.22	204,124.00
10	08/01/19	11,671.00	2,643.22	192,453.00
11	02/01/20		2,570.28	192,453.00
12	08/01/20	11,817.00	2,570.28	180,636.00
13	02/01/21		2,478.70	180,636.00
14	08/01/21	12,000.00	2,478.70	168,636.00
15	02/01/22		2,370.70	168,636.00
16	08/01/22	12,216.00	2,370.70	156,420.00
17	02/01/23		2,248.54	156,420.00
18	08/01/23	12,460.00	2,248.54	143,960.00
19	02/01/24		2,113.97	143,960.00
20	08/01/24	12,729.00	2,113.97	131,231.00
21	02/01/25		1,967.59	131,231.00
22	08/01/25	13,022.00	1,967.59	118,209.00
23	02/01/26		1,808.07	118,209.00
24	08/01/26	13,341.00	1,808.07	104,868.00
25	02/01/27		1,631.30	104,868.00
26	08/01/27	13,695.00	1,631.30	91,173.00
27	02/01/28		1,439.57	91,173.00
28	08/01/28	14,078.00	1,439.57	77,095.00
29	02/01/29		1,235.44	77,095.00
30	08/01/29	14,486.00	1,235.55	62,609.00
31	02/01/30		1,014.53	62,609.00
32	08/01/30	14,928.00	1,014.53	47,681.00
33	02/01/31		783.14	47,681.00
34	08/01/31	15,391.00	783.14	32,290.00
35	02/01/32		536.89	32,290.00
36	08/01/32	15,883.00	536.89	16,407.00
37	02/01/33		274.82	16,407.00
38	08/01/33	16,407.00	274.82	
		<u>\$ 250,000.00</u>	<u>\$ 72,186.63</u>	

BOROUGH OF STANHOPE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE #2  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Schedule of Principal Payments Outstanding December 31, 2014  
Fund Loan - 2014 Issue

Payment Number	Due Date	Principal	Loan Balance
			\$ 241,525.43
1	02/01/15	\$ 4,237.28	237,288.15
2	08/01/15	8,474.57	228,813.58
3	02/01/16	4,237.28	224,576.30
4	08/01/16	8,474.57	216,101.73
5	02/01/17	4,237.28	211,864.45
6	08/01/17	8,474.57	203,389.88
7	02/01/18	4,237.28	199,152.60
8	08/01/18	8,474.57	190,678.03
9	02/01/19	4,237.28	186,440.75
10	08/01/19	8,474.57	177,966.18
11	02/01/20	4,237.28	173,728.90
12	08/01/20	8,474.57	165,254.33
13	02/01/21	4,237.28	161,017.05
14	08/01/21	8,474.57	152,542.48
15	02/01/22	4,237.28	148,305.20
16	08/01/22	8,474.57	139,830.63
17	02/01/23	4,237.28	135,593.35
18	08/01/23	8,474.57	127,118.78
19	02/01/24	4,237.28	122,881.50
20	08/01/24	8,474.57	114,406.93
21	02/01/25	4,237.28	110,169.65
22	08/01/25	8,474.57	101,695.08
23	02/01/26	4,237.28	97,457.80
24	08/01/26	8,474.57	88,983.23
25	02/01/27	4,237.28	84,745.95
26	08/01/27	8,474.57	76,271.38
27	02/01/28	4,237.28	72,034.10
28	08/01/28	8,474.57	63,559.53
29	02/01/29	4,237.28	59,322.25
30	08/01/29	8,474.57	50,847.68
31	02/01/30	4,237.28	46,610.40
32	08/01/30	8,474.57	38,135.83
33	02/01/31	4,237.28	33,898.55
34	08/01/31	8,474.57	25,423.98
35	02/01/32	4,237.28	21,186.70
36	08/01/32	8,474.57	12,712.13
37	02/01/33	4,237.28	8,474.85
38	08/01/33	8,474.85	
		<u>\$ 241,525.43</u>	



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

Ord. No.	Ord. Date	Improvement Description	Balance Dec.31, 2013	2014 Authori- zations	Bond Anticipation Notes Issued	NJ Environmental Infrastructure Trust Loan	NJ Environmental Infrastructure Trust Grant Receivable	Balance Dec.31, 2014
2012-18	11/27/12	Improvement to Water Supply and Distribution System	\$ 2,200,000.00			\$ 1,697,250.00	\$ 500,000.00	\$ 2,750.00
2013-11	07/09/13	Acquisition of New and Additional Equipment	140,000.00		\$ 140,000.00			
2014-07	04/08/14	Improvement to Water Supply and Distribution System		\$ 104,000.00	104,000.00			
2014-11	06/24/14	Improvement to Water Supply and Distribution System		256,000.00				256,000.00
2014-14	08/12/14	Various Improvements		35,000.00				35,000.00
2014-18	08/26/14	Improvement to Water Supply and Distribution System		38,100.00				38,100.00
			<u>\$ 2,340,000.00</u>	<u>\$ 433,100.00</u>	<u>\$ 244,000.00</u>	<u>\$ 1,697,250.00</u>	<u>\$ 500,000.00</u>	<u>\$ 331,850.00</u>

BOROUGH OF STANHOPE  
COUNTY OF SUSSEX  
2014  
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, 2013	E	\$ 461,629.72	\$ 531,761.53
Increased by Receipts:			
Consumer Accounts Receivable - Sewer Rents		\$ 933,353.57	
Interest on Sewer Rents		18,489.17	
Interest on Investments and Deposits		541.09	
Sewer Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			\$ 5,000.00
Payment of Bond Anticipation Notes			80,000.00
Bond Anticipation Notes Issued			105,000.00
Due to General Capital Fund			74,000.00
Due from Sewer Utility Capital Fund		388.76	
Due to Sewer Utility Operating Fund - Interest Income			388.76
		<u>952,772.59</u>	<u>264,388.76</u>
		1,414,402.31	796,150.29
Decreased by Disbursements:			
2014 Appropriation Expenditures		812,150.43	
2013 Appropriation Reserves		3,992.49	
Interest on Bonds and Notes		672.00	
Bond Anticipation Notes Matured			80,000.00
Improvement Authorizations			118,883.87
Reserve for Preliminary Expenses			10,935.00
Due to Sewer Utility Operating Fund			388.76
		<u>816,814.92</u>	<u>210,207.63</u>
Balance December 31, 2014	E	<u>\$ 597,587.39</u>	<u>\$ 585,942.66</u>

BOROUGH OF STANHOPE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - UTILITY COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

	Balance/ (Deficit) Dec 31, 2013	Receipts			Disbursements			Transfers		Balance Dec 31, 2014
		Bond Anticipation Notes	Budget Appropriations	Miscel- laneous	Bond Anticipation Notes	Improvement Authorizations	Miscel- laneous	From	To	
		Capital Fund Balance	\$ 68,009.04							
Capital Improvement Fund	47,589.68		\$ 5,000.00							52,589.68
Due General Capital Fund	(74,000.00)			\$ 74,000.00						
Due Sewer Utility Operating Fund			80,000.00	388.76			\$ 388.76	\$ 80,000.00	\$ 373.63	373.63
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							10,935.00		265.00
Ordinance										
No.	General Improvements									
08-11	Improvement of the Sanitary Sewerage System				\$ 20,000.00				20,000.00	
12-16	Improvement of the Sanitary Sewerage System	59,213.11			60,000.00	\$ 24,113.17			60,000.00	35,099.94
13-07	Purchase of Radio Read Units & Touchpads	39,988.50				39,988.50				
13-10	Acquisition of New and Additional Equipment	(573.80)	\$ 105,000.00			54,782.20		373.63		49,270.37
		<u>\$ 531,761.53</u>	<u>\$ 105,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ 74,388.76</u>	<u>\$ 80,000.00</u>	<u>\$ 118,883.87</u>	<u>\$ 11,323.76</u>	<u>\$ 80,373.63</u>	<u>\$ 585,942.66</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 152,303.36
Increased by:		
2014 Sewer Charges Levied		925,781.02
		<u>1,078,084.38</u>
Decreased by:		
Collections		933,353.57
		<u>933,353.57</u>
Balance December 31, 2014	E	<u>\$ 144,730.81</u>

BOROUGH OF STANHOPE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec 31, 2013</u>	<u>Additions</u> <u>by Ordinance</u>	<u>Balance</u> <u>Dec 31, 2014</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
Purchase of Radio Read Units and Touchpads		\$ 40,000.00	40,000.00
	<u>\$ 4,470,374.30</u>	<u>\$ 40,000.00</u>	<u>\$ 4,510,374.30</u>

Ref.

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 Dec 31, 2013</u>	<u>Costs to Fixed Capital</u>	<u>Balance Dec 31, 2014</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>\$ 205,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 165,000.00</u>
			<u>Ref.</u>	E		E



BOROUGH OF STANHOPE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec 31, 2013</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	\$ 109.16	\$ 109.16		\$ 109.16
Other Expenses	113,937.03	113,937.03	\$ 3,992.49	109,944.54
Deferred Charges and Statutory				
Expenditures:				
Social Security System (O.A.S.I.)	33.17	33.17		33.17
	<u>\$ 114,079.36</u>	<u>\$ 114,079.36</u>	<u>\$ 3,992.49</u>	<u>\$ 110,086.87</u>

Analysis of Balance December 31, 2013

	<u>Ref.</u>	
Unencumbered	E	\$ 110,443.73
Encumbered	E	<u>3,635.63</u>
		<u>\$ 114,079.36</u>

BOROUGH OF STANHOPE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		Paid or Charged	Balance Dec. 31, 2014	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
12-16	Improvement of Sanitary Sewerage System	6/26/12	\$ 60,000.00		\$ 59,213.11	\$ 24,113.17	\$ 35,099.94	
13-07	Purchase of Radio Read Units & Touchpads	6/11/13	40,000.00	\$ 39,988.50		39,988.50		
13-10	Acquisition of New and Additional Equipment	7/9/13	105,000.00		104,426.20	55,155.83		\$ 49,270.37
				<u>\$ 39,988.50</u>	<u>\$ 163,639.31</u>	<u>\$ 119,257.50</u>	<u>\$ 35,099.94</u>	<u>\$ 49,270.37</u>
			<u>Ref.</u>	E	E		E	E
			Cash Disbursed			\$ 118,883.87		
			Due to Sewer Utility Operating Fund - Accrued Interest			373.63		
						<u>\$ 119,257.50</u>		

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 47,589.68
Increased by:		
Due from Sewer Utility Operating Fund - 2014 Budget Appropriation		<u>5,000.00</u>
Balance December 31, 2014	E	<u><u>\$ 52,589.68</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 4,450,374.30
Increased by:		
Due from Sewer Utility Operating Fund - 2014 Budget Appropriation	\$ 80,000.00	
Transfer from Deferred Reserve for Amortization	<u>40,000.00</u>	
		<u>120,000.00</u>
Balance December 31, 2014	E	<u>\$ 4,570,374.30</u>

BOROUGH OF STANHOPE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2014

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec 31, 2013</u>	<u>Reserve for Amortization</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, 2014

NOT APPLICABLE

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

Ord, No.	Improvement Description	Date of			Interest Rate	Balance Dec 31, 2013	Issued	Matured	Balance Dec 31, 2014
		Issue of Original Note	Issue	Maturity					
08-11	Improvement of the Sanitary Sewerage System	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	
13-10	Acquisition of New and Additional Equipment	05/29/2014	05/29/2014	05/29/2015	1.250%		\$ 105,000.00		\$ 105,000.00
						<u>\$ 80,000.00</u>	<u>\$ 105,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 105,000.00</u>
					<u>Ref.</u>	E			E
					New Issues		\$ 105,000.00		
					Paid by Budget Appropriation			\$ 80,000.00	
							<u>\$ 105,000.00</u>	<u>\$ 80,000.00</u>	

BOROUGH OF STANHOPE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE



BOROUGH OF STANHOPE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2014

<u>Ord. No.</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec 31, 2013</u>	<u>Bond Anticipation Notes Issued</u>
13-10	7/9/13	Acquisition of New and Additional Equipment	\$ 105,000.00	\$ 105,000.00
			<u>\$ 105,000.00</u>	<u>\$ 105,000.00</u>

BOROUGH OF STANHOPE

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

BOROUGH OF STANHOPE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2014

Name of Federal Agency or Department	Name of Program	C.F.D.A. Number	Project Number/ State Account Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
				From	To				
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety)	Assistance to Firefighters	97.044	N/A	01/01/14	12/31/15	\$ 157,776.00		\$ 134,909.52	\$ 134,909.52
	State/Local Hazard Emergency Operation Planning (SLAHEOP)	97.051	100-066-1200-845-6120	01/01/12	12/31/14	2,405.72		2,405.72	2,405.72
Total U.S. Department of Homeland Security								137,315.24	137,315.24
U.S. Department of Transportation: (Passed through New Jersey Department of Law and Public Safety)	Click-It or Ticket	20.602	N/A	01/01/14	12/31/14	4,000.00	\$ 4,000.00	4,000.00	4,000.00
							4,000.00	4,000.00	4,000.00
Total Department of Transportation								4,000.00	4,000.00
Total Federal Awards							\$ 4,000.00	\$ 141,315.24	\$ 141,315.24

N/A - Not Applicable/Not Available

BOROUGH OF STANHOPE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014

Name of State Agency or Department	Name of Program	Program No./ 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	01/01/14	12/31/14	\$ 30,000.00	\$ 7,500.00	\$ 30,000.00	\$ 30,000.00
			01/01/15	12/31/15	30,000.00	22,500.00		
						<u>30,000.00</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		811.44	5,538.40
			01/01/10	12/31/14	3,041.62		1,208.10	3,041.62
			01/01/11	12/31/15	2,127.06		1,348.01	1,348.01
			01/01/14	12/31/15	1,965.65			
						<u>1,965.65</u>	<u>3,367.55</u>	<u>9,928.03</u>
	Body Armor Replacement Fund	718-066-1020-001 YCJF-6120	01/01/10	12/31/14	1,929.38		966.00	1,929.38
			01/01/11	12/31/14	1,266.87		1,266.87	1,266.87
			01/01/12	12/31/14	1,288.09		1,288.09	1,288.09
			01/01/13	12/31/15	1,527.49		1,262.04	1,262.04
			01/01/14	12/31/15	1,259.16			
						<u>1,259.16</u>	<u>4,783.00</u>	<u>5,746.38</u>
	Total Department of Law and Public Safety						<u>33,224.81</u>	<u>38,150.55</u>
Department of Environmental Protection	NJ Environmental Infrastructure Trust and Fund Program	WM-1-12, WST-2-12	12/17/13	08/01/33	1,697,250.00	1,445,833.00	1,495,589.76	1,580,834.00
	NJ Environmental Infrastructure Grant	WM-1-12	05/21/14	12/31/15	500,000.00	483,335.00	483,335.00	483,335.00
						<u>1,929,168.00</u>	<u>1,978,924.76</u>	<u>2,064,169.00</u>
	Clean Communities Program	765-042-4900 004-V42Y-6020	01/01/10	12/31/15	6,141.75		965.05	4,032.12
			01/01/13	12/31/15	6,457.91		1,200.18	1,200.18
						<u>6,457.91</u>	<u>2,165.23</u>	<u>5,232.30</u>
	Recycling Tonnage Grant	752-042-4900- 001-V42Y-6020	01/01/13	12/31/14	3,551.26		3,551.26	3,551.26
			01/01/14	12/31/15	3,626.68			
						<u>3,626.68</u>	<u>3,551.26</u>	<u>3,551.26</u>
Total Department of Environmental Protection						<u>1,939,252.59</u>	<u>1,984,641.25</u>	<u>2,072,952.56</u>
Total State Awards						<u>\$ 1,972,477.40</u>	<u>\$ 2,022,791.80</u>	<u>\$ 2,118,626.97</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, 2014

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, 2014. 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

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

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.

Note D. STATE LOANS OUTSTANDING

The Borough of Stanhope has the following loans outstanding as of December 31, 2014:

NJ Environmental Infrastructure Loan Payable #1	\$ 1,166,665.26
NJ Environmental Infrastructure Loan Payable #2	<u>491,525.43</u>
	<u><u>\$ 1,658,190.69</u></u>

Currently, the Township is in the process of repaying the above loan balance. Current year loan receipts and disbursements on the NJ Environmental Infrastructure Trust Loan projects are reflected on the Schedule of Expenditures of State Awards.



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, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated May 19, 2015. 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 Questioned Costs as Finding 2014-01, 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**

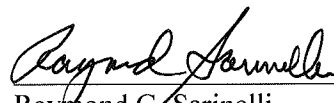
The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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  
May 19, 2015

NISIVOCCIA LLP



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



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 Compliance For Each Major State Program;  
Report on Internal Control Over Compliance Required by OMB Circular A-133  
And New Jersey's OMB Circular 04-04

Independent Auditors' Report

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

**Report on Compliance for Each Major State Program**

We have audited the Borough of Stanhope's (the "Borough's") compliance with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on the Borough's major state program for the year ended December 31, 2014. The Borough's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the Borough's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB 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*. Those standards, OMB Circular A-133 and New Jersey's OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state program. However, our audit does not provide a legal determination of the Borough's compliance.



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

### ***Opinion on Each Major State Program***

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state program for the year ended December 31, 2014.

### **Report on Internal Control Over Compliance**

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey's OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

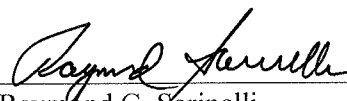
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 or New Jersey's OMB 04-04. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey  
May 19, 2015

NISIVOCCIA LLP



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

BOROUGH OF STANHOPE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2014

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.
- There were no material weaknesses or significant deficiencies in internal control over the major state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04*.
- The auditor's report on compliance for the major state program for the Borough expresses an unmodified opinion on the major state program.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The Borough was not subject to the single audit provisions of OMB Circular A-133 for the year ended December 31, 2014 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The Borough's program tested as a major state program for the current year consisted of the following state program:

<u>State:</u>	<u>State Account Number</u>	<u>Budgetary Expenditures</u>
Department of Environmental Protection - NJ Environmental Infrastructure Trust and Fund Program	WM-1-12; WST-2-12	\$ 1,495,589.76
Department of Environmental Protection - NJ Environmental Infrastructure Grant	WM-1-12	483,335.00

- The threshold used for distinguishing between Type A and Type B state programs was \$300,000.
- The Borough did not qualify as a "low-risk" auditee for state programs.

BOROUGH OF STANHOPE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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 2014-01  
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:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular or New Jersey's OMB Circular 04-04.

BOROUGH OF STANHOPE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2014

The Borough's one finding noted during 2013 was not resolved and is included in the audit for the year ended December 31, 2014.

BOROUGH OF STANHOPE

PART III

COMMENT AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

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 7, 2014, 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 6, 2014 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>
2014	5
2013	5
2012	25

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, 2014. 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.

Outside Offices

During our review of the outside offices it was noted that though a cash receipts log is being maintained for the Land Use department, a ledger accounting for cash disbursements and individual escrow accounts is not being maintained. It is recommended that a ledger book for the Land Use department be properly maintained.

Management Response

The Administration will ensure that a ledger will be properly maintained.

Corrective Action Plan

Recommendations #1 and #2 from the 2013 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.
3. A ledger book for the Land Use department be properly maintained.

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