

**TOWNSHIP OF MULLICA
COUNTY OF ATLANTIC**

**AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**TOWNSHIP OF MULLICA
COUNTY OF ATLANTIC**

CONTENTS

PART 1

	PAGE
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters	5
Financial Statements – Regulatory Basis:	EXHIBITS
Current Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A 11
Comparative Statement of Operations and Changes in Fund Balance – Regulatory Basis	A-1 13
Statement of Revenues – Regulatory Basis	A-2 14
Statement of Expenditures – Regulatory Basis	A-3 16
Trust Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B 23
General Capital Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C 27
Statement of Capital Fund Balance	C-1 28
General Fixed Assets Account Group:	
Comparative Statement of General Fixed Assets & Fund Balance - Regulatory Basis	D 31
Notes to Financial Statements	35

**TOWNSHIP OF MULLICA
COUNTY OF ATLANTIC**

CONTENTS

PART 1

CONTENTS (continued):

	EXHIBITS	PAGE
Supplemental Schedules:		
Current Fund		
Schedule of Cash - Treasurer	A-4	57
Schedule of Cash - Collector	A-5	58
Schedule of Change Funds	A-6	58
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-7	59
Schedule of Tax Title Liens	A-8	60
Schedule of Due from State of NJ Veteran & Senior Citizens	A-9	60
Schedule of Revenue Accounts Receivable	A-10	61
Schedule of Foreclosed Property	A-11	62
Schedule of 2012 Appropriation Reserves	A-12	63
Schedule of Reserve for Encumbrances	A-13	65
Schedule of Prepaid Taxes	A-14	65
Schedule of Tax Overpayments	A-15	65
Schedule of Local School District Tax	A-16	66
Schedule of Regional High School District Tax	A-17	67
Schedule of County Taxes Payable	A-18	68
Schedule of Due County For Added and Omitted Taxes	A-19	68
Schedule of Deferred Charges	A-20	69
Schedule of Due to State of NJ - Marriage License Fees	A-21	70
Schedule of Due to State of NJ - DCA Inspection Fees	A-22	70
Schedule of Reserve for JIF Safety Money	A-23	71
Schedule of Reserve for Land Sale Deposits	A-24	71
Schedule of Reserve for Tax Map Updates	A-25	71
Schedule of Federal, State, and Other Grants Receivable	A-26	72
Schedule of Reserve for Grants - Unappropriated	A-27	73
Schedule of Reserve for Grants - Appropriated	A-28	74
Trust Fund:		
Schedule of Cash - Treasurer	B-1	77
Schedule of Cash - Collector	B-2	78
Schedule of Revolving Loan Receivable	B-3	79
Schedule of Reserve for Animal Control Fund Expenditures	B-4	79
Schedule of Due to State of New Jersey	B-5	79
Schedule of Reserve for Accumulated Absences	B-6	80
Schedule of Deposits for Redemption of Tax Sale Certificates	B-7	80
Schedule of Premiums Received at Tax Sale	B-8	81
Schedule of Reserve for Landfill Closure	B-9	82
Schedule of Reserve for Recycling Fees	B-10	82
Schedule of Reserve for Escrow Review Fees	B-11	83
Schedule of Reserve for Confiscation Funds	B-12	83
Schedule of Reserve for Small Revolving Loan Fund	B-13	84
Schedule of Reserve for Special Events	B-14	84

**TOWNSHIP OF MULLICA
COUNTY OF ATLANTIC**

CONTENTS

PART 1

CONTENTS (continued):

	EXHIBITS	PAGE
General Capital Fund:		
Schedule of General Capital Cash - Treasurer	C-2	87
Analysis of General Capital Cash	C-3	88
Schedule of Deferred Charges to Future Taxation - Funded	C-4	89
Schedule of Deferred Charges to Future Taxation – Unfunded	C-5	90
Schedule of Capital Improvement Fund	C-6	91
Schedule of Reserve for Encumbrances	C-7	92
Schedule of Improvement Authorizations	C-8	93
Schedule of Bond Anticipation Notes	C-9	94
Schedule of General Serial Bonds	C-10	95
Schedule of Bonds and Notes Authorized But Not Issued	C-11	96

PART II

	PAGE
Comments and Recommendations:	
Scope of Audit	101
General Comments	101
Contracts and Agreements Required to be Advertised	101
Contracts and Agreements Requiring Solicitation of Quotations	102
Collection of Interest on Delinquent Taxes and Assessments	102
Delinquent Taxes and Tax Title Liens	102
Deductions from Taxes	103
Examination of Bills	103
Municipal Court	103
Payroll	103
Officials in Office	104
Acknowledgment	105

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**TOWNSHIP OF MULLICA
COUNTY OF ATLANTIC**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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HOLMAN | FRENIA
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Mullica, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Mullica, County of Atlantic, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As discussed in Note 1 to the financial statements, the Township of Mullica prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Mullica, County of Atlantic, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2015, on our consideration of the Township of Mullica's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mullica's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
CR #483

May 15, 2015
Freehold, New Jersey

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INDEPENDENT AUDITOR’S 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*

Honorable Mayor and Members
of the Township Committee
Township of Mullica, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of Mullica (herein referred to as “the Municipality”), as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated May 15, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality'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 Municipality’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality’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 Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
CR #483

May 15, 2015
Freehold, New Jersey

BASIC FINANCIAL STATEMENTS

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CURRENT FUND
EXHIBITS

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**TOWNSHIP OF MULLICA
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Regular Fund:			
Treasurer	A-4	\$ 1,793,334.24	\$ 1,932,571.08
Collector	A-5	284,605.72	275,862.38
Cash - Change Fund	A-6	350.00	350.00
Petty Cash Fund	A	100.00	100.00
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-9	5,153.02	4,963.05
Total Regular Fund		<u>2,083,542.98</u>	<u>2,213,846.51</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	488,592.25	467,797.42
Tax Title Liens Receivable	A-8	204,119.01	183,985.23
Property Acquired / Assessed Valuation	A-11	3,440,900.00	3,442,200.00
Revenue Accounts Receivable	A-10	12,779.56	9,296.37
Due from:			
State & Federal Grant Fund	A	14,717.08	-
Total Receivables & Other Assets With Full Reserves		<u>4,161,107.90</u>	<u>4,103,279.02</u>
Deferred Charges:			
Special Emergency 40A:4-55	A-20	70,000.00	-
Total Deferred Charges		<u>70,000.00</u>	<u>-</u>
Total Regular Funds		<u>6,314,650.88</u>	<u>6,317,125.53</u>
State & Federal Grants:			
Due from Current Fund	A	-	18,371.29
Grants Receivable	A-26	240,004.95	134,260.00
Total State & Federal Grants		<u>240,004.95</u>	<u>152,631.29</u>
Total Assets		<u><u>\$ 6,554,655.83</u></u>	<u><u>\$ 6,469,756.82</u></u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF MULLICA
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2014	2013
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 142,264.82	\$ 188,926.90
Reserve for Encumbrances	A-3,A-13	103,953.85	172,929.87
Accounts Payable	A-12	21,131.00	21,131.00
Prepaid Taxes	A-14	160,164.55	168,986.12
Tax Overpayments	A-15	18,663.19	13,793.63
Local School District Taxes Payable	A-16	748,389.01	748,389.43
Regional High School District Taxes Payable	A-17	111,151.00	-
Due to County for Added and Omitted Taxes	A-19	8,021.21	2,553.26
Payroll Taxes Payable	A	4.00	9.04
Due to Federal & State Grant Fund	A	-	18,371.29
Due to Trust - Other Fund	B	1.49	5.94
Due to the State:			
Marriage Licenses	A-21	175.00	225.00
DCA Inspection Fees	A-22	641.00	586.00
Reserve for JIF Safety Money	A-23	525.84	726.27
Reserve for Land Sale Deposits	A-24	1,626.00	-
Reserve for Tax Map Updates	A-25	59,800.00	-
Subtotal		<u>1,376,511.96</u>	<u>1,336,633.75</u>
Reserve for Receivables & Other Assets	A	4,161,107.90	4,103,279.02
Fund Balance	A-1	<u>777,031.02</u>	<u>877,212.76</u>
Total Regular Fund		<u>6,314,650.88</u>	<u>6,317,125.53</u>
State & Federal Grants:			
Due to Current Fund	A	14,717.08	-
Encumbrances Payable	A-28	925.00	1,021.14
Reserve for Grants Appropriated	A-28	220,409.44	145,020.43
Reserve for Grants Unappropriated	A-27	<u>3,953.43</u>	<u>6,589.72</u>
Total State & Federal Grants		<u>240,004.95</u>	<u>152,631.29</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 6,554,655.83</u></u>	<u><u>\$ 6,469,756.82</u></u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF MULLICA
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 754,000.00	\$ 850,000.00
Miscellaneous Revenue Anticipated	1,192,175.87	960,710.40
Receipts From Delinquent Taxes & Tax Title Liens	466,889.93	513,770.69
Receipts From Current Taxes	11,652,833.07	11,490,281.92
Nonbudget Revenue	71,035.82	125,095.03
Sale of Forclosed Property	503.00	20,517.00
Payment in Lieu of Taxes on Real Property	4,641.14	4,362.13
Sale of Municipal Assets	7,663.46	-
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	250,280.48	153,664.80
Liquidation of Reserves For:		
Misc. Prior Year Revenue Adjustment	-	20.57
Cancelled Grants	4,836.00	32.00
	<u>14,404,858.77</u>	<u>14,118,454.54</u>
Total		
Expenditures:		
Budget & Emergency Appropriations:		
Operations Within "CAPS":		
Salaries & Wages	1,744,761.00	1,766,820.00
Other Expenses	1,975,870.00	1,923,500.00
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	407,705.00	384,661.00
Operations Excluded from "CAPS":		
Salaries & Wages	40,000.00	14,610.77
Other Expenses	493,136.66	355,440.92
Capital Improvements	15,000.00	15,000.00
Municipal Debt Service	318,636.65	318,905.22
County Taxes	2,342,512.91	2,496,116.50
Due County for Added & Omitted Taxes	8,021.21	2,553.26
Local District School Tax	3,818,996.00	3,818,997.00
Regional High School District Tax	2,571,684.00	2,349,383.30
Prior Year Revenue Returned	-	3,817.81
Interfund Advances - State and Federal Grant Fund	14,717.08	-
	<u>13,751,040.51</u>	<u>13,449,805.78</u>
Total Expenditures		
Regulatory Excess to Fund Balance	653,818.26	668,648.76
Fund Balance January 1	<u>877,212.76</u>	<u>1,058,564.00</u>
Total	1,531,031.02	1,727,212.76
Decreased by: Utilization as Anticipated Revenue	<u>754,000.00</u>	<u>850,000.00</u>
Fund Balance December 31	<u>\$ 777,031.02</u>	<u>\$ 877,212.76</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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

	BUDGET	APPROPRIATED by N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 754,000.00	\$ -	\$ 754,000.00	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	5,000.00	-	4,500.00	(500.00)
Fines & Costs:				
Municipal Court	128,000.00	-	155,453.65	27,453.65
Interest & Costs on Taxes	70,000.00	-	79,492.92	9,492.92
Interest on Deposits	2,500.00	-	2,403.47	(96.53)
Trailer Pad Fees	38,000.00	-	44,279.23	6,279.23
Cell Tower Revenues	40,000.00	-	42,999.54	2,999.54
Consolidated Municipal Property				
Tax Relief Act	28,933.00	-	28,933.00	-
Energy Receipts Tax	422,843.00	-	422,843.00	-
Garden State Trust	41,440.00	-	41,440.00	-
Uniform Construction Code				
Fees & Permits	56,000.00	-	68,097.00	12,097.00
Interlocal Agreement				
School Resource Officer	40,000.00	-	37,011.40	(2,988.60)
Alcohol Education & Rehabilitation Fund	-	1,477.00	1,477.00	-
Body Armor Replacement Grant	1,984.15	1,596.57	3,580.72	-
Clean Communities Program Grant	-	18,186.73	18,186.73	-
Click It or Ticket	-	4,000.00	4,000.00	-
New Jersey Department of Transportation				
Fifth Avenue - Phase II	-	190,000.00	190,000.00	-
Drunk Driving Enforcement Grant	-	6,437.69	6,437.69	-
Drive Sober	-	12,500.00	12,500.00	-
Municipal Alliance on Alcoholism				
and Drug Abuse	18,345.00	-	18,345.00	-
Distracted Driver Grant 2014	5,000.00	-	5,000.00	-
Federal Bulletproof Vest Partnership Grant	589.95	-	589.95	-
Recycling Tonnage Grant	4,605.57	-	4,605.57	-
Total Miscellaneous Revenues	903,240.67	234,197.99	1,192,175.87	54,737.21
Receipts from Delinquent Taxes	425,000.00	-	466,889.93	41,889.93
Local Tax for Municipal Purposes	3,425,989.68	-	3,658,074.63	232,084.95
Budget Totals	5,508,230.35	234,197.99	6,071,140.43	328,712.09
Nonbudget Revenues	-	-	83,843.42	83,843.42
Total	\$ 5,508,230.35	\$ 234,197.99	\$ 6,154,983.85	\$ 412,555.51

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 11,652,833.07
Less: Allocated for School & County Taxes	<u>8,741,214.12</u>
Total Allocation of Current Tax Collections	2,911,618.95
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>746,455.68</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 3,658,074.63</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 453,321.74
Tax Title Lien Collections	<u>13,568.19</u>
Total Receipts from Delinquent Taxes	<u><u>\$ 466,889.93</u></u>

ANALYSIS OF NONBUDGET REVENUES

Miscellaneous Revenue Not Anticipated:	
Receipts:	
Licenses	\$ 6,442.00
Fees and Permits	20,057.73
Cable Television Franchise Fee	19,120.33
Sale of Municipal Property	8,166.46
Payment in Lieu of Taxes	4,641.14
SC & Vet Administrative Fee	1,510.00
Administrative Operations	9,807.98
Other	<u>14,097.78</u>
Total Nonbudgeted Revenue	<u><u>\$ 83,843.42</u></u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
General Government Functions:						
Township Committee:						
Salaries and Wages	\$ 7,500.00	\$ 7,500.00	\$ 7,499.70	\$ -	\$ 0.30	\$ -
Other Expenses	2,200.00	2,200.00	1,798.00	-	402.00	-
Municipal Clerk:						
Salaries and Wages	110,000.00	112,000.00	110,787.74	-	1,212.26	-
Other Expenses	17,000.00	18,000.00	16,602.83	102.88	1,294.29	-
Financial Administration:						
Salaries and Wages	57,900.00	57,900.00	57,876.00	-	24.00	-
Other Expenses	9,350.00	12,350.00	10,427.39	517.05	1,405.56	-
Audit Services:	24,000.00	24,000.00	24,000.00	-	-	-
Collection of Taxes:						
Salaries and Wages	73,110.00	73,110.00	73,108.88	-	1.12	-
Other Expenses	7,000.00	9,000.00	8,625.07	-	374.93	-
Tax Assessments Administration:						
Salaries and Wages	35,525.00	35,525.00	35,525.00	-	-	-
Other Expenses	6,500.00	6,500.00	4,575.38	916.68	1,007.94	-
Legal Services:						
Other Expenses	60,000.00	72,000.00	49,188.06	20,002.30	2,809.64	-
Engineering Services & Costs:						
Other Expenses	35,000.00	30,000.00	26,863.70	301.30	2,835.00	-
Senior Citizen Advisory Commission:						
Other Expenses	500.00	500.00	339.85	-	160.15	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	4,225.00	4,225.00	4,217.98	-	7.02	-
Other Expenses	5,000.00	5,000.00	3,888.90	187.50	923.60	-
Insurance:						
General Liability	79,000.00	79,000.00	69,018.00	9,982.00	-	-
Worker's Compensation	149,500.00	149,500.00	149,500.00	-	-	-
Employee Group Health	809,120.00	805,120.00	802,266.07	-	2,853.93	-
Unemployment Insurance	10,000.00	10,000.00	7,444.42	-	2,555.58	-
Municipal Court:						
Salaries and Wages	79,500.00	79,500.00	78,752.78	-	747.22	-
Other Expenses	8,000.00	8,000.00	5,461.26	420.75	2,117.99	-
Public Defender:						
Other Expenses	4,000.00	4,000.00	3,600.00	-	400.00	-
Public Safety Functions:						
Police:						
Salaries and Wages	1,091,000.00	1,081,000.00	1,052,724.55	-	28,275.45	-
Other Expenses	65,000.00	68,000.00	65,004.18	1,734.14	1,261.68	-
Office of Emergency Management:						
Salaries and Wages	2,000.00	2,000.00	1,884.54	-	115.46	-
Other Expenses	1,500.00	1,500.00	258.50	-	1,241.50	-
Aid to Volunteer Fire Companies:	59,000.00	59,000.00	59,000.00	-	-	-
Municipal Prosecutor:						
Other Expenses	10,000.00	10,000.00	8,000.04	-	1,999.96	-

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	190,000.00	190,000.00	177,994.45	-	12,005.55	-
Other Expenses	45,000.00	47,000.00	43,019.80	2,892.08	1,088.12	-
Solid Waste Collection:						
Other Expenses	76,500.00	76,500.00	69,792.60	6,347.66	359.74	-
Public Building & Grounds:						
Other Expenses	43,000.00	43,000.00	39,162.73	3,205.57	631.70	-
Vehicle Maintenance:	55,000.00	55,000.00	34,307.03	18,883.73	1,809.24	-
Landfill and Solid Waste Disposal Costs:						
Other Expenses	150,000.00	150,000.00	107,022.08	25,536.78	17,441.14	-
Health and Welfare:						
Animal Control Program:						
Other Expenses	7,500.00	7,500.00	7,139.00	-	361.00	-
Environmental Commission:						
Other Expenses	200.00	200.00	-	-	200.00	-
Recreation and Education:						
Recreation Services and Programs:						
Other Expenses	5,000.00	5,000.00	5,000.00	-	-	-
Maintenance of Parks:						
Other Expenses	20,000.00	20,000.00	17,750.43	-	2,249.57	-
Appropriation Offset By Dedicated Revenues:						
State Uniform Construction Code						
Construction Official:						
Salaries and Wages	83,000.00	83,000.00	83,000.00	-	-	-
Other Expenses	2,500.00	2,500.00	2,091.50	346.33	62.17	-
Other Code Enforcement Functions:						
Salaries and Wages	25,000.00	19,000.00	18,067.90	-	932.10	-
Other Expenses	500.00	500.00	-	500.00	-	-
Unclassified:						
Settlement						
Utilities						
Electric and Natural Gas	70,000.00	70,000.00	63,321.62	5,943.09	735.29	-
Telecommunications Costs	25,000.00	25,000.00	22,059.22	2,939.14	1.64	-
Petroleum Products	100,000.00	100,000.00	84,753.95	3,120.31	12,125.74	-
Accumulated Leave Compensation	1.00	1.00	-	-	1.00	-
Total Operations Within "CAPS" Including Contingent	3,720,631.00	3,720,631.00	3,512,721.13	103,879.29	104,030.58	-
Detail:						
Salaries and Wages	1,758,761.00	1,744,761.00	1,701,439.52	-	43,321.48	-
Other Expenses	1,961,870.00	1,975,870.00	1,811,281.61	103,879.29	60,709.10	-

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Deferred Charges & Statutory Expenditures						
Municipal Within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Public Employees Retirement System	80,966.00	80,966.00	72,783.42	-	8,182.58	-
Social Security System (O.A.S.I.)	136,000.00	136,000.00	133,566.79	-	2,433.21	-
Police & Fireman's Retirement System of New Jersey	188,739.00	188,739.00	176,537.00	-	12,202.00	-
Defined Contribution Retirement Program	2,000.00	2,000.00	1,632.62	74.56	292.82	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	407,705.00	407,705.00	384,519.83	74.56	23,110.61	-
Total General Appropriations for Municipal Purposes Within "CAPS"	4,128,336.00	4,128,336.00	3,897,240.96	103,953.85	127,141.19	-
Insurance:						
Employee Group Insurance	5,880.00	5,880.00	-	-	5,880.00	-
NJPDES Stormwater Management Rules: Other Expenses	10,000.00	10,000.00	6,688.15	-	3,311.85	-
Interlocal Municipal Service Agreements:						
Police Dispatch	203,500.00	203,500.00	202,502.22	-	997.78	-
School Resource Officer	40,000.00	40,000.00	35,066.00	-	4,934.00	-
Public & Private Programs Offset by Revenues:						
Alcohol Education & Rehabilitation Fund	-	1,477.00	1,477.00	-	-	-
Body Armor Replacement Grant	1,984.15	3,580.72	3,580.72	-	-	-
Clean Communities Program Grant:						
Click It or Ticket	-	4,000.00	4,000.00	-	-	-
New Jersey Department of Transportation						
Fifth Avenue - Phase II	-	190,000.00	190,000.00	-	-	-
Drunk Driving Enforcement Grant	-	6,437.69	6,437.69	-	-	-
Drive Sober or Get Pulled Over	-	12,500.00	12,500.00	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse						
State Match	18,345.00	18,345.00	18,345.00	-	-	-
Local Match	9,034.00	9,034.00	9,034.00	-	-	-
Federal Buletproof Vest Partnership Grant	589.95	589.95	589.95	-	-	-
Recycling Tonnage Grant	4,605.57	4,605.57	4,605.57	-	-	-
Distracted Driver Grant 2014	5,000.00	5,000.00	5,000.00	-	-	-
Total Operations Excluded from "CAPS"	298,938.67	533,136.66	518,013.03	-	15,123.63	-
Detail:						
Salaries and Wages	-	40,000.00	35,066.00	-	4,934.00	-
Other Expenses	298,938.67	493,136.66	482,947.03	-	10,189.63	-
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	15,000.00	15,000.00	15,000.00	-	-	-
Total Capital Improvements Excluded from "CAPS"	15,000.00	15,000.00	15,000.00	-	-	-

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	225,000.00	225,000.00	225,000.00	-	-	-
Payment of Bond Anticipation Notes & Capital Note	65,000.00	65,000.00	65,000.00	-	-	-
Interest on Bonds	13,500.00	13,500.00	13,500.00	-	-	-
Interest on Notes	16,000.00	16,000.00	15,136.65	-	-	863.35
Total Municipal Debt Service Excluded from "CAPS"	319,500.00	319,500.00	318,636.65	-	-	863.35
Deferred Charges - Excluded from "CAPS": Special Emergency Authorizations - 5 Years	-	70,000.00	70,000.00	-	-	-
Total Deferred Charges - Excluded from "CAPS"	-	70,000.00	70,000.00	-	-	-
Subtotal General Appropriations	4,761,774.67	5,065,972.66	4,818,890.64	103,953.85	142,264.82	863.35
Reserve For Uncollected Taxes	746,455.68	746,455.68	746,455.68	-	-	-
Total General Appropriations	\$ 5,508,230.35	\$ 5,812,428.34	\$ 5,565,346.32	\$ 103,953.85	\$ 142,264.82	\$ 863.35
Appropriation by 40A:4-87		\$ 234,197.99				
Special Emergency Appropriations		70,000.00				
Original Budget		<u>5,508,230.35</u>				
Total		<u>\$ 5,812,428.34</u>				
Reserve for Federal & State Grants - Appropriated			\$ 273,756.66			
Deferred Charge - Emergency Authorization			70,000.00			
Reserve for Uncollected Taxes			746,455.68			
Reimbursements			(71,540.67)			
Cash Disbursements			<u>4,546,674.65</u>			
Total			<u>\$ 5,565,346.32</u>			

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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TRUST FUND
EXHIBIT

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**TOWNSHIP OF MULLICA
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Animal Control Fund:			
Cash	B-1	\$ 428.24	\$ 502.18
Total Animal Control Fund		<u>428.24</u>	<u>502.18</u>
Other Trust Funds:			
Cash - Treasurer	B-1	303,546.23	307,341.32
Cash - Collector	B-2	74,710.08	55,409.89
Cash - Landfill Closure	B-9	87,915.75	87,872.90
Due From Current Fund	A	1.49	5.94
Revolving Loans Receivable	B-3	<u>451,848.31</u>	<u>435,933.31</u>
Total Other Trust Funds:		<u>918,021.86</u>	<u>886,563.36</u>
Total - All Funds		<u>\$ 918,450.10</u>	<u>\$ 887,065.54</u>
LIABILITIES & RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-4	\$ 428.24	\$ 502.18
Total Animal Control Fund		<u>428.24</u>	<u>502.18</u>
Other Trust Funds:			
Tax Title Lien Redemption	B-7	3,660.08	9,709.89
Premium in Tax Title Lien Redemption	B-8	71,050.00	45,700.00
Reserve for:			
Accumulated Absences	B-6	20,201.37	20,201.37
Landfill Closure	B-9	87,915.75	87,872.90
Recycling Fees	B-10	38,241.61	33,187.53
Escrow Review Fees	B-11	23,002.64	25,186.64
Police Confiscatory Funds	B-12	12,019.64	4,688.69
Small Cities Revolving fund	B-13	643,366.79	643,242.61
Special Events	B-14	<u>18,563.98</u>	<u>16,773.73</u>
Total Other Funds		<u>918,021.86</u>	<u>886,563.36</u>
Total - All Funds		<u>\$ 918,450.10</u>	<u>\$ 887,065.54</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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GENERAL CAPITAL FUND
EXHIBITS

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**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	<u>2014</u>	<u>2013</u>
Cash	C-2	\$ 211,483.78	\$ 387,815.73
Deferred Charges to Future Taxation:			
Unfunded	C-5	1,329,000.00	1,394,000.00
Funded	C-4	<u>225,000.00</u>	<u>450,000.00</u>
 Total		 <u><u>\$ 1,765,483.78</u></u>	 <u><u>\$ 2,231,815.73</u></u>
 LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-10	\$ 225,000.00	\$ 450,000.00
Bond Anticipation Notes	C-9	1,329,000.00	1,394,000.00
Improvement Authorizations:			
Unfunded	C-8	111,246.87	261,243.91
Funded	C-8	52.96	4,004.00
Reserve for Encumbrances	C-7	23,550.00	93,358.00
Capital Improvement Fund	C-6	34,195.60	19,195.60
Fund Balance	C-1	<u>42,438.35</u>	<u>10,014.22</u>
 Total		 <u><u>\$ 1,765,483.78</u></u>	 <u><u>\$ 2,231,815.73</u></u>

There were no bonds and notes authorized but not issued on December 31, 2014 and 2013.

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 10,014.22
Increased by:		
Premium on Sale of Bond Anticipation Notes	\$ 10.48	
Improvement Authorizations Canceled	38,913.65	<u>38,924.13</u>
Subtotal		48,938.35
Decreased by:		
Improvement Authorizations		<u>6,500.00</u>
Balance December 31, 2014		<u><u>\$ 42,438.35</u></u>

The accompanying Notes to Financial Statement are an integral part of this Statement.

GENERAL FIXED ASSETS ACCOUNT GROUP
EXHIBIT

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TOWNSHIP OF MULLICA
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013

ASSETS	<u>2014</u>	<u>2013</u>
Buildings	\$ 2,291,677.75	\$ 2,288,877.75
Machinery and Equipment	<u>4,806,436.53</u>	<u>4,825,888.84</u>
Total	<u>\$ 7,098,114.28</u>	<u>\$ 7,114,766.59</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 7,098,114.28</u>	<u>\$ 7,114,766.59</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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**TOWNSHIP OF MULLICA
COUNTY OF ATLANTIC**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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TOWNSHIP OF MULLICA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of the Township of Mullica, County of Atlantic, New Jersey (“the Township”), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by *N.J.S.A.40A:5-5*. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization’s governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization’s resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township has no component units.

B. Descriptions of Funds

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

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

Dog Trust Fund - dog license revenues and expenditures.

Trust Other Funds - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

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

General Fixed Asset Account Group - to account for fixed assets used in general government operations.

TOWNSHIP OF MULLICA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies (continued):

C. Basis of Accounting

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Township. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40AA-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies. *N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

TOWNSHIP OF MULLICA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies (continued):

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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 costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2014.

	Balance 12/31/2013		Additions/ Adjustments		Deletions/ Adjustments		Balance 12/31/2014
Building	\$ 2,288,877.75	\$	2,800.00	\$	-	\$	2,291,677.75
Machinery & Equipment	4,825,888.84		93,916.45		(113,368.76)		4,806,436.53
Total	\$ 7,114,766.59	\$	96,716.45	\$	(113,368.76)	\$	7,098,114.28

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

TOWNSHIP OF MULLICA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies (continued):

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected.

Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Atlantic and the Township of Atlantic School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Mullica School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The Township is responsible for levying, collecting, and remitting county taxes for the County of Atlantic. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid; however, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with *N.J.A.C.5:30-5.2*. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31st, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

Expenditures (continued)

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis

Note 2. Cash and Cash Equivalents

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2014, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 2,756,474.04</u>
Total Deposits	<u><u>\$ 2,756,474.04</u></u>
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:	
Current Fund	\$ 2,078,389.96
Animal Control Trust Fund	428.24
Trust - Other Fund	466,172.06
General Capital Fund	<u>211,483.78</u>
Total Cash and Cash Equivalents	<u><u>\$ 2,756,474.04</u></u>

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 2. Cash and Cash Equivalents (continued)

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2014, the Township's bank balances of \$2,801,992.96 were exposed to custodial credit risk as follows:

Insured Under F.D.I.C.	\$ 250,000.00
Collateralized Under GUDPA	2,022,883.30
Uninsured & Uncollateralized	<u>529,109.66</u>
Total	<u><u>\$ 2,801,992.96</u></u>

Note 3. Property Taxes

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent 8 days after the above due dates. The Township bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 3. Property Taxes (continued):

Comparison of Tax Rate Information:

	2014	2013	2012
Total Tax Rate	<u>\$4.149</u>	<u>\$4.089</u>	<u>\$3.919</u>
Apportionment of Tax Rate:			
Municipal	1.169	1.134	1.103
County	0.798	0.853	0.735
Local School	2.182	2.102	2.081

Net Valuation Taxable:

2014	\$ 293,081,752.00		
2013		<u>\$ 293,266,516.00</u>	
2012			<u>\$ 292,877,815.00</u>

Comparison of Tax Levies and Collection Currently:

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2014	\$ 12,201,049.52	\$ 11,652,833.07	95.51%
2013	12,003,990.06	11,490,281.92	95.72%
2012	11,504,911.00	11,028,980.00	95.86%

Delinquent Taxes and Tax Title Liens:

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2014	\$ 204,119.01	\$ 488,592.25	\$ 692,711.26	5.68%
2013	183,985.23	467,797.42	651,782.65	5.43%
2012	184,477.00	479,389.00	663,866.00	5.77%

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note: 4: Property Acquired By Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, 2014 on the basis of the last assessed valuation of such properties, for the current and previous two years was as follows:

YEAR	AMOUNT
2014	\$ 3,440,900.00
2013	3,442,200.00
2012	3,459,800.00

Note: 5: Fund Balance Appropriated

The following schedule details the amount of fund balance available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2014	\$ 777,031.02	\$ 634,000.00	81.59%
2013	877,212.76	754,000.00	85.95%
2012	1,058,564.00	850,000.00	80.30%
2011	1,317,153.00	850,000.00	64.53%
2010	1,090,180.00	850,000.00	77.97%

TOWNSHIP OF MULLICA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 6: Pension Plans

The Township contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by *N.J.S.A.43:15A* and *43:3B*.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.0% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. The Township's contributions to P.E.R.S for the years ending December 31, 2014, 2013 and 2012 were \$72,783.42, \$75,264.00 and \$79,552.00, respectively, equal to the required contributions.

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by *N.J.S.A.43:16A* and *43:3B*. The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary.

TOWNSHIP OF MULLICA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 6: Pension Plans (continued):

Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 10.0% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The Township is billed annually for its normal contribution plus any accrued liability. The Township's contributions to P.F.R.S for the years ending December 31, 2014, 2013 and 2012 were \$176,537.00, \$175,397.00 and \$212,489.00, respectively, equal to the required contributions.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 7. Capital Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7. Capital Debt (continued):

paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

During the fiscal year ended December 31, 2014 the following changes occurred in capital debt:

	December 31, 2013	Accrued/ Increases	Retired/ Decreases	December 31, 2014	Due Within One Year
General Obligation Bonds	\$ 450,000.00	\$ -	\$ (225,000.00)	\$ 225,000.00	\$ 225,000.00
Bond Anticipation Notes	1,394,000.00	1,329,000.00	(1,394,000.00)	1,329,000.00	1,329,000.00
Authorized but Not Issued	-	6,500.00	(6,500.00)	-	-
Total	\$ 1,844,000.00	\$ 1,335,500.00	\$ (1,625,500.00)	\$ 1,554,000.00	\$ 1,554,000.00

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 0.349%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 2,486,947.80	\$ 2,486,947.80	-
Reginaol School District Debt	3,534,752.91	3,534,752.91	
General Debt	1,554,000.00	-	1,554,000.00
Total	\$ 7,575,700.71	\$ 6,021,700.71	\$ 1,554,000.00

Net Debt, \$1,554,000.00 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$497,207,961.00 equals 0.313%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 17,402,278.64
Net Debt	<u>1,554,000.00</u>
Remaining Borrowing Power	<u>\$ 15,848,278.64</u>

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7. Capital Debt (continued):

Summary of Municipal Debt

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
Issued			
General:			
Bonds, Loans & Notes	\$ 1,554,000.00	\$ 1,844,000.00	\$ 2,029,000.00
Total Issued	1,554,000.00	1,844,000.00	2,029,000.00
Authorized but not Issued			
General:			
Bonds & Notes	-	-	2,000.00
Total Authorized But Not Issued	-	-	2,000.00
Total Issued & Authorized but not Issued	1,554,000.00	1,844,000.00	2,031,000.00
Net Debt	\$ 1,554,000.00	\$ 1,844,000.00	\$ 2,031,000.00

A. Schedule of General Capital Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding as follows:

<u>Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 225,000.00	\$ 4,500.00	\$ 229,500.00
Total	\$ 225,000.00	\$ 4,500.00	\$ 229,500.00

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7. Capital Debt (continued):

B. Schedule of General Capital Annual Debt Service for Principal for Notes Payable Issued and Outstanding as follows:

	General Capital
Balance 12/31/13	\$ 1,394,000.00
Issued	1,329,000.00
Paid	<u>1,394,000.00</u>
Balance 12/31/14	<u><u>\$ 1,329,000.00</u></u>
Due Date	Interest
5/15/2015	1.00% \$ 524,000.00
9/25/2015	0.80% <u>805,000.00</u>
	<u><u>\$ 1,329,000.00</u></u>

Note 8. Compensated Absences

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2014 the balance of the fund was \$20,201.37. It is estimated that, at December 31, 2014, accrued benefits for compensated absences are valued at \$309,571.19.

Note 9. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the Township had deferred charges of \$70,000.00 to budgets of succeeding years.

Note 10. Joint Insurance Pool

The Township of Mullica is a member of the Atlantic County Municipal Joint Insurance Fund and the Municipal Excess Liability Fund which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Township has a liability limit of \$10,000,000 under MEL. There were no claims in excess of coverage and no reduction in coverage during the year 2013.

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 11. Contingent Liabilities

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U. S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors.

As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the Township estimates that no material liabilities will result from such audits.

Note 12. Interfunds Receivables and Payables

The following interfunds remained as of December 31, 2014:

Fund	Receivable	Payable
Current Fund	\$ 14,717.08	\$ 1.49
Federal and State Grant Fund	-	14,717.08
Trust - Other Fund	1.49	-
	<u>\$ 14,718.57</u>	<u>\$ 14,718.57</u>

The purpose of these interfunds is short-term borrowings.

Note 13. Deferred School District Taxes

The Local School District Tax and Regional High School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	Balance Decemeber 2014	Balance Decemeber 2013
Local School Taxes:		
Balance of Tax	\$ 1,909,498.01	\$ 1,909,498.43
Deferred	1,161,109.00	1,161,109.00
	<u>\$ 748,389.01</u>	<u>\$ 748,389.43</u>
Taxes Payable	<u>\$ 748,389.01</u>	<u>\$ 748,389.43</u>
Regional School Taxes:		
Balance of Tax	\$ 1,285,842.00	\$ 1,174,691.00
Deferred	1,174,691.00	1,174,691.00
	<u>\$ 111,151.00</u>	<u>\$ -</u>
Taxes Payable	<u>\$ 111,151.00</u>	<u>\$ -</u>

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 14. Accounts Receivable

Accounts receivable at December 31, 2014 consisted of intergovernmental grants, taxes and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township’s individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	Trust Other Fund	Total
State Aid	\$ 5,153.02	\$ 240,004.95	\$ -	\$ 245,157.97
Taxes	4,133,611.26	-	-	4,133,611.26
Other	12,779.56	-	451,848.31	464,627.87
Total	<u>\$ 4,151,543.84</u>	<u>\$ 240,004.95</u>	<u>\$ 451,848.31</u>	<u>\$ 4,843,397.10</u>

Note 15. Post-Retirement Health Benefits

The New Jersey State Health Benefits Commission administers cost-sharing multiple-employer health care plans under the State Health Benefits Program and the School Employees’ health plan. The New Jersey State Health Benefits Plan (SHBP) provides access to health care coverage to eligible retirees who qualify based on state law and local requirements. Coverage under the current program includes medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents.

The New Jersey State Health Benefits Plan issues a stand-alone financial report under GASB 43. To view the report, go to <http://www.state.nj.us/treasury/pensions/shbp.htm>.

The Township of Mullica is a member of the SHBP and provides that its retirees will be covered for medical care. During 2014, \$465,185.40 was paid by the Township for health care of employees. The amount paid for retirees was \$337,080.67. The amount paid during 2013 was \$437,889.11 for employees and \$316,099.89 for retirees.

Note 16: Sanitary Landfill Closure

The last landfill closure plan was updated in October, 1998. According to this plan, closure was to have taken place in 1998, post closure activities were from 1999 to 2028. Annual appropriations varied from \$18.00 - \$33,000.00. There have been no appropriations made since 2000. The balance in the Landfill Closure Trust Fund amounts to \$87,915.75. The Township is not in compliance with the plan.

TOWNSHIP OF MULLICA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 17: Labor Contracts

As of December 31, 2014, the Township's employees are organized in the following collective bargaining units. The following table shows their current status.

	Category	Expiration	Covers
AFL-CIO #71	Public Works	12/31/15	All employees public works employees. Supervisors are excluded.
PBA #77	Police	12/31/15	All uniformed police, detectives, and other special police units, excluding the chief.
United Union	Workers Clerical	12/31/15	All Clerical workers.

Note 18: Subsequent Events

The Township has evaluated subsequent events through May 15, 2015, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	CURRENT
Balance December 31, 2013	\$ 1,932,571.08
Increased by Receipts:	
Tax Collector	\$ 12,128,791.20
Due form State - Senior Citizens & Vets	75,500.00
Revenue Accounts Receivable	927,453.21
Reimbursements	71,611.29
Marriage License Fees	775.00
Reserve for JIF Safety Program	1,000.00
Land Sale Deposits	1,931.30
Due To Trust Other Fund	1.49
DCA Inspections Fees	4,255.00
Federal & State Grants Unappropriated	3,953.43
Federal & State Grants Receivable	148,420.68
	13,363,692.60
Subtotal	13,363,692.60
Total	15,296,263.68
Decreased by Disbursements:	
2014 Appropriations	4,546,674.65
2013 Appropriation Reserves	111,646.91
County Taxes	2,342,512.91
Due County for Added & Omitted Taxes	2,553.26
Regional High School District Tax	2,460,533.00
Local District School Tax	3,818,996.42
Marriage License Fees	825.00
Reserve for JIF Safety Program	1,200.43
Reserve for Tax Map Updates	10,200.00
Tax Overpayments	13,915.40
Payroll Taxes Payable	5.04
Due to Trust Other Fund	5.94
DCA Inspections Fees	4,200.00
Reserve for Federal & State Grant Funds Appropriated	189,660.48
	13,502,929.44
Total Disbursements	13,502,929.44
Balance December 31, 2014	\$ 1,793,334.24

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 275,862.38
Increased by:		
Taxes Receivable	\$ 11,880,263.68	
Tax Title Liens	13,568.19	
2015 Prepaid Taxes	160,164.55	
Miscellaneous Revenue Not Anticipated	83,538.12	12,137,534.54
		<hr/>
Subtotal		12,413,396.92
Decreased by:		
Payments to Treasurer		<hr/> 12,128,791.20
Balance December 31, 2014		<hr/> <u>\$ 284,605.72</u>

**SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Office:		
Municipal Court		\$ 100.00
Construction		50.00
Tax Collector		<hr/> 200.00
Total		<hr/> <u>\$ 350.00</u>

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2014**

YEAR	BALANCE DECEMBER 31, 2013	2014 LEVY	ADDED TAXES	COLLECTED 2013	COLLECTED 2014	DUE FROM STATE OF NEW JERSEY	(REMITTED)/ CANCELLED	OVERPAYMENTS APPLIED	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2014
2013	\$ 467,797.42	\$ -	\$ -	\$ -	\$ 453,321.74	\$ -	\$ -	\$ -	\$ 10,383.76	\$ 4,091.92
Total 2014	467,797.42	12,160,019.87	41,029.65	168,986.12	453,321.74	75,689.97	25,204.85	14,496.35	10,383.76	4,091.92
Total	\$ 467,797.42	\$ 12,160,019.87	\$ 41,029.65	\$ 168,986.12	\$ 11,846,982.37	\$ 75,689.97	\$ 25,204.85	\$ 14,496.35	\$ 48,895.03	\$ 488,592.25

Cash Receipts \$ 11,880,263.68
 Tax Overpayments (33,281.31)
Total \$ 11,846,982.37

ANALYSIS OF 2014 PROPERTY TAX LEVY

General Purpose Tax	\$ 12,160,019.87
Added & Omitted Taxes	41,029.65
Total	<u>\$ 12,201,049.52</u>
TAX LEVY:	
Local District School Tax	\$ 3,818,996.00
Regional High School District Tax	2,571,684.00
County Taxes:	
General County Tax	\$ 1,966,527.50
County Library Tax	194,507.59
County Health Tax	153,736.10
County Open Space	27,741.72
Due County for Added & Omitted Taxes	8,021.21
Local Tax for Municipal Purposes	3,425,989.68
Add: Additional Tax Levied	33,845.72
Total	<u>\$ 12,201,049.52</u>

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	183,985.23
Increased by:		
Transfers from Taxes Receivable	\$	48,895.03
Interest & Cost on Taxes		1,320.54
		50,215.57
Subtotal		234,200.80
Decreased by:		
Cancelled		16,513.60
Lien Payments Received		13,568.19
		30,081.79
Balance December 31, 2014	\$	204,119.01

**SCHEDULE OF DUE FROM STATE OF NJ VETERAN AND SENIOR CITIZEN DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	4,963.05
Increased by:		
Senior Citizen & Veterans Deductions Per Tax Billings	\$	75,250.00
Deductions Allowed by Tax Collector - 2014 Taxes		1,750.00
Deductions Disallowed by Tax Collector - 2014 Taxes		(1,310.03)
		75,689.97
Subtotal		80,653.02
Decreased by:		
Receipts - Collector		75,500.00
		75,500.00
Balance December 31, 2014	\$	5,153.02

TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014

	BALANCE DECEMBER 31, 2013	ACCRUED IN 2014	REALIZED	BALANCE DECEMBER 31, 2014
Licenses:				
Alcoholic Beverages	\$ -	\$ 4,500.00	\$ 4,500.00	\$ -
Fines & Costs:				
Municipal Court	9,296.37	158,936.84	155,453.65	12,779.56
Interest & Costs on Taxes	-	79,492.92	79,492.92	-
Interest on Deposits	-	2,403.47	2,403.47	-
Trailer Pad Fees	-	44,279.23	44,279.23	-
Cell Tower Revenues	-	42,999.54	42,999.54	-
Consolidated Municipal Property				
Tax Relief Act	-	28,933.00	28,933.00	-
Energy Receipts Tax	-	422,843.00	422,843.00	-
Garden State Trust	-	41,440.00	41,440.00	-
Uniform Construction Code				
Fees & Permits	-	68,097.00	68,097.00	-
Interlocal Agreement				
School Resource Officer	-	37,011.40	37,011.40	-
Alcohol Education & Rehabilitation Fund	-	1,477.00	1,477.00	-
Body Armor Replacement Grant	-	3,580.72	3,580.72	-
Clean Communities Program Grant:	-	18,186.73	18,186.73	-
Click It or Ticket	-	4,000.00	4,000.00	-
Community Development Block Grant	-	190,000.00	190,000.00	-
Drunk Driving Enforcement Grant	-	6,437.69	6,437.69	-
Drive Sober	-	12,500.00	12,500.00	-
Municipal Alliance on Alcoholism and Drug Abuse	-	18,345.00	18,345.00	-
Recycling Tonnage Grant	-	5,000.00	5,000.00	-
Federal Bulletproof Vest Partnership Grant	-	589.95	589.95	-
Recycling Tonnage Grant	-	4,605.57	4,605.57	-
Total Miscellaneous Revenues	\$ 9,296.37	\$ 1,195,659.06	\$ 1,192,175.87	\$ 12,779.56

Cash Receipts	\$ 927,453.21
State & Federal Grant Fund Appropriations	<u>264,722.66</u>
	<u>\$ 1,192,175.87</u>

**TOWNSHIP OF MULLICA
CURRENT FUND
ANALYSIS OF FORECLOSED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 3,442,200.00
Increased By:	
Properties Deeded	<u>15,100.00</u>
	3,457,300.00
Decreased By:	
Properties Sold	<u>16,400.00</u>
Balance December 31, 2014	<u><u>\$ 3,440,900.00</u></u>

ANALYSIS OF FORECLOSED PROPERTY:

Foreclosed Property	\$ 3,094,200.00
Property Deeded to Township	<u>346,700.00</u>
	<u><u>\$ 3,440,900.00</u></u>

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATIONS	BALANCE		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	DECEMBER 31, 2013 RESERVED	ENCUMBERED			
General Government Functions:					
Mayor & Commissioners:					
Salaries and Wages	\$ 0.30	\$ -	\$ 0.30	\$ -	\$ 0.30
Other Expenses	627.00	-	627.00	-	627.00
Municipal Clerk:					
Salaries and Wages	136.96	-	136.96	-	136.96
Other Expenses	140.97	1,009.50	1,150.47	1,127.61	22.86
Financial Administration:					
Salaries and Wages	1.16	-	1.16	-	1.16
Other Expenses	515.56	569.05	1,084.61	582.70	501.91
Collection of Taxes:					
Salaries and Wages	0.02	-	0.02	-	0.02
Other Expenses	62.50	330.00	392.50	330.00	62.50
Assessment of Taxes:					
Salaries and Wages	9.94	-	9.94	-	9.94
Other Expenses	1,009.28	743.40	1,752.68	735.69	1,016.99
Legal Services:					
Other Expenses	1,942.79	8,385.00	10,327.79	2,911.12	7,416.67
Engineering Services & Cost:					
Other Expenses	4,845.00	24,250.00	29,095.00	10,957.50	18,137.50
Senior Citizen Advisory Commission:					
Other Expenses	411.26	88.74	500.00	88.74	411.26
Land Use Administration:					
Planning Board:					
Salaries and Wages	7.02	-	7.02	-	7.02
Other Expenses	2,007.71	562.50	2,570.21	125.00	2,445.21
Insurance:					
General Liability	199.51	10,500.00	10,699.51	-	10,699.51
Workers Compensation	522.87	-	522.87	-	522.87
Unemployment Insurance	2,487.38	-	2,487.38	351.53	2,135.85
Municipal Court:					
Salaries and Wages	800.34	-	800.34	-	800.34
Other Expenses	4,364.36	348.54	4,712.90	423.54	4,289.36
Public Defender:					
Other Expenses	100.00	-	100.00	-	100.00
Public Safety Functions:					
Police:					
Salaries and Wages	43,846.73	-	43,846.73	4,757.69	39,089.04
Other Expenses	1,915.03	2,914.37	4,829.40	3,205.87	1,623.53
Office of Emergency Management:					
Salaries and Wages	807.74	-	807.74	-	807.74
Other Expenses	250.00	-	250.00	-	250.00
Municipal Prosecutor's Office:					
Other Expenses	1,883.30	-	1,883.30	-	1,883.30
Public Works Functions:					
Streets & Roads Maintenance:					
Salaries and Wages	39,305.83	-	39,305.83	-	39,305.83
Other Expenses	1,550.82	7,184.23	8,735.05	7,171.73	1,563.32
Solid Waste Collection:					
Other Expenses	785.70	6,331.83	7,117.53	6,331.83	785.70
Vehicle Maintenance:					
Other Expenses	120.13	24,051.52	24,171.65	15,432.74	8,738.91
Public Building & Grounds:					
Other Expenses	839.98	2,737.58	3,577.56	2,737.58	839.98

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATIONS	BALANCE		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	DECEMBER 31, 2013 RESERVED	ENCUMBERED			
Landfill and Solid Waste Disposal Costs:					
Other Expenses	9,562.42	40,724.96	50,287.38	27,536.88	22,750.50
Health & Human Services:					
Animal Control Program:					
Other Expenses	861.00	-	861.00	-	861.00
Environmental Commission:					
Other Expenses	200.00	-	200.00	-	200.00
Recreation and Education:					
Recreation Services and Programs:					
Other Expenses	-	5,000.00	5,000.00	5,000.00	-
Maintenance of Parks:					
Other Expenses	1,468.80	-	1,468.80	-	1,468.80
Appropriation Offset by Dedicated Revenue:					
State Uniform Construction Code					
Construction Official:					
Salaries and Wages	584.46	-	584.46	-	584.46
Other Expenses	1,307.79	-	1,307.79	-	1,307.79
Other Code Enforcement Functions:					
Salaries and Wages	8,228.72	-	8,228.72	-	8,228.72
Other Expenses	1,000.00	-	1,000.00	-	1,000.00
Unclassified:					
Utilities					
Electric and Natural Gas	8,755.30	10,801.34	19,556.64	8,378.60	11,178.04
Telecommunications Costs	3,845.04	1,625.05	5,470.09	1,529.11	3,940.98
Petroleum Products	993.84	19,048.22	20,042.06	5,872.44	14,169.62
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>148,304.56</u>	<u>167,205.83</u>	<u>315,510.39</u>	<u>105,587.90</u>	<u>209,922.49</u>
Deferred Charges & Statutory Expenditures Municipal Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	2,211.14	-	2,211.14	264.35	1,946.79
Defined Contribution Retirement Program	1,562.41	49.04	1,611.45	49.04	1,562.41
Total Deferred Charges & Statutory Expenditures Within "CAPS"	<u>3,773.55</u>	<u>49.04</u>	<u>3,822.59</u>	<u>313.39</u>	<u>3,509.20</u>
Operations Excluded From "CAPS":					
NJPDES Stormwater Management Rules:					
Other Expenses	-	5,500.00	5,500.00	5,500.00	-
Interlocal Municipal Service Agreement:					
Police Dispatch	787.02	-	787.02	-	787.02
School Resource Officer	12,220.38	5.00	12,225.38	5.00	12,220.38
Insurance:					
Employee Group Insurance	23,841.39	170.00	24,011.39	170.00	23,841.39
Total Operations Excluded from "CAPS"	<u>36,848.79</u>	<u>5,675.00</u>	<u>42,523.79</u>	<u>5,675.00</u>	<u>36,848.79</u>
Grand Total All Appropriations	<u>\$ 188,926.90</u>	<u>\$ 172,929.87</u>	<u>\$ 361,856.77</u>	<u>\$ 111,576.29</u>	<u>\$ 250,280.48</u>
Cash Disbursements				\$ 111,646.91	
Reimbursements				<u>(70.62)</u>	
Total				<u>\$ 111,576.29</u>	

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 172,929.87
Increased by:	
2014 Appropriations	<u>103,953.85</u>
Subtotal	276,883.72
Decreased by:	
Transferred to 2013 Appropriations Reserves	<u>172,929.87</u>
Balance December 31, 2014	<u><u>\$ 103,953.85</u></u>

**SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013 (2014 Taxes)	\$ 168,986.12
Increased by:	
Collections - 2015 Taxes	<u>160,164.55</u>
Subtotal	329,150.67
Decreased by:	
Application to 2014 Taxes Receivable	<u>168,986.12</u>
Balance, December 31, 2014 (2015 Taxes)	<u><u>\$ 160,164.55</u></u>

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 13,793.63
Increased by:	
Overpayments in 2014	<u>33,281.31</u>
Subtotal	47,074.94
Decreased by:	
Overpayments Applied	\$ 14,496.35
Refunded	<u>13,915.40</u>
	28,411.75
Balance December 31, 2014	<u><u>\$ 18,663.19</u></u>

**TOWNSHIP OF MULLICA
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		
School Tax Payable	\$ 748,389.43	
Deferred School Tax Payable	1,161,109.00	
		\$ 1,909,498.43
Increased by:		
Levy - School Year July 1, 2014 - June 30, 2015		3,818,996.00
Subtotal		5,728,494.43
Decreased by:		
Disbursements		3,818,996.42
Balance December 31, 2014		
School Tax Payable	748,389.01	
Deferred School Tax Payable	1,161,109.00	
		\$ 1,909,498.01
 <u>2014 Liability for Local District Tax:</u>		
Tax Paid		\$ 3,818,996.42
Tax Payable December 31, 2014		748,389.01
		4,567,385.43
Less:		
Tax Payable December 31, 2013		748,389.43
Amount Charged to 2014 Operations		\$ 3,818,996.00

**TOWNSHIP OF MULLICA
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		
School Tax Payable	\$	-
Deferred School Tax Payable		1,174,691.00
		<u>1,174,691.00</u>
		\$ 1,174,691.00
Increased by:		
Levy - School Year July 1, 2014 - June 30, 2015		2,571,684.00
		<u>2,571,684.00</u>
Subtotal		3,746,375.00
Decreased by:		
Disbursements		2,460,533.00
		<u>2,460,533.00</u>
Balance December 31, 2014		
School Tax Payable		111,151.00
Deferred School Tax Payable		1,174,691.00
		<u>1,174,691.00</u>
		<u>\$ 1,285,842.00</u>
 <u>2014 Liability for Local District Tax:</u>		
Tax Paid		\$ 2,460,533.00
Tax Payable December 31, 2014		111,151.00
		<u>111,151.00</u>
Amount Charged to 2014 Operations		<u>\$ 2,571,684.00</u>

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ -
Increased by:		
County Tax	\$ 1,966,527.50	
County Library Tax	194,507.59	
County Health Tax	153,736.10	
County Open Space Tax	27,741.72	2,342,512.91
Subtotal		2,342,512.91
Decreased by:		
Disbursements		2,342,512.91
Balance December 31, 2014		\$ -

**SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 2,553.26
Increased by:		
County Share of 2014 Added Taxes		8,021.21
Subtotal		10,574.47
Decreased by:		
Disbursements		2,553.26
Balance December 31, 2014		\$ 8,021.21

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-53 - SPECIAL EMERGENCY
FOR THE YEAR ENDED DECEMBER 31, 2014**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	1/5 OF AMOUNT AUTHORIZED	DATE	BALANCE DECEMBER 31, 2013	AUTHORIZED PER RESOLUTION	BALANCE DECEMBER 31, 2014
Preparation of Tax Map	\$ 70,000.00	\$ 14,000.00	06/24/2014	\$ -	\$ 70,000.00	\$ 70,000.00
				\$ -	\$ 70,000.00	\$ 70,000.00

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
MARRIAGE LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 225.00
Increased by:	
Cash Receipts	<u>775.00</u>
Subtotal	1,000.00
Decreased by:	
Cash Disbursements	<u>825.00</u>
Balance December 31, 2014	<u><u>\$ 175.00</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
DCA INSPECTION FEES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 586.00
Increased by:	
Cash Receipts	<u>4,255.00</u>
Subtotal	4,841.00
Decreased by:	
Cash Disbursements	<u>4,200.00</u>
Balance December 31, 2014	<u><u>\$ 641.00</u></u>

**TOWNSHIP OF MULLICA
CURRENT FUND
SCHEDULE OF RESERVE FOR JIF SAFETY MONEY
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 726.27
Increased by:	
Cash Receipts	<u>1,000.00</u>
Subtotal	1,726.27
Decreased by:	
Cash Disbursements	<u>1,200.43</u>
Balance December 31, 2014	<u><u>\$ 525.84</u></u>

**SCHEDULE OF RESERVE FOR LAND SALE DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ -
Increased by:	
Cash Receipts	<u>1,931.30</u>
Subtotal	1,931.30
Decreased by:	
Realized as Revenue	<u>305.30</u>
Balance December 31, 2014	<u><u>\$ 1,626.00</u></u>

**SCHEDULE OF RESERVE FOR TAX MAP UPDATES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ -
Increased by:	
Deferred Charges - Special Emergency	<u>70,000.00</u>
Subtotal	70,000.00
Decreased by:	
Cash Disbursements	<u>10,200.00</u>
Balance December 31, 2014	<u><u>\$ 59,800.00</u></u>

**TOWNSHIP OF MULLICA
FEDERAL AND STATE GRANTS FUND
SCHEDULE OF FEDERAL, STATE AND OTHER GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ACCRUED	RECEIVED	CANCELLED	BALANCE DECEMBER 31, 2014
State Grants:					
Recycling Tonnage Grant	\$ -	4,605.57	\$ 4,605.57	-	\$ -
Alcohol Education Rehabilitation Grant	-	1,477.00	1,477.00	-	-
Drunk Driving Enforcement Grant	-	6,437.69	6,437.69	-	-
Distracted Driver Grant	-	5,000.00	5,000.00	-	-
Body Armor Grant	-	3,580.72	3,580.72	-	-
Municipal Alliance Grant	11,860.00	18,345.00	13,822.69	3,967.31	12,415.00
Click It or Ticket Grant	-	4,000.00	4,000.00	-	-
Clean Communities Program	-	18,186.73	18,186.73	-	-
Federal Bullet Proof Vest Partnership	-	589.95	-	-	589.95
New Jersey Transportation Trust Fund					
Fifth Avenue	118,000.00	-	88,500.00	-	29,500.00
Fifth Avenue - Phase II	-	190,000.00	-	-	190,000.00
Drive Sober or Get Pulled Over	4,400.00	12,500.00	9,400.00	-	7,500.00
Total All Grant	\$ 134,260.00	\$ 264,722.66	\$ 155,010.40	\$ 3,967.31	\$ 240,004.95
Cash Receipts			\$ 148,420.68		
Unappropriated Reserves			<u>6,589.72</u>		
Total			<u>\$ 155,010.40</u>		

**TOWNSHIP OF MULLICA
FEDERAL AND STATE GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>STATE GRANTS</u>	BALANCE DECEMBER 31, 2013	CASH RECEIPTS	REALIZED AS REVENUE IN 2014 BUDGET	BALANCE DECEMBER 31, 2014
Body Armor Fund	\$ 1,984.15	\$ -	\$ 1,984.15	\$ -
Recycling Tonnage Grant	4,605.57	3,953.43	4,605.57	3,953.43
Total All Grant	<u>\$ 6,589.72</u>	<u>\$ 3,953.43</u>	<u>\$ 6,589.72</u>	<u>\$ 3,953.43</u>

**TOWNSHIP OF MULLICA
FEDERAL AND STATE GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	TRANSFER FROM 2014 BUDGET	APPROPRIATION	ENCUMBRANCES	EXPENDED	CANCELLED	ENCUMBERED	BALANCE DECEMBER 31, 2014
State Grants:								
Drunk Driving Enforcement Fund	\$ 12,106.34	\$ 6,437.69	\$ 84.93	\$ -	\$ 6,188.71	\$ -	\$ -	\$ 12,440.25
Distracted Driver Grant	-	5,000.00	-	-	5,000.00	-	-	-
Body Armor Grant	1,587.74	3,580.72	-	-	2,980.05	-	925.00	1,263.41
Federal Bullet Proof Vest Partnership	-	589.95	-	-	589.95	-	-	-
Municipal Alliance Grant								
2013 Grant								
State Share	2,938.51	-	936.21	-	3,874.72	-	-	-
2014 Grant								
State Share	-	18,345.00	-	-	3,550.75	8,803.31	-	5,990.94
Local Share	-	9,034.00	-	-	9,034.00	-	-	-
Recycling Tonnage Grant	-	4,605.57	-	-	4,605.57	-	-	-
New JERSEY Transportation Trust Fund								
Fifth Avenue	118,000.00	-	-	-	118,000.00	-	-	-
Fifth Avenue - Phase II	-	190,000.00	-	-	-	-	-	190,000.00
Alcohol Rehabilitation Grant	1,797.84	1,477.00	-	-	2,600.00	-	-	674.84
Clean Communities	-	18,186.73	-	-	18,186.73	-	-	-
Click It or Ticket	-	4,000.00	-	-	4,000.00	-	-	-
Recreation Grant - Concession	4,790.00	-	-	-	-	-	-	4,790.00
Drive Sober or Get Pulled Over	3,800.00	12,500.00	-	-	11,050.00	-	-	5,250.00
Total All Grants	\$ 145,020.43	\$ 273,756.66	\$ 1,021.14	\$ 189,660.48	\$ 8,803.31	\$ 925.00	\$ 220,409.44	

TRUST FUND

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**TOWNSHIP OF MULLICA
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2013	\$ 502.18	\$ 307,341.32
Increased by Receipts:		
Animal Control	\$ 1,227.20	\$ -
Dog Registration Fees - Due State of New Jersey	457.80	-
Recycling Fees	-	14,184.57
Escrow Review Receipts	-	46,403.19
Police Confiscatory Fund	-	8,138.63
Small Cities Grant Reserve	-	213.98
Special Events	-	10,209.17
Due from Current Fund	-	5.94
	<u>1,685.00</u>	<u>79,155.48</u>
Total Increases	<u>1,685.00</u>	<u>79,155.48</u>
Total Increases & Balances	<u>2,187.18</u>	<u>386,496.80</u>
Decreased by Disbursements:		
Dog Registration Fees - Due State of New Jersey	457.80	-
Statutory Expenditures	1,301.14	-
Recycling Fees	-	9,130.49
Escrow Review Receipts	-	48,588.68
Police Confiscatory Fund	-	807.68
Small Cities Grant Reserve	-	16,004.80
Special Events	-	8,418.92
	<u>1,758.94</u>	<u>82,950.57</u>
Total Disbursements	<u>1,758.94</u>	<u>82,950.57</u>
Balance December 31, 2014	<u>\$ 428.24</u>	<u>\$ 303,546.23</u>

**TOWNSHIP OF MULLICA
TRUST OTHER FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 55,409.89
Increased by Receipts:	
Tax Sale Certificates	<u>405,139.87</u>
Subtotal	460,549.76
Decreased by Disbursements:	
Refund of Tax Sale Certificates Redeemed	<u>385,839.68</u>
Balance December 31, 2014	<u><u>\$ 74,710.08</u></u>

**TOWNSHIP OF MULLICA
TRUST OTHER FUND
SCHEDULE OF REVOLVING LOAN RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 435,933.31
Increased by:	
Loan Granted	<u>15,915.00</u>
Balance December 31, 2014	<u><u>\$ 451,848.31</u></u>

**TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 502.18
Increased by:	
Receipts:	
Dog License Fees	<u>1,227.20</u>
Subtotal	1,729.38
Decreased by:	
Dog License Expenses	<u>1,301.14</u>
Balance December 31, 2014	<u><u>\$ 428.24</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2013	\$ 1,529.00
2012	<u>1,498.00</u>
Total	<u><u>\$ 3,027.00</u></u>

**TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ -
Increased by:	
Registration Fees Collected	<u>457.80</u>
Subtotal	457.80
Decreased by:	
Disbursements	<u>457.80</u>
Balance December 31, 2014	<u><u>\$ -</u></u>

**TOWNSHIP OF MULLICA
TRUST OTHER FUND
SCHEDULE OF RESERVE FOR ACCUMULATED ABSENCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013 and 2014	<u>\$ 20,201.37</u>
------------------------------------	---------------------

**SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 9,709.89
Increased By:	
Deposits Received	<u>306,539.87</u>
	316,249.76
Decreased by:	
Refunds - Tax Sale Certificates	<u>312,589.68</u>
Balance December 31, 2014	<u>\$ 3,660.08</u>

**TOWNSHIP OF MULLICA
TRUST OTHER FUND
SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 45,700.00
Increased by:	
Premiums Received	<u>98,600.00</u>
Subtotal	144,300.00
Decreased by:	
Refunds - Premiums	<u>73,250.00</u>
Balance December 31, 2014	<u><u>\$ 71,050.00</u></u>

**TOWNSHIP OF MULLICA
TRUST FUND OTHER FUND
SCHEDULE OF RESERVE FOR LANDFILL CLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	87,872.90
Increased by:		
Interest Earned on Investments		42.85
		42.85
Balance December 31, 2014	\$	87,915.75

**SCHEDULE OF RESERVE FOR RECYCLING FEES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	33,187.53
Increased by:		
Receipts		14,184.57
		14,184.57
Subtotal		47,372.10
Decreased by:		
Disbursements		9,130.49
		9,130.49
Balance December 31, 2014	\$	38,241.61

**TOWNSHIP OF MULLICA
TRUST OTHER FUND
SCHEDULE OF RESERVE FOR ESCROW REVIEW FEES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 25,186.64
Increased by:		
Due to Current Fund	\$ 1.49	
Receipts	46,403.19	46,404.68
Subtotal		71,591.32
Decreased by:		
Disbursements		48,588.68
Balance December 31, 2014		<u>\$ 23,002.64</u>

**SCHEDULE OF RESERVE FOR CONFISCATORY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 4,688.69
Increased by:		
Receipts		8,138.63
Subtotal		12,827.32
Decreased by:		
Disbursements		807.68
Balance, December 31, 2014		<u>\$ 12,019.64</u>

**TOWNSHIP OF MULLICA
TRUST OTHER FUND
SCHEDULE OF RESERVE FOR SMALL REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 643,242.61
Increased by:		
Receipts	\$ 213.98	
Loan Granted	15,915.00	16,128.98
		16,128.98
Subtotal		659,371.59
Decreased by:		
Disbursements		16,004.80
		16,004.80
Balance December 31, 2014		<u>\$ 643,366.79</u>

**SCHEDULE OF RESERVE FOR SPECIAL EVENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 16,773.73
Increased by:		
Receipts		10,209.17
		10,209.17
Subtotal		26,982.90
Decreased by:		
Disbursements		8,418.92
		8,418.92
Balance December 31, 2014		<u>\$ 18,563.98</u>

GENERAL CAPITAL FUND

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**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 387,815.73
Increased by Receipts:		
Due from Current Fund	\$ 65,000.00	
Bond Anticipation Notes	1,329,000.00	
Premium on Bond Anticipation Note	10.48	
Capital Improvement Fund	15,000.00	1,409,010.48
		<hr/>
Subtotal		1,796,826.21
Decreased by Disbursements:		
Bond Anticipation Notes	1,394,000.00	
Improvement Authorizations	191,342.43	1,585,342.43
		<hr/>
Balance December 31, 2014		<u><u>\$ 211,483.78</u></u>

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2014**

Fund Balance	\$ 42,438.35
Capital Improvement Fund	34,195.60
Reserve for Encumbrances	23,550.00

Improvement Authorizations:

ORDINANCE

NUMBER	DESCRIPTION	
--------	-------------	--

06-12	Various Captial Improvements	111,246.87
08-14	Police Evidence Locker	<u>52.96</u>
	Total	<u><u>\$ 211,483.78</u></u>

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 450,000.00
Decreased by:	
2014 Budget Appropriations:	
Serial Bonds Payable	<u>225,000.00</u>
Balance December 31, 2014	<u><u>\$ 225,000.00</u></u>

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	FUNDED	BALANCE DECEMBER 31, 2014	ANALYSIS OF BALANCE DECEMBER 31, 2014		
						BAN'S OUTSTANDING	UNEXPENDED BALANCE	EXPENDED BALANCE
11-08	Various Improvements	\$ 297,000.00	-	\$ 35,000.00	\$ 262,000.00	\$ 262,000.00	\$ -	\$ -
11-09	Various Improvements	459,000.00	-	30,000.00	429,000.00	429,000.00	-	-
06-12	Various Improvements	543,000.00	-	-	543,000.00	543,000.00	-	-
06-13	Mold Remediation	95,000.00	-	-	95,000.00	95,000.00	-	-
08-14	Police Evidence Locker	-	6,500.00	6,500.00	-	-	-	-
Total		\$ 1,394,000.00	\$ 6,500.00	\$ 71,500.00	\$ 1,329,000.00	\$ 1,329,000.00	\$ -	\$ -
		Fund Balance		\$ 6,500.00				
		Paydown of BANs		65,000.00				
				<u>\$ 71,500.00</u>				

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 19,195.60
Increased by:	
Receipts - 2014 Budget Appropriation	<u>15,000.00</u>
Balance December 31, 2014	<u><u>\$ 34,195.60</u></u>

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 93,358.00
Increased by:	
Receipts - 2014 Budget Appropriation	<u>23,550.00</u>
Subtotal	116,908.00
Decreased by:	
Cash Disbursed	<u>93,358.00</u>
Balance December 31, 2014	<u><u>\$ 23,550.00</u></u>

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2013		2014 AUTHORIZATIONS	TRANSFER FROM 2013 ECNUMBRANCES	EXPENDED	AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2014	
				FUNDED	UNFUNDED					FUNDED	UNFUNDED
06-12	Various Improvements	1/25/2011	\$ 575,000.00	\$ -	\$ 214,372.23	\$ -	\$ 43,836.00	\$ 146,961.36	\$ -	\$ -	\$ 111,246.87
06-13	Mold Remediation	4/23/2014	100,000.00	-	46,871.68	-	26,426.00	34,638.03	38,659.65	-	-
09-13	Fire Well	9/10/2013	20,000.00	1,604.00	-	-	18,396.00	20,000.00	-	-	-
11-13	Well & Pump House	11/12/2013	10,000.00	2,400.00	-	-	4,700.00	6,846.00	254.00	-	-
08-14	Police Evidence Locker	7/8/2014	6,500.00	-	-	6,500.00	-	6,447.04	-	-	52.96
Total			\$ 4,004.00	\$ 261,243.91	\$ 6,500.00	\$ 6,500.00	\$ 93,358.00	\$ 214,892.43	\$ 38,913.65	\$ 52.96	\$ 111,246.87

Capital Fund Balance

\$ 6,500.00

\$ 6,500.00

Encumbered
Disbursed

\$ 23,550.00

\$ 191,342.43

\$ 214,892.43

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2013	INCREASE	DECREASE	BALANCE DECEMBER 31, 2014
11-08	Various Capital Improvements	10/02/08	9/26/2014	9/25/2015	0.88%	\$ 297,000.00	\$ 262,000.00	\$ 297,000.00	\$ 262,000.00
11-09	Various Capital Improvements	05/20/10	5/15/2014	5/14/2015	1.00%	459,000.00	429,000.00	459,000.00	429,000.00
06-12	Various Capital Improvements	09/27/12	9/26/2014	9/25/2015	0.88%	543,000.00	543,000.00	543,000.00	543,000.00
06-13	Mold Remediation	05/15/13	5/15/2014	5/14/2015	1.00%	95,000.00	95,000.00	95,000.00	95,000.00
						<u>\$ 1,394,000.00</u>	<u>\$ 1,329,000.00</u>	<u>\$ 1,394,000.00</u>	<u>\$ 1,329,000.00</u>

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2013	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2014
			OUTSTANDING DECEMBER 31, 2014	AMOUNT				
General Improvement	2/21/07	\$ 1,720,000	2/15/15	\$ 225,000	3.750%	\$ 450,000.00	\$ 225,000.00	\$ 225,000.00
Total						\$ 450,000.00	\$ 225,000.00	\$ 225,000.00

**TOWNSHIP OF MULLICA
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	AUTHORIZATIONS FUNDED	BALANCE DECEMBER 31, 2014
08-14	Police Evidence Locker	\$ -	\$ 6,500.00	\$ 6,500.00	\$ -
	Total	<u>\$ -</u>	<u>\$ 6,500.00</u>	<u>\$ 6,500.00</u>	<u>\$ -</u>

SUPPLEMENTARY DATA

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**TOWNSHIP OF MULLICA
COUNTY OF ATLANTIC**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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The Honorable Mayor and Members of the
Township Committee
Township of Mullica
County of Atlantic
Elwood, New Jersey 08172

We have audited the financial statements of the Township of Mullica in the County of Atlantic for the year ended December 31, 2014.

Scope of Audit

The audit covered the financial transactions of the Treasurer, and Tax Collector, the activities of the Mayor and Committee and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had not been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement. The Township employs a qualified purchasing agent.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

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

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.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00) and if a delinquency is in excess of Ten Thousand (\$10,000) and remains in arrears beyond December 31st, an additional penalty of six (6%) percent shall be charged against the delinquency. The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable."

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on March 26, 2014 and was complete.

Delinquent Taxes and Tax Title Liens (continued):

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

YEAR	NUMBER OF LIENS
2014	218
2013	220
2012	164

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

The statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

Payroll

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2014:

NAME	TITLE
James R. Brown	Mayor
Barbara Rheault	Committee
Anthony Gabris	Committee
Lawrence Riffle	Committee
Edward Hagman	Committee
Dawn Stollenwerk	Chief Financial Officer
Bertha Cappuccio	Tax Collector
Kimberly Johnson	Municipal Clerk

There were Employee's Blanket Performance Bonds in the amount of \$1,000,000 for the Township employees and court personnel carried by the Atlantic County Joint Insurance Fund.

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
No. CR483

Freehold, New Jersey
May 15, 2015

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