

*TOWNSHIP OF LONG HILL*

*COUNTY OF MORRIS*

*REPORT OF AUDIT*

*2014*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF LONG HILL

COUNTY OF MORRIS

REPORT OF AUDIT

2014

TOWNSHIP OF LONG HILL  
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TOWNSHIP OF LONG HILL  
PART I  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY DATA  
YEAR ENDED DECEMBER 31, 2014



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## Independent Auditors' Report

The Honorable Mayor and Members  
of the Township Committee  
Township of Long Hill  
Gillette, New Jersey

### ***Report on the Financial Statements***

We have audited the financial statements – *regulatory basis* - of the various funds of the Township of Long Hill, in the County of Morris (the "Township") as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township'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 Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Honorable Mayor and Members  
of the Township Committee  
Township of Long Hill  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

***Basis for Qualified Opinion***

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

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

In our opinion, except for the effects on the December 31, 2014 and 2013 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Long Hill as of December 31, 2014 and 2013, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Other Matters***

***Supplementary Information***

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Long Hill  
Page 3

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2015 on our consideration of the Township of Long Hill's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Long Hill's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
April 30, 2015

NISIVOCCIA LLP



Raymond G. Sarinelli  
Registered Municipal Accountant #383  
Certified Public Accountant



TOWNSHIP OF LONG HILL  
COUNTY OF MORRIS  
2014  
CURRENT FUND

TOWNSHIP OF LONG HILL  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 4,093,269.47	\$ 4,162,281.46
Change Funds		400.00	400.00
		<u>4,093,669.47</u>	<u>4,162,681.46</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	581,976.01	606,887.15
Tax Title Liens Receivable	A-8	339,735.10	297,334.61
Property Acquired for Taxes at Assessed Valuation		330,525.00	330,525.00
Sewer Charges Receivable	A-10	81,812.80	79,017.97
Sewer Charge Liens Receivable	A-10a	3,374.37	
Revenue Accounts Receivable	A-9	7,940.70	3,648.71
Due from:			
Federal and State Grant Fund	A		8,000.00
Animal Control Fund	B	14,658.51	9,497.31
Total Receivables and Other Assets With Full Reserves		<u>1,360,022.49</u>	<u>1,334,910.75</u>
Total Regular Fund		<u>5,453,691.96</u>	<u>5,497,592.21</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	105,819.40	128,838.64
Federal and State Grants Receivable	A-6	411,132.02	408,778.76
Total Federal and State Grant Fund		<u>516,951.42</u>	<u>537,617.40</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 5,970,643.38</u></u>	<u><u>\$ 6,035,209.61</u></u>

TOWNSHIP OF LONG HILL  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

		<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 422,549.47	\$ 969,415.82
Encumbered	A-3;A-11	178,451.06	173,586.25
		<u>601,000.53</u>	<u>1,143,002.07</u>
Accounts Payable-Vendors			7,246.23
County Taxes Payable		13,316.19	9,042.92
Prepaid Taxes		682,053.69	666,047.18
Tax Overpayments			576.87
Sewer Overpayments		941.87	955.87
Due to Other Trust Fund	B	2,078.50	45,983.17
Due to General Capital Fund	C		202,000.00
Due to State of New Jersey:			
Building Surcharge Fees		8,898.00	2,643.00
Marriage Licenses Fees		100.00	100.00
Veterans' and Senior Citizens' Deductions		7,852.56	7,683.03
Reserve for:			
Emergency Appropriation - Hurricane Sandy			7,004.03
Uncollectible Grants			2,920.74
Tax Appeals		499,123.30	499,123.30
		<u>1,815,364.64</u>	<u>2,594,328.41</u>
Reserve for Receivables and Other Assets		1,360,022.49	1,334,910.75
Fund Balance	A-1	2,278,304.83	1,568,353.05
		<u>5,453,691.96</u>	<u>5,497,592.21</u>
Total Regular Fund			
Federal and State Grant Fund:			
Due to Current Fund	A		8,000.00
Unappropriated Reserves	A-15	12,578.23	22,488.13
Appropriated Reserves	A-14	504,373.19	507,129.27
		<u>516,951.42</u>	<u>537,617.40</u>
Total Federal and State Grant Fund			
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 5,970,643.38</u></u>	<u><u>\$ 6,035,209.61</u></u>

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

TOWNSHIP OF LONG HILL  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -  
REGULATORY BASIS

	Year Ended December 31,	
	2014	2013
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 950,000.00	\$ 575,000.00
Miscellaneous Revenue Anticipated	3,984,301.09	4,416,763.60
Receipts from:		
Delinquent Taxes	581,596.55	616,188.82
Current Taxes	35,435,477.07	36,745,945.05
Nonbudget Revenue	754,281.71	108,281.77
Other Credits to Income:		
Interfunds Returned	17,497.31	2,911.60
Reserve for Emergency Appropriation - Hurricane Sandy Cancelled	7,004.03	
Reserve for Uncollectible Grants Cancelled	2,920.74	
Unexpended Balance of Appropriation Reserves	625,914.35	695,130.71
 Total Income	 42,358,992.85	 43,160,221.55
<u>Expenditures</u>		
Budget Appropriations:		
Municipal Purposes	14,201,059.28	14,303,370.48
County Taxes	4,114,707.05	4,096,708.67
Local School District Taxes	14,616,742.00	15,807,570.00
Regional High School District Taxes	7,463,529.00	7,512,968.00
Municipal Open Space Taxes	253,885.27	252,838.67
Interfunds Advanced	14,658.51	17,497.31
Prior Year Senior Citizens Deductions Disallowed	2,150.09	655.48
Refund of Prior Year Revenue	32,309.87	1,472.63
Reserve for Pending Tax Appeals		200,000.00
Total Expenditures	40,699,041.07	42,193,081.24
Excess in Revenue	1,659,951.78	967,140.31

TOWNSHIP OF LONG HILL  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -  
REGULATORY BASIS  
(Continued)

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2014</u>	<u>2013</u>
Adjustments Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges To Budget of Succeeding Year			\$ 30,000.00
Statutory Excess to Fund Balance		\$ 1,659,951.78	997,140.31
<u>Fund Balance</u>			
Balance January 1		1,568,353.05	1,146,212.74
		3,228,304.83	2,143,353.05
Decreased by:			
Utilized as Anticipated Revenue		950,000.00	575,000.00
Balance December 31	A	<u>\$ 2,278,304.83</u>	<u>\$ 1,568,353.05</u>

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

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	Anticipated		Realized	Excess or Deficit *
	Budget	Added by NJSA 40A:4-87		
Fund Balance Appropriated	\$ 950,000.00		\$ 950,000.00	
Miscellaneous Revenue:				
Alcoholic Beverage Licenses	22,000.00		21,891.00	\$ 109.00 *
Fees and Permits	72,500.00		120,897.45	48,397.45
Municipal Court Fines and Costs	98,000.00		127,353.04	29,353.04
Interest and Costs on Taxes	159,000.00		169,207.74	10,207.74
Interest on Investments and Deposits	14,000.00		15,142.16	1,142.16
Sewer Charges	1,480,500.00		1,307,321.85	173,178.15 *
Energy Receipts Tax	1,354,573.00		1,354,573.00	
Uniform Construction Code Fees	176,000.00		164,788.00	11,212.00 *
Utility Operating Surplus of Prior Years	50,000.00		50,000.00	
Playground Registration	63,000.00		44,345.00	18,655.00 *
Basketball Registration	41,000.00		38,484.00	2,516.00 *
Tower Rental - Verizon	59,000.00		57,758.88	1,241.12 *
Tower Rental - AT&T Wireless	48,000.00		50,424.44	2,424.44
Cable Franchise Fees	37,080.00		37,080.48	0.48
Great Swamp	60,000.00		139,841.00	79,841.00
Life Hazard Use	23,000.00		15,679.30	7,320.70 *
Verizon Franchise Fees - FIOS	84,003.00		84,003.64	0.64
Lounsberry Insurance Payment	7,500.00		7,500.00	
Stirling Lake	44,000.00		54,650.90	10,650.90
Reserve for Debt Payment	40,000.00		40,000.00	
Long Hill Library Pension Reimbursement	39,000.00		28,389.12	10,610.88 *

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or Deficit *</u>
	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>		
Miscellaneous Revenue (Cont'd):				
State of NJ:				
Reserve for Clean Communities Program	\$ 19,044.27		\$ 19,044.27	
Clean Communities Program		\$ 17,865.15	17,865.15	
Body Armor	3,011.63		3,011.63	
Reserve for Alcohol Education and Rehabilitation	422.20		422.20	
Alcohol Education and Rehabilitation		590.80	590.80	
Emergency Management Assistance (EMA) Funding		5,000.00	5,000.00	
Drunk Driving Enforcement		4,036.04	4,036.04	
Distracted Driving		5,000.00	5,000.00	
Total Miscellaneous Revenue	<u>3,994,634.10</u>	<u>32,491.99</u>	<u>3,984,301.09</u>	<u>\$ 42,825.00 *</u>
Receipts from Delinquent Taxes	<u>450,000.00</u>		<u>581,596.55</u>	<u>131,596.55</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	9,157,529.69		9,264,266.44	106,736.75
Minimum Library Tax	535,662.31		535,662.31	
	<u>9,693,192.00</u>		<u>9,799,928.75</u>	<u>106,736.75</u>
Budget Totals	<u>15,087,826.10</u>	<u>32,491.99</u>	<u>15,315,826.39</u>	<u>195,508.30</u>
Nonbudget Revenue			<u>754,281.71</u>	<u>754,281.71</u>
	<u>\$ 15,087,826.10</u>	<u>\$ 32,491.99</u>	<u>\$ 16,070,108.10</u>	<u>\$ 949,790.01</u>

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Analysis of Realized Revenue

Allocation of Tax Collections:

Taxes Receivable	\$	34,691,408.66	
Prepayments Applied		666,047.18	
Senior Citizens' and Veterans' Deductions Due from State of NJ		78,021.23	
			\$ 35,435,477.07

Allocated to:

Regional High School Taxes		7,463,529.00	
Local School District Taxes		14,616,742.00	
County Taxes		4,114,707.05	
Open Space Trust Fund		253,885.27	
			26,448,863.32
			8,986,613.75

Add: Appropriation "Reserve for Uncollected Taxes"			813,315.00

Realized for Support of Municipal Budget			\$ 9,799,928.75

Delinquent Taxes

Delinquent Tax Collections			\$ 581,596.55



TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Analysis of Realized Revenue (Cont'd)

Interest on Investments

Cash Receipts	\$ 10,187.64
Federal and State Grant Fund	330.18
General Capital Fund	3,142.37
Animal Control Fund	144.78
Other Trust Fund	1,337.19
	15,142.16
	\$ 15,142.16

Analysis of Nonbudget Revenue

Treasurer:

DMV Inspection Fines	\$ 3,840.50
Planning Board	11,312.50
Zoning Board	6,550.00
Auction Proceeds	205,320.40
Fish and Wildlife	120,339.00
FEMA Reimbursement - Superstorm "Sandy"	354,727.42
Sewer Interest	9,869.46
Miscellaneous	26,108.70
Administration Fee - Senior Citizens/Veterans Deductions	1,580.81
	739,648.79

Statutory Excess in Animal Control Fund Reserve

	14,632.92
	14,632.92
	\$ 754,281.71

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

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
General Government:					
General Administration:					
Salaries and Wages	\$ 290,000.00	\$ 290,000.00	\$ 289,572.92	\$ 427.08	
Other Expenses	68,925.00	61,925.00	60,375.84	1,549.16	
Communication Advisory Committee	20,100.00	16,100.00	15,219.43	880.57	
Mayor and Council:					
Other Expenses	7,250.00	7,250.00	7,250.00		
Elections:					
Other Expenses	4,500.00	4,500.00	4,038.52	461.48	
Financial Administration:					
Salaries and Wages	200,000.00	170,000.00	168,897.95	1,102.05	
Other Expenses	55,700.00	55,700.00	16,564.39	39,135.61	
Assessment of Taxes:					
Salaries and Wages	42,000.00	43,000.00	42,448.98	551.02	
Other Expenses	5,500.00	5,500.00	2,495.45	3,004.55	
Collection of Taxes:					
Salaries and Wages	89,000.00	90,000.00	89,903.60	96.40	
Other Expenses	10,700.00	10,700.00	9,704.87	995.13	
Legal Services and Costs:					
Other Expenses	101,000.00	116,000.00	103,280.05	12,719.95	
Municipal Prosecutor:					
Salaries and Wages	22,048.00	22,048.00	19,051.12	2,996.88	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	65,000.00	55,000.00	54,526.56	473.44	
Other Expenses	35,550.00	35,550.00	26,354.45	9,195.55	
Board of Adjustment:					
Salaries and Wages	38,000.00	56,000.00	54,525.36	1,474.64	
Other Expenses	4,675.00	4,675.00	2,914.68	1,760.32	

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
General Government (Cont'd):					
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Zoning Officer:					
Salaries and Wages	\$ 63,500.00	\$ 63,500.00	\$ 62,901.02	\$ 598.98	
Other Expenses	1,050.00	1,050.00	572.11	477.89	
Public Defender (P.L. 1997-C 256):					
Other Expenses	4,800.00	4,800.00	4,633.00	167.00	
Engineering Services:					
Other Expenses	53,000.00	65,000.00	61,718.43	3,281.57	
Environmental Commission (N.J.S.A. 40A56A-1 et seq.):					
Salaries and Wages	1,500.00	1,500.00	1,289.92	210.08	
Other Expenses	500.00	500.00	290.00	210.00	
Shade Tree Commission:					
Salaries and Wages	1,600.00	1,600.00	1,125.00	475.00	
Other Expenses	1,000.00	1,000.00	242.50	757.50	
Buildings and Grounds:					
Other Expenses	121,000.00	131,000.00	127,289.86	3,710.14	
Insurance:					
Temporary Unemployment Insurance	15,000.00	15,000.00	15,000.00		
Group Health Insurance	907,000.00	900,000.00	887,524.69	12,475.31	
Health Benefit Waiver	20,000.00	25,000.00	23,750.00	1,250.00	
General Liability Insurance	200,000.00	200,000.00	199,546.31	453.69	
Worker Compensation Insurance	180,000.00	180,000.00	178,522.30	1,477.70	
Accumulated Absences	1,000.00	1,000.00	1,000.00		
Public Safety:					
Aid to Volunteer Fire Companies	106,800.00	106,800.00	103,191.97	3,608.03	
Fire Prevention Inspector:					
Salaries and Wages	18,500.00	13,000.00	11,742.50	1,257.50	
Other Expenses	3,000.00	3,000.00	141.75	2,858.25	

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
Public Safety (Cont'd):					
Fire Prevention (Uniform Fire Safety) :					
Salaries and Wages	\$ 22,500.00	\$ 22,500.00	\$ 20,956.00	\$ 1,544.00	
Other Expenses	164,000.00	159,000.00	158,113.01	886.99	
Police:					
Salaries and Wages	2,861,505.00	2,848,005.00	2,836,777.18	11,227.82	
Other Expenses	61,150.00	61,150.00	52,747.71	8,402.29	
Purchase of Police Vehicles	83,000.00	83,000.00	81,821.27	1,178.73	
Emergency Management:					
Salaries and Wages	12,500.00	12,500.00	12,319.87	180.13	
Other Expenses	10,419.00	10,419.00	10,295.00	124.00	
Municipal Court:					
Salaries and Wages	91,000.00	93,000.00	91,680.98	1,319.02	
Other Expenses	5,690.00	5,690.00	4,946.75	743.25	
Municipal Radio and Communications:					
Other Expenses	233,366.00	227,366.00	227,114.94	251.06	
Aid to Volunteer Ambulance Company	35,000.00	35,000.00	35,000.00		
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages	673,000.00	755,000.00	736,515.59	18,484.41	
Other Expenses	165,400.00	138,400.00	135,305.88	3,094.12	
Street Lighting	100,000.00	83,000.00	78,923.51	4,076.49	
Fleet Maintenance:					
Other Expenses	114,750.00	135,750.00	122,809.34	12,940.66	
Sanitation:					
Garbage and Trash Removal - Contractual	331,500.00	331,500.00	331,102.01	397.99	
Other Expenses	315,000.00	309,000.00	307,969.25	1,030.75	

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
Sanitation (Cont'd):					
Sewer System:					
Salaries and Wages	\$ 336,000.00	\$ 310,000.00	\$ 309,715.48	\$ 284.52	
Other Expenses	227,360.00	265,360.00	240,862.34	24,497.66	
Health and Welfare:					
Board of Health:					
Other Expenses	1,100.00	1,100.00	200.00	900.00	
Health Officer - Contractual	58,911.00	60,111.00	60,088.80	22.20	
Services of Visiting Nurse - Contractual	8,586.00	8,586.00	8,548.00	38.00	
PEOSHA:					
Other Expenses	5,000.00	5,000.00	1,917.00	3,083.00	
Recreation and Education:					
Parks and Playgrounds:					
Salaries and Wages	117,000.00	124,500.00	124,467.14	32.86	
Other Expenses	64,685.00	57,685.00	57,170.98	514.02	
Stirling Lake Recreation Facility:					
Salaries and Wages	50,000.00	58,500.00	58,339.42	160.58	
Other Expenses	22,350.00	22,350.00	18,626.11	3,723.89	
Celebration of Public Event, Anniversary or Holiday:					
Other Expenses	4,500.00	4,500.00	2,932.24	1,567.76	
Senior Citizens' Transportation:					
Salaries and Wages	12,500.00	12,500.00	10,581.76	1,918.24	
Other Expenses	16,200.00	17,000.00	15,291.77	1,708.23	
Salary Adjustment Account:					
Salaries and Wages	50,000.00				

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:24:17)					
State Uniform Construction Code:					
Construction Official:					
Salaries and Wages	\$ 136,000.00	\$ 123,000.00	\$ 121,750.48	\$ 1,249.52	
Other Expenses	7,650.00	7,650.00	3,618.78	4,031.22	
Unclassified:					
Utilities:					
Gasoline	142,000.00	138,000.00	119,726.87	18,273.13	
Electricity	250,000.00	283,000.00	255,719.98	27,280.02	
Telephone	60,000.00	60,000.00	51,990.25	8,009.75	
Natural Gas	20,000.00	16,000.00	10,791.81	5,208.19	
Heating Fuel	30,000.00	30,000.00	17,327.59	12,672.41	
Water	46,000.00	46,000.00	45,299.57	700.43	
Management Information Systems:					
Other Expenses	79,700.00	83,700.00	76,175.59	7,524.41	
Condo Services Act	33,000.00	15,000.00	6,564.36	8,435.64	
<b>Total Operations Within "CAPS"</b>	<b>9,817,520.00</b>	<b>9,817,520.00</b>	<b>9,509,710.14</b>	<b>307,809.86</b>	
Detail:					
Salaries and Wages	5,193,153.00	5,165,153.00	5,119,088.83	46,064.17	
Other Expenses	4,624,367.00	4,652,367.00	4,390,621.31	261,745.69	

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	\$ 229,143.00	\$ 229,143.00	\$ 229,143.00		
Social Security System (O.A.S.I.)	401,500.00	401,500.00	389,094.39	\$ 12,405.61	
Police and Firemen's Retirement System of NJ	520,209.00	520,209.00	520,209.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,150,852.00</u>	<u>1,150,852.00</u>	<u>1,138,446.39</u>	<u>12,405.61</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>10,968,372.00</u>	<u>10,968,372.00</u>	<u>10,648,156.53</u>	<u>320,215.47</u>	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library (N.J.S.A. 40:54-8) (C. 82, P.L. 1985)	569,262.00	569,262.00	569,262.00		
Length of Service Award Programs (LOSAP)	106,000.00	106,000.00	3,666.00	102,334.00	

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS"(Cont'd):					
Public and Private Programs Offset by Revenues:					
Alcohol Education and Rehabilitation Fund (N.J.S.A. 40A:4-87 + \$590.80)		\$ 590.80	\$ 590.80		
Reserve for Alcohol Education and Rehabilitation Fund	\$ 422.20	422.20	422.20		
Reserve for Body Armor Grant	3,011.63	3,011.63	3,011.63		
Distracted Driving (N.J.S.A. 40A:4-87 + \$5,000.00)		5,000.00	5,000.00		
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 + \$4,036.04)		4,036.04	4,036.04		
Clean Communities Grant (N.J.S.A. 40A:4-87 + \$17,865.15)		17,865.15	17,865.15		
Reserve for Clean Communities Program	19,044.27	19,044.27	19,044.27		
Emergency Management Assistance (EMA) Funding (N.J.S.A. 40A:4-87 + \$5,000.00)		5,000.00	5,000.00		
Total Operations Excluded from "CAPS"	697,740.10	730,232.09	627,898.09	\$ 102,334.00	
Detail:					
Other Expenses	697,740.10	730,232.09	627,898.09	102,334.00	
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	590,000.00	590,000.00	590,000.00		
Capital Outlay - Gillette School	75,000.00	75,000.00			\$ 75,000.00
Total Capital Improvements Excluded from "CAPS"	665,000.00	665,000.00	590,000.00		75,000.00



TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	\$ 1,315,000.00	\$ 1,315,000.00	\$ 1,315,000.00		
Interest on Bonds	416,910.00	416,910.00	416,910.00		
N.J. Environmental Infrastructure:					
Principal on Loan-2010 Loan	15,000.00	15,000.00	15,000.00		
Interest on Loan-2010 Loan	13,675.00	13,675.00	13,673.23		\$ 1.77
Principal on Fund - 2010 Loan	57,814.00	57,814.00	57,813.55		0.45
Principal & Interest on Loan - 2014 Loan	125,000.00	125,000.00	94,058.41		30,941.59
Total Municipal Debt Service Excluded from "CAPS"	<u>1,943,399.00</u>	<u>1,943,399.00</u>	<u>1,912,455.19</u>		<u>30,943.81</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,306,139.10</u>	<u>3,338,631.09</u>	<u>3,130,353.28</u>	<u>\$ 102,334.00</u>	<u>105,943.81</u>
Subtotal General Appropriations	14,274,511.10	14,307,003.09	13,778,509.81	422,549.47	105,943.81
Reserve for Uncollected Taxes	<u>813,315.00</u>	<u>813,315.00</u>	<u>813,315.00</u>		
Total General Appropriations	<u>\$ 15,087,826.10</u>	<u>\$ 15,120,318.09</u>	<u>\$ 14,591,824.81</u>	<u>\$ 422,549.47</u>	<u>\$ 105,943.81</u>

Ref.

A

TOWNSHIP OF LONG HILL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 15,087,826.10	
Appropriation by NJSA 40A:4-87		32,491.99	
		\$ 15,120,318.09	
Reserve for Uncollected Taxes			\$ 813,315.00
Reserve for Encumbrances	A		178,451.06
Due Federal and State Grant Fund			54,970.09
Cash Disbursed			14,231,784.44
			15,278,520.59
Less: Appropriation Refunds			686,695.78
			\$ 14,591,824.81

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

TOWNSHIP OF LONG HILL  
COUNTY OF MORRIS  
2014  
TRUST FUNDS

TOWNSHIP OF LONG HILL  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 45,667.11	\$ 41,186.91
		<u>45,667.11</u>	<u>41,186.91</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	2,635,064.87	3,102,699.73
Due from Current Fund	A	2,078.50	45,983.17
Historic Preservation Grant Receivable		241,038.00	241,038.00
		<u>2,878,181.37</u>	<u>3,389,720.90</u>
 TOTAL ASSETS		 <u>\$ 2,923,848.48</u>	 <u>\$ 3,430,907.81</u>

TOWNSHIP OF LONG HILL  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-6	\$ 31,002.60	\$ 31,687.20
Due to Current Fund	A	14,658.51	9,497.31
Due to State of New Jersey		6.00	2.40
		<u>45,667.11</u>	<u>41,186.91</u>
Other Trust Funds:			
Reserve for Developer's Escrow		160,853.56	91,825.44
Reserve for Unemployment Insurance		6,008.90	7,303.68
Reserve for Municipal Open Space		1,713,688.90	1,712,213.32
Reserve for Historical Preservation		226,108.38	550,460.09
Reserve for COAH		130,004.15	437,237.30
Reserve for Special Deposits:			
Special Law Enforcement		3,390.78	3,382.17
Recycling		21,672.07	17,328.32
Shade Tree Donations		10,050.14	10,375.14
Uniform Fire Safety Penalties		5,035.76	2,609.76
Recreation Program		19,720.17	14,106.08
Parking Offense Adjudication Act		910.02	848.02
Road Openings		11,550.00	16,750.00
Beautification Program		13,124.24	13,759.26
Fill Permits		800.00	800.00
Tax Sale Premiums		164,879.97	101,679.97
Accumulated Absences		254,767.07	253,767.07
Snow Removal		35,914.12	57,650.64
Tax Title Liens Held in Trust		81,863.62	81,863.62
Public Defender Fees		15,740.50	13,662.00
Title Search		200.00	200.00
Outside Police Services		1,899.02	1,899.02
		<u>2,878,181.37</u>	<u>3,389,720.90</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,923,848.48</u>	<u>\$ 3,430,907.81</u>

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

TOWNSHIP OF LONG HILL  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

TOWNSHIP OF LONG HILL  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

NOT APPLICABLE

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

TOWNSHIP OF LONG HILL  
COUNTY OF MORRIS  
2014  
GENERAL CAPITAL FUND



TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,533,410.78	\$ 781,004.93
NJ Environmental Infrastructure Trust Loan Receivable		1,675,991.00	351,773.00
Federal and State Grants Receivable:			
State of NJ Transportation Trust Fund			38,970.00
Due from Current Fund	A		202,000.00
Deferred Charges to Future Taxation:			
Funded		14,473,678.01	12,604,016.98
Unfunded	C-4	3,892,185.17	6,592,732.17
<b>TOTAL ASSETS</b>		<b>\$ 21,575,264.96</b>	<b>\$ 20,570,497.08</b>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 10,039,000.00	\$ 11,354,000.00
Bond Anticipation Notes Payable	C-7	1,652,000.00	
NJ Environmental Infrastructure Trust Loans Payable #1	C-9	1,177,203.43	1,250,016.98
NJ Environmental Infrastructure Trust Loans Payable #2	C-9a	3,257,474.58	
Improvement Authorizations:			
Funded	C-5	1,212,185.89	1,139,897.19
Unfunded	C-5	2,213,541.04	5,644,852.25
Encumbrances Payable		1,310,298.34	
Reserve for:			
NJ Department of Transportation Grant Receivable			38,970.00
Sewer Contributions		109,941.58	249,116.43
Preliminary Costs			93.15
Payment of Debt Service		98,000.27	138,000.27
FEMA		18,000.00	202,000.00
Capital Improvement Fund	C-6	191,658.98	154,233.29
Fund Balance	C-1	295,960.85	399,317.52
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 21,575,264.96</b>	<b>\$ 20,570,497.08</b>

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

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 399,317.52
Increased by:		
Cancellation of Improvement Authorizations		<u>199,567.33</u>
		598,884.85
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>302,924.00</u>
Balance December 31, 2014	C	<u><u>\$ 295,960.85</u></u>

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

TOWNSHIP OF LONG HILL  
COUNTY OF MORRIS  
2014  
PARKING LOT AND FACILITIES UTILITY FUND

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31	
		2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 320,069.54	\$ 288,674.07
Total Operating Fund		320,069.54	288,674.07
Capital Fund:			
Fixed Capital	D-7	274,803.85	274,803.85
Fixed Capital Authorized and Uncompleted	D-8	70,000.00	
Due from Parking Lot and Facilities Utility Operating Fund	D	19,380.00	21,500.00
Total Capital Fund		364,183.85	296,303.85
<u>TOTAL ASSETS</u>		<u>\$ 684,253.39</u>	<u>\$ 584,977.92</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-4;D-9	\$ 6,074.51	\$ 41,481.05
Encumbered	D-4;D-9		1,525.00
Total Appropriation Reserves		6,074.51	43,006.05
Prepaid Parking Permits		72,575.00	67,150.00
Accounts Payable - Vendors		10,720.75	
Due to Parking Lot and Facilities Utility Capital Fund	D	19,380.00	21,500.00
		108,750.26	131,656.05
Fund Balance	D-1	211,319.28	157,018.02
Total Operating Fund		320,069.54	288,674.07
Capital Fund:			
Improvement Authorizations:			
Unfunded	D-10	67,880.00	
Reserve for:			
Amortization		274,803.85	274,803.85
Future Improvements		21,500.00	21,500.00
Total Capital Fund		364,183.85	296,303.85
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 684,253.39</u>	<u>\$ 584,977.92</u>

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

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN OPERATING FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized			\$ 95,000.00
Parking Lot Fees and Permits		\$ 88,388.50	77,184.40
Rental of Facilities		18,091.20	18,091.20
Interest Income		711.26	776.33
Other Credits to Income:			
Appropriation Reserves Lapsed		27,110.30	11,422.27
Total Income		<u>134,301.26</u>	<u>202,474.20</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		25,000.00	25,000.00
Capital Outlay		5,000.00	100,000.00
Total Expenditures		<u>30,000.00</u>	<u>125,000.00</u>
Excess in Revenue		104,301.26	77,474.20
<u>Fund Balance</u>			
Balance January 1		<u>157,018.02</u>	<u>224,543.82</u>
		261,319.28	302,018.02
Decreased by:			
Utilized as Anticipated Revenue			95,000.00
Amount Anticipated as Current Fund Revenue		<u>50,000.00</u>	<u>50,000.00</u>
Balance December 31	D	<u>\$ 211,319.28</u>	<u>\$ 157,018.02</u>

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

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Parking Lot Fees and Permits	\$ 30,000.00	\$ 88,388.50	\$ 58,388.50
Miscellaneous Revenue Not Anticipated:			
Rental of Facilities		18,091.20	18,091.20
Interest on Investments		711.26	711.26
	<u>\$ 30,000.00</u>	<u>\$ 107,190.96</u>	<u>\$ 77,190.96</u>

Analysis of Realized Revenue

Parking Lot Fees and Permits:	
Parking Permits	\$ 21,238.50
Prepaid Parking Permits Applied	<u>67,150.00</u>
	<u>\$ 88,388.50</u>

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

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended by</u>	
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	
Other Expenses	17,500.00	17,500.00	16,425.49	\$ 1,074.51
Capital Improvements:				
Capital Outlay	5,000.00	5,000.00		5,000.00
	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 23,925.49</u>	<u>\$ 6,074.51</u>

Ref.

D

Analysis of Paid or Charged:

Cash Disbursed	<u>\$ 23,925.49</u>
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THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT



TOWNSHIP OF LONG HILL  
COUNTY OF MORRIS  
2014  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(UNAUDITED)

TOWNSHIP OF LONG HILL  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
 (Unaudited)

	December 31,	
	2014	2013
<u>ASSETS</u>		
Land and Buildings	\$ 28,320,321.00	\$ 28,320,321.00
Vehicles, Furniture and Equipment	7,615,386.99	6,814,746.44
<u>TOTAL ASSETS</u>	<u>\$ 35,935,707.99</u>	<u>\$ 35,135,067.44</u>
 <u>RESERVE</u>		
Reserve for Fixed Assets	\$ 35,935,707.99	\$ 35,135,067.44
<u>TOTAL RESERVE</u>	<u>\$ 35,935,707.99</u>	<u>\$ 35,135,067.44</u>

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

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Long Hill include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Long Hill, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Long Hill do not include the operations of the municipal library, or volunteer fire and first aid squads.

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

B. Description of Funds

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

Current Fund – Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

Parking Lot and Facilities Utility Operating and Capital Fund – Account for the operations and acquisition of capital facilities of the municipally owned parking utility.

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

B. Description of Funds (Cont'd)

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

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow.

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

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

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

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

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

(Continued)

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

C. Basis of Accounting (Cont'd)

or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

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

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

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

E. Other Significant Accounting Policies Include:

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

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

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

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

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

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

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

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

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

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

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

General Fixed Assets (Unaudited) - General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets; maintenance and minor parts and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a “Reserve for Fixed Assets”. When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Parking Lot and Facilities Utility Capital Fund. The values recorded in the General Fixed Assets Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing or recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Parking Lot and Facilities Utility Fund are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations of the cost of acquisitions of property, equipment and improvements. The Parking Lot and Facilities Utility does not record depreciation on fixed assets.

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

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	December 31,		
	2014	2013	2012
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 16,125,678.01	\$ 12,604,016.98	\$ 14,117,639.41
Total Issued	<u>16,125,678.01</u>	<u>12,604,016.98</u>	<u>14,117,639.41</u>
Less: Funds Temporarily Held to Pay Bonds and Notes:			
Reserve to Pay Debt Service	98,000.27	138,000.27	178,000.27
Total Deductions	<u>98,000.27</u>	<u>138,000.27</u>	<u>178,000.27</u>
Net Debt Issued	<u>16,027,677.74</u>	<u>12,466,016.71</u>	<u>13,939,639.14</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	2,240,185.17	6,592,732.17	497,555.19
Parking Lot and Facilities Utility:			
Bonds and Notes	70,000.00		
Total Authorized but not Issued	<u>2,310,185.17</u>	<u>6,592,732.17</u>	<u>497,555.19</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 18,337,862.91</u>	<u>\$ 19,058,748.88</u>	<u>\$ 14,437,194.33</u>

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/12	Additions	Retirements	Balance 12/31/13
General Capital Fund:				
Serial Bonds	\$ 12,589,000.00		\$ 1,235,000.00	\$ 11,354,000.00
Loans Payable:				
NJ Wastewater Treatment:				
Loan III	205,808.88		205,808.88	
NJ EIT Loan Payable	1,322,830.53		72,813.55	1,250,016.98
Total	<u>\$ 14,117,639.41</u>	<u>\$ -0-</u>	<u>\$ 1,513,622.43</u>	<u>\$ 12,604,016.98</u>

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/13	Additions	Retirements	Balance 12/31/14
General Capital Fund:				
Serial Bonds	\$ 11,354,000.00		\$ 1,315,000.00	\$ 10,039,000.00
Loans Payable:				
NJ EIT Loan Payable		\$ 3,343,000.00	85,525.42	3,257,474.58
NJ EIT Loan Payable	1,250,016.98		72,813.55	1,177,203.43
Bond Anticipation Notes Payable		1,652,000.00		1,652,000.00
Total	<u>\$ 12,604,016.98</u>	<u>\$ 4,995,000.00</u>	<u>\$ 1,473,338.97</u>	<u>\$ 16,125,678.01</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Revised Annual Debt Statement and indicates a statutory net debt of 1.12%.

	Gross Debt	Deductions	Net Debt
Local and Regional School District Debt	\$ 19,049,161.77	\$ 19,049,161.77	
General Debt	18,365,863.18	98,000.27	\$ 18,267,862.91
Parking Lot and Facilities Utility Debt	70,000.00	70,000.00	
	<u>\$ 37,485,024.95</u>	<u>\$ 19,217,162.04</u>	<u>\$ 18,267,862.91</u>

Net Debt \$18,267,862.91 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,631,894,370 = 1.12%.



TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

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

3-1/2% Average Equalized Valuation of Real Property	\$ 57,116,302.95
Net Debt	<u>18,267,862.91</u>
Remaining Borrowing Power	<u><u>\$ 38,848,440.04</u></u>

Calculation of "Self-Liquidating Purpose", Parking Lot and Facilities Utility Per N.J.S.40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 107,190.96
Deductions:	
Operating and Maintenance Cost	<u>25,000.00</u>
Excess in Revenue	<u><u>\$ 82,190.96</u></u>

Note: If there is a deficit in revenue, then the utility debt is not deductible to the extent of 20 times such deficit amount.

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

Analysis of Debt Issued and Outstanding at December 31, 2014

General Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2014</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2014</u>
General Bonds of 2007	2/15/2015-2019	\$ 375,000.00	4.00%	\$ 5,050,000.00
	2/15/2020-2026	400,000.00	4.00%	
	2/15/2027	375,000.00	4.00%	
General Refunding Bonds of 2007	2/15/2015	290,000.00	4.00%	1,705,000.00
	2/15/2016-2017	285,000.00	4.00%	
	2/15/2018-2019	280,000.00	4.00%	
	2/15/2020	285,000.00	4.00%	

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2014 (Cont'd)

General Capital Fund (Cont'd)

Serial Bonds (Cont'd)

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2014</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2014</u>
General Bonds of 2011	7/15/15-17	\$ 200,000.00	2.50%	\$ 3,284,000.00
	7/15/18-21	200,000.00	3.00%	
	7/15/22	200,000.00	3.125%	
	7/15/23	200,000.00	3.25%	
	7/15/24-25	200,000.00	3.50%	
	7/15/26	200,000.00	3.625%	
	7/15/27-30	200,000.00	4.00%	
	7/15/31	84,000.00	4.00%	
				\$ 10,039,000.00

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2014</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2014</u>
Various Improvements	6/12/2015	\$ 1,652,000.00	0.57%	\$ 1,652,000.00

New Jersey Environmental Infrastructure Trust Loans

On March 10, 2010, the Township entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the aggregate amount of \$1,507,000.00, which represents direct obligations of the Township. The loan agreements were obtained to finance the additional costs for improvement of the wastewater treatment plant. Principal and interest payments commenced August 1, 2010 and continue on a semiannual basis through August 1, 2029.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the state may approve from time to time are payable on these loans

The balance of the loan at December 31, 2014 was as follows:

NJ Environmental Infrastructure Trust Loan	\$ 1,177,203.43
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TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

New Jersey Environmental Infrastructure Trust Loans

On May 21, 2014, the Township entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the aggregate amount of \$3,343,000.00, which represents direct obligations of the Township. The loan agreements were obtained to finance the additional costs for improvement of the wastewater treatment plant. Principal and interest payments commenced August 1, 2015 and continue on a semiannual basis through August 1, 2033.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the state may approve from time to time are payable on these loans

The balance of the loan at December 31, 2014 was as follows:

NJ Environmental Infrastructure Trust Loan	\$ 3,257,474.58
Total Debt Issued and Outstanding	\$ 16,125,678.01

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

Year	Principal	Interest	Total
2015	\$ 1,096,101.68	\$ 414,703.76	\$ 1,510,805.44
2016	1,091,101.68	381,453.76	1,472,555.44
2017	1,091,101.68	348,403.76	1,439,505.44
2018	1,091,101.68	314,753.76	1,405,855.44
2019	1,096,101.68	280,053.76	1,376,155.44
2020-2024	4,515,508.40	930,218.80	5,445,727.20
2025-2029	3,470,508.58	315,443.80	3,785,952.38
2030-2034	1,022,152.63	32,626.28	1,054,778.91
	\$ 14,473,678.01	\$ 3,017,657.68	\$ 17,491,335.69

Note 3: Fund Balance Appropriated

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

Current Fund	\$1,702,540.00
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Note 4: Local and Regional School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township of Long Hill has elected not to defer school taxes.

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 5: Pension Plans

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

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Township contributions to PFRS amounted to \$520,209, \$568,273 and \$522,896 for 2014, 2013 and 2012, respectively. Township contributions to PERS amounted to \$229,143, \$254,919 and \$266,798 for 2014, 2013 and 2012, respectively. Township contributions to DCRP amounted to \$14,299, \$3,839 and \$1,656 for 2014, 2013 and 2012.

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 6: Accrued Sick and Vacation Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$103,522. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

This amount is fully reserved in the Reserve for Accrued Sick and Vacation of \$254,767 on the Trust Funds balance sheet at December 31, 2014.

Note 7: Deferred Compensation Plan

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

Note 8: Selected Tax Information

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	2.868	2.956	2.859
<u>Apportionment of Tax Rate</u>			
Municipal	.768	.769	.747
Municipal Open Space	.020	.019	.019
County	.326	.324	.327
Local School	1.161	1.250	1.179
Regional School	.593	.594	.587
<u>Assessed Valuations</u>			
2014	\$ 1,259,967,160		
2013		\$ 1,265,348,326	
2012			\$ 1,279,126,515

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 8: Selected Tax Information (Con't)

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	\$ 36,253,210.04	\$ 35,435,477.07	97.74%
2013	37,485,028.58	36,745,945.05	98.02%
2012	36,645,995.74	35,801,001.36	97.69%

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

Note 9: Cash and Cash Equivalents

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

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

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

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

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

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities also are permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Investments (Cont'd)

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

Investments:

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

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

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

As of December 31, 2014, cash and cash equivalents of the Township of Long Hill consisted of the following:

Fund	Cash on Hand	Savings and Checking Accounts	Totals
Current Fund	\$ 400.00	\$ 4,093,269.47	\$ 4,093,669.47
Federal and State Grant Fund		105,819.40	105,819.40
Animal Control Fund		45,667.11	45,667.11
Other Trust Fund		2,635,064.87	2,635,064.87
General Capital Fund		1,533,410.78	1,533,410.78
Parking Lot and Facilities			
Utility Operating Fund		320,069.54	320,069.54
	<u>\$ 400.00</u>	<u>\$ 8,733,301.17</u>	<u>\$ 8,733,701.17</u>

During the period ended December 31, 2014, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2014, was \$8,733,701.17 and the bank balance was \$9,097,887.27.

Note 10: Risk Management

Property and Liability

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided through the State of New Jersey health benefits plan.

Property and Liability

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

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

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Public Officials' Liability/Employment Practices Coverage
- f.) Environmental Coverage

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

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the



TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 10: Risk Management (Cont'd)

Property and Liability (Cont'd)

members in the same ratio as their individual assessment relates to the total assessment of the membership body.

The December 31, 2014 audit report of the Fund is not filed as of the date of this report. Selected, summarized financial information for the Fund as of December 31, 2013 is as follows:

	Morris County Municipal Joint Insurance Fund
Total Assets	\$ 25,334,768
Net Position	\$ 9,645,581
Total Revenue	\$ 15,621,282
Total Expenses	\$ 15,549,524
Change in Net Position	\$ 71,758
Members Dividends	\$ -0-

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

Morris County Municipal Joint Insurance Fund  
PERMA Risk Management Services  
9 Campus Drive, Suite 16  
Parsippany, New Jersey 07054  
(201) 881-7632

New Jersey Unemployment Compensation Insurance

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

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

Year	Township/ Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2012	\$ 11,824.82	\$ 10.53	\$ 22,591.63	\$ 3,780.91
2013	18,940.97	21.15	15,439.35	7,303.68
2014	10,378.53	22.99	11,696.30	6,008.90

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 11: Interfund Receivables and Payables

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 14,658.51	\$ 2,078.50
Animal Control Fund		14,658.51
Other Trust Fund	2,078.50	
Parking Lot and Facilities Utility Operating Fund		19,380.00
Parking Lot and Facilities Utility Capital Fund	19,380.00	
	<u>\$ 36,117.01</u>	<u>\$ 36,117.01</u>

The interfund receivable in the Other Trust Fund and the interfund payable in the Current Fund is due to public defender receipts collected in Current Fund and has not yet been turned over to the Other Trust Fund. The interfund receivable in the Current Fund and payable in the Animal Control Fund is due to the statutory excess in the Animal Control Fund that has not yet been turned over to the Current Fund. The interfund receivable and the interfund payable in the Parking Lot and Facilities Funds is due to a cash advance that has not yet been turned over.

Note 12: Open Space Trust Fund

The Township created an Open Space Trust Fund with a tax levy of \$.02 per \$100 of assessed valuation in 1997. The funds collected are used to acquire and maintain open space property in the Township. The balances in the Open Space Trust Fund at December 31, 2014 and 2013 were \$1,713,688.90 and \$1,712,213.32, respectively.

Note 13: Commitments and Contingencies

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. In the opinion of the General Counsel to the Township, payment of claims by the Township, for amounts not covered by insurance, in the aggregate, are not expected to have a material adverse effect on their financial position.

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

TOWNSHIP OF LONG HILL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 13: Commitments and Contingencies (Cont'd)

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve for this contingency in the amount of \$499,123, which the Township believes is adequate to cover any potential liability.

Note 14: Economic Dependency

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

TOWNSHIP OF LONG HILL

SUPPLEMENTARY DATA

TOWNSHIP OF LONG HILL  
SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS  
DECEMBER 31, 2014

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

Name	Amount of Bond	Name of Corporate or Personal Surety
Guy Piserchia Mayor		
Brendan Rae Deputy Mayor		
Guy Roshto Committeeperson		
Bruce Meringolo Committeeperson		
Cornel Schuler, Jr. Committeeperson		
Neil Henry Administrator	(A)	
James Mangin Chief Financial Officer (to 2/1/14)	(A)	
Leonard Ho Chief Financial Officer (from 4/1/14)	(A)	
Cathy Reese Township Clerk, Registrar Vital Statistics	(A)	
Joan Donat Tax Collector, Collector of Sewer Charges, Tax Search Officer	(A) 200,000.00	Selective Insurance Company
James D. Bride Magistrate, Municipal Court	(A) 50,000.00	Selective Insurance Company
Annette Naylor Court Administrator	(A) 50,000.00	Ohio Casualty Insurance Company
Donna Ruggiero Deputy Court Administrator	(A)	
John R. Pidgeon Township Attorney		
Greg Impink Building Inspector, Construction Official	(A)	
Edward C. Tencza Fire Official	(A)	
Brett Trout Tax Assessor	(A)	
Michael Mazzeo Police Chief	(A)	
Paul Ferriero Engineer		
Tom Sweeney Director of Public Works	(A)	

(A) Covered under a \$50,000.00 Public Employees Bond with the Morris County Municipal Joint Insurance Fund and \$950,000.00 Public Employees Bond with the Municipal Excess Liability Joint Insurance Fund.

TOWNSHIP OF LONG HILL  
COUNTY OF MORRIS  
2014  
CURRENT FUND

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2013	A	\$ 4,162,281.46	\$ 128,838.64
Increased by Receipts:			
Tax Collector		\$ 36,398,344.30	
Revenue Accounts Receivable		2,437,199.25	
Sewer Charges Receivable		1,307,321.85	
Sewer Overpayments		4,138.35	
Appropriation Refunds		686,695.78	
Due from State of N.J. - Veterans' and Senior Citizens' Deductions		76,040.67	
Miscellaneous Revenue Not Anticipated		739,648.79	
Due to:			
State of NJ - Building Surcharge Fees		15,322.00	
State of NJ - Marriage License Fees		1,075.00	
Interest on Investments and Deposits		10,187.64	
Due from Federal and State Grant Fund		66,056.35	
Due from Other Trust Fund:			
Public Defender Receipts		2,078.50	
Interest		1,337.19	
Due from Animal Control Fund		9,616.50	
Due General Capital Fund:			
Interest		3,142.37	
Federal and State Grants Receivable			\$ 12,273.58
Interest Earned			330.18
Unappropriated Reserves			30,433.35
		41,758,204.54	43,037.11
		45,920,486.00	171,875.75

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF CASH  
(Continued)

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Decreased by Disbursements:			
2014 Appropriation Expenditures		\$ 14,231,784.44	
2013 Appropriation Reserves		517,087.72	
County Taxes Payable		4,110,433.78	
Local School Taxes Payable		14,616,742.00	
Regional School Taxes Payable		7,463,529.00	
Accounts Payable		7,246.23	
Refund of Prior Year Revenue		32,309.87	
Due to Current Fund			\$ 66,056.35
Due from Federal and State Grant Fund:			
Appropriated Reserve Expenditures		57,726.17	
Due to General Capital Fund		202,000.00	
Tax Overpayments Refunded		20,491.14	
Sewer Overpayments Refunded		4,152.35	
Third Party Tax Title Liens		253,703.39	
Due to/from Other Trust Fund:			
Interfund Returned		45,983.17	
Open Space Trust Fund		253,885.27	
Due to:			
State of NJ - Building Surcharge Fees		9,067.00	
State of NJ - Marriage License Fees		1,075.00	
		<u>\$ 41,827,216.53</u>	<u>\$ 66,056.35</u>
Balance December 31, 2014	A	<u>\$ 4,093,269.47</u>	<u>\$ 105,819.40</u>



TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

Increased by Receipts:

Taxes Receivable	\$ 35,273,005.21	
2015 Prepaid Taxes	682,053.69	
Interest and Costs on Taxes	169,207.74	
Tax Overpayments	19,914.27	
Third Party Tax Title Liens	253,703.39	
Revenue Accounts Receivable - Tax Search Fees	460.00	
	<hr/>	
		\$ 36,398,344.30

Decreased by:

Payments to Treasurer		<u>\$ 36,398,344.30</u>
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TOWNSHIP OF LONG HILL  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Grant</u>	Balance Dec.31, 2013	2014 Realized Revenue	2014 Receipts	Transferred from Unappropriated Reserve	Balance Dec.31, 2014
Body Armor Grant	\$ 5,247.76	\$ 3,011.63	\$ 2,646.74	\$ 3,011.63	\$ 2,601.02
Emergency Management Assistance (EMA) Funding	6,500.00	5,000.00			11,500.00
Highlands TDR Feasibility Grant	12,500.00				12,500.00
Morris County Historic Preservation Trust (2010)	13,531.00				13,531.00
Shade Tree Challenge Grant	3,000.00				3,000.00
NJDOT Grant - Gillette Schools Sidewalks	40,000.00				40,000.00
NJDEP Green Acres - Passaic Basin	325,000.00				325,000.00
Community Forestry Shade Tree Grant	3,000.00				3,000.00
Distracted Driving		5,000.00	5,000.00		
Drunk Driving Enforcement		4,036.04	4,036.04		
Clean Communities Program		36,909.42		36,909.42	
Alcohol Education Rehabilitation Grant		1,013.00	590.80	422.20	
	<u>\$ 408,778.76</u>	<u>\$ 54,970.09</u>	<u>\$ 12,273.58</u>	<u>\$ 40,343.25</u>	<u>\$ 411,132.02</u>
<u>Ref.</u>	A				A

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2014 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Trans- ferred to Tax Title Liens	Balance
	Dec.31, 2013		2013	2014				Dec.31, 2014
2011	\$ 3,199.26			\$ 3,199.26				
2012	7,017.80			5,311.71				\$ 1,706.09
2013	596,670.09			573,085.58	\$ (2,150.09)	\$ 25,734.60		
	606,887.15			581,596.55	(2,150.09)	25,734.60		1,706.09
2014		\$ 36,253,210.04	\$ 666,047.18	34,691,408.66	78,021.23	195,062.56	\$ 42,400.49	580,269.92
	\$ 606,887.15	\$ 36,253,210.04	\$ 666,047.18	\$ 35,273,005.21	\$ 75,871.14	\$ 220,797.16	\$ 42,400.49	\$ 581,976.01
Ref.	A							A

Analysis of 2014 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 36,045,761.08
Business Personal Property Taxes	90,097.07
Added and Omitted Taxes (N.J.S.A. 54:4-63.1 et seq.)	117,351.89
	<u>\$ 36,253,210.04</u>

Tax Levy:

Regional High School Taxes	\$ 7,463,529.00
Local School District Taxes	14,616,742.00
County Taxes	\$ 4,101,390.86
Due County for Added and Omitted Taxes	13,316.19
	4,114,707.05
Municipal Open Space Taxes	253,885.27
	<u>26,448,863.32</u>
Local Tax for Municipal Purposes Levied	9,157,529.69
Municipal Library Tax	535,662.31
Add: Additional Tax Levied	111,154.72
	<u>9,804,346.72</u>
	<u>\$ 36,253,210.04</u>

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 297,334.61
Increased by:		
Transfer from Taxes Receivable		<u>42,400.49</u>
Balance December 31, 2014	A	<u>\$ 339,735.10</u>

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued In	Collected by		Balance
	Dec.31, 2013	2014	Collector	Treasurer	Dec.31, 2014
Licenses:					
Alcoholic Beverages		\$ 21,891.00		\$ 21,891.00	
Fees and Permits		120,897.45	\$ 460.00	120,437.45	
Municipal Court:					
Fines and Costs	\$ 3,648.71	131,645.03		127,353.04	\$ 7,940.70
Uniform Construction Code Fees		164,788.00		164,788.00	
State of New Jersey					
Energy Receipts Tax		1,354,573.00		1,354,573.00	
Life Hazard Use		15,679.30		15,679.30	
Tower Rental - Verizon		57,758.88		57,758.88	
Tower Rental - AT&T Wireless		50,424.44		50,424.44	
Playground Registration		44,345.00		44,345.00	
Basketball Registration		38,484.00		38,484.00	
Cable Franchise Fee		37,080.48		37,080.48	
Great Swamp		139,841.00		139,841.00	
Stirling Lake Registration		54,650.90		54,650.90	
Utility Operating Surplus - Prior Year		50,000.00		50,000.00	
Verizon Franchise Fees - FIOS		48,450.53		84,003.64	
Reserve for Debt Payment		40,000.00		40,000.00	
Long Hill Library Pension Reimbursement		39,345.75		28,389.12	
	<u>\$ 3,648.71</u>	<u>\$ 2,417,354.76</u>	<u>\$ 460.00</u>	<u>\$ 2,437,199.25</u>	<u>\$ 7,940.70</u>

Ref. A

A

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF SEWER CHARGES RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 79,017.97
Increased by:		
Sewer Charges Levied		<u>1,321,414.14</u>
		1,400,432.11
Decreased by:		
Collections	\$	1,307,321.85
Transfer to Sewer Charge Liens		3,087.46
Cancelled		<u>8,210.00</u>
		<u>1,318,619.31</u>
Balance December 31, 2014	A	<u>\$ 81,812.80</u>

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF SEWER CHARGE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2013	A	\$	-0-
Increased by:			
Interest and Costs Accrued at Tax Sale		\$	286.91
Transfer from Sewer Rents Receivable			<u>3,087.46</u>
			<u>3,374.37</u>
Balance December 31, 2014	A	\$	<u><u>3,374.37</u></u>

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec.31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
Administrative and Executive:				
Salaries and Wages	\$ 11,361.47	\$ 11,361.47		\$ 11,361.47
Other Expenses	14,738.21	14,738.21	\$ 11,827.75	2,910.46
Communication Advisory Committee	59.18	59.18	20.96	38.22
Mayor and Council:				
Other Expenses	5,250.00	5,250.00	5,250.00	
Elections:				
Other Expenses	376.04	376.04		376.04
Financial Administration:				
Salaries and Wages	0.15	0.15		0.15
Other Expenses	42,208.12	42,208.12	42,030.93	177.19
Assessment of Taxes:				
Salaries and Wages	767.74	767.74		767.74
Other Expenses	53.30	53.30		53.30
Collection of Taxes:				
Salaries and Wages	1,620.54	1,620.54		1,620.54
Other Expenses	586.40	586.40	519.32	67.08
Legal Services And Costs:				
Other Expenses	5,530.93	5,530.93	5,530.93	
Municipal Prosecutor:				
Salaries and Wages	2,996.88	2,996.88	1,731.92	1,264.96
Engineering Services and Costs:				
Other Expenses	6,171.00	6,171.00	3,700.50	2,470.50
Planning Board:				
Salaries and Wages	0.27	0.27		0.27
Other Expenses	4,704.68	4,704.68	2,287.50	2,417.18
Board of Adjustment:				
Salaries and Wages	0.28	0.28		0.28
Other Expenses	3,370.69	3,370.69	893.83	2,476.86
Zoning Officer:				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	846.00	846.00	9.49	836.51
Environmental Commission:				
Salaries and Wages	0.78	0.78		0.78
Other Expenses	10.00	10.00		10.00
Shade Tree Commission:				
Salaries and Wages	1,500.00	1,500.00		1,500.00
Other Expenses	1,000.00	1,000.00		1,000.00
Buildings and Grounds:				
Other Expenses	18,870.46	18,870.46	16,215.14	2,655.32
Insurance:				
Temporary Unemployment Insurance	11,664.44	11,664.44		11,664.44
Group Health Insurance	116,218.52	116,218.52		116,218.52
Health Benefit Waiver	2,076.94	2,076.94		2,076.94
General Liability Insurance	8,042.96	8,042.96		8,042.96
Accumulated Absences	1,000.00	1,000.00		1,000.00



TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Balance Dec.31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
Public Safety:				
Aid to Volunteer Fire Companies	\$ 11,085.31	\$ 11,085.31	\$ 4,827.09	\$ 6,258.22
Fire Prevention (Uniform Fire Safety):				
Other Expenses	13,145.32	13,145.32	12,905.60	239.72
Police:				
Salaries and Wages	84,048.02	84,048.02		84,048.02
Other Expenses	41,219.55	41,219.55	34,174.51	7,045.04
Purchase of Police Vehicles	12,336.25	12,336.25	12,183.52	152.73
Emergency Management:				
Salaries and Wages	0.74	0.74		0.74
Other Expenses	1,859.96	1,859.96	619.29	1,240.67
Municipal Radio and Communications:				
Other Expenses	4,535.76	4,535.76	1,224.87	3,310.89
Municipal Court:				
Salaries and Wages	0.22	0.22		0.22
Other Expenses	1,362.52	1,362.52	337.79	1,024.73
Streets and Roads:				
Road Repair and Maintenance:				
Salaries and Wages	0.33	0.33		0.33
Other Expenses	54,791.49	54,791.49	49,341.77	5,449.72
Street Lighting	29,411.79	29,411.79	16,353.30	13,058.49
Fleet Maintenance:				
Other Expenses	43,680.20	43,680.20	33,510.53	10,169.67
Sanitation:				
Garbage and Trash Removal - Contractual	78,998.23	71,998.23	51,256.49	20,741.74
Sewer System:				
Salaries and Wages	104,629.63	104,629.63		104,629.63
Other Expenses	29,863.00	29,863.00	29,583.50	279.50
Health and Welfare:				
Board of Health:				
Other Expenses	0.42	0.42		0.42
PEOSHA:				
Other Expenses	3,970.00	3,970.00		3,970.00
Recreation and Education:				
Parks and Playgrounds:				
Salaries and Wages	0.54	0.54		0.54
Other Expenses	8,857.70	8,857.70	2,619.59	6,238.11
Stirling Lake Recreation Facility:				
Salaries and Wages	1,641.84	1,641.84		1,641.84
Other Expenses	3,618.84	3,618.84	282.87	3,335.97
Celebration of Public Event, Anniversary, or Holiday:				
Other Expenses	2,073.77	2,073.77	92.91	1,980.86
Senior Citizens' Transportations:				
Salaries and Wages	0.23	0.23		0.23
Other Expenses	3,256.58	3,256.58	3,250.00	6.58
Salary Adjustment Account:				
Salaries and Wages (Adjustment)	38,743.00	38,743.00		38,743.00

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Balance Dec.31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
State Uniform Construction Code:				
Construction Official:				
Salaries and Wages	\$ 0.15	\$ 0.15		\$ 0.15
Other Expenses	2,368.40	2,368.40	\$ 332.71	2,035.69
Unclassified:				
Utilities:				
Gasoline	34,063.45	34,063.45	9,219.65	24,843.80
Electricity	107,227.75	107,227.75	25,524.00	81,703.75
Telephone	11,173.86	11,173.86	971.34	10,202.52
Natural Gas	20,412.68	20,412.68	9,329.45	11,083.23
Heating Fuel	3,813.45	10,813.45	8,061.12	2,752.33
Water	5,845.92	5,845.92	5,372.18	473.74
MIS Management Information Systems:				
Other Expenses	12,380.39	12,380.39	10,695.37	1,685.02
Condo Services Act	1,309.52	1,309.52		1,309.52
Statutory Expenditures:				
Contributions to Social Security System (O.A.S.I.)	5,248.28	5,248.28		5,248.28
LOSAP	105,000.00	105,000.00	105,000.00	
	\$ 1,143,002.07	\$ 1,143,002.07	\$ 517,087.72	\$ 625,914.35

	<u>Ref.</u>		
<u>Analysis of Balance at December 31, 2013:</u>			
Unencumbered	A	\$	969,415.82
Encumbered	A		173,586.25
		\$	1,143,002.07

TOWNSHIP OF LONG HILL  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

Increased by:	
Levy - Calendar Year 2014	\$ 14,616,742.00
Decreased by:	
Payments to Local School District	<u>\$ 14,616,742.00</u>

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

Increased by:	
Levy - Calendar Year 2014	\$ 7,463,529.00
Decreased by:	
Payments to Regional School District	<u>\$ 7,463,529.00</u>

TOWNSHIP OF LONG HILL  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec.31, 2013	Transferred from 2014 Budget Appropriation	Paid or Charged	Balance Dec.31, 2014
Distracted Driving		\$ 5,000.00	\$ 5,000.00	
Drunk Driving Enforcement Fund	\$ 5,077.83	4,036.04	1,726.04	\$ 7,387.83
Clean Communities Program	5,457.99	36,909.42	10,271.75	32,095.66
Alcohol Education and Rehabilitation Fund	14,794.90	1,013.00	8,994.95	6,812.95
Emergency Management Grant	11,028.80	5,000.00	2,364.80	13,664.00
New Jersey Department of Community Affairs - Body Armor Grant	19,579.77	3,011.63	15,195.45	7,395.95
Bulletproof Vests - Federal	14,031.52			14,031.52
Highlands TDR Feasibility Grant	19,908.33		406.25	19,502.08
Morris County Historic Preservation Trust	4,301.00			4,301.00
Morris County Historic Preservation Trust	40,678.00			40,678.00
Comcast Communication Equipment Grant	16,975.00			16,975.00
Shade Tree Challenge Grant	3,000.00			3,000.00
NJDOT - Gillette Schools Sidewalk	24,296.13		13,766.93	10,529.20
NJDEP Green Acres - Passaic Basin	325,000.00			325,000.00
Community Forestry Tree	3,000.00			3,000.00
	<u>\$ 507,129.27</u>	<u>\$ 54,970.09</u>	<u>\$ 57,726.17</u>	<u>\$ 504,373.19</u>
<u>Ref.</u>	A			A

Paid by Current Fund \$ 57,726.17

TOWNSHIP OF LONG HILL  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Cash</u> <u>Received</u>	<u>Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Balance</u> <u>Dec.31, 2014</u>
Drunk Driving Enforcement Fund	\$ 0.95	\$ 1,547.20		\$ 1,548.15
Alcohol Education and Rehabilitation Fund	422.20		\$ 422.20	
Body Armor	3,011.63		3,011.63	
Bulletproof Vests	7.39			7.39
Clean Communities	19,045.68	17,863.74	36,909.42	
Recycling Tonnage Grant	0.28	11,022.41		11,022.69
	<u>\$22,488.13</u>	<u>\$ 30,433.35</u>	<u>\$ 40,343.25</u>	<u>\$12,578.23</u>

Ref.      A

A

TOWNSHIP OF LONG HILL  
COUNTY OF MORRIS  
2014  
TRUST FUNDS

TOWNSHIP OF LONG HILL  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2013	B	\$ 41,186.91	\$ 3,102,699.73
Increased by Receipts:			
Animal Control Fees		\$ 15,582.80	
State Registration Fees		1,357.20	
Miscellaneous and Late Fees		4,081.29	
Developers Escrow			\$ 298,468.85
Reserve for Municipal Open Space:			
Open Space Tax Levy			190,413.95
Deposits and Interest			41,680.63
Reserve for Historical Preservation:			
Historical Preservation Tax Levy			63,471.32
Deposits			4,800.00
Road Opening			4,000.00
Parking Offense Adjudication Act Fees			62.00
Recycling			9,188.75
COAH			14,605.35
Uniform Fire Safety Deposits			2,426.00
Recreation			43,434.10
Beautification Program			500.00
Due to/from Current Fund:			
Interfund Returned			45,983.17
Interest Earned		144.78	1,337.19
Shade Tree Donations			2,400.00
Accumulated Absences			1,000.00
Snow Removal			4,395.60
Unemployment Insurance Deposits			10,401.52
Tax Sale Premiums			150,200.00
Special Law Enforcement			8.61
		<u>21,166.07</u>	<u>888,777.04</u>
		62,352.98	3,991,476.77
Decreased by Disbursements:			
State Registration Fees		1,353.60	
Expenditures Under R.S. 4:19-15.11		5,715.77	
Due to Current Fund		9,616.50	1,337.19
Developers Escrow Refunds/Fees			229,440.73
Open Space Trust Expenditures			230,619.00
Historical Preservation Expenditures			392,623.03
Road Openings			9,200.00
Shade Tree Expenditures			2,725.00
Recreation			37,820.01
Snow Removal			26,132.12
State Unemployment Insurance			11,696.30
COAH			321,838.50
Recycling Expenditures			4,845.00
Tax Sale Premiums			87,000.00
Beautification Program			1,135.02
		<u>16,685.87</u>	<u>1,356,411.90</u>
Balance December 31, 2014	B	<u>\$ 45,667.11</u>	<u>\$ 2,635,064.87</u>

TOWNSHIP OF LONG HILL  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE



TOWNSHIP OF LONG HILL  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 31,687.20
Increased by:		
Animal Control Fees:		
Animal Control License Fees Collected		\$ 15,582.80
Miscellaneous and Late Fees		4,081.29
		19,664.09
		51,351.29
Decreased by:		
Expenditures Under R.S. 4:19-15.11		5,715.77
Statutory Excess Due Current Fund		14,632.92
		20,348.69
Balance December 31, 2014	B	\$ 31,002.60

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 15,648.00
2013	15,354.60
	31,002.60
Maximum Allowable Reserve	\$ 31,002.60

TOWNSHIP OF LONG HILL  
COUNTY OF MORRIS  
2014  
GENERAL CAPITAL FUND

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 781,004.93
Increased by:		
Proceeds from Bond Anticipation Notes Issued	\$	1,652,000.00
NJ Environmental Infrastructure Trust Loan Receivable		2,018,782.00
Sewer Contributions		25,120.00
Due Current Fund:		
Interest Earned		3,142.37
Interfund Returned		202,000.00
Received from Current Fund Budget Appropriation:		
Capital Improvement Fund		590,000.00
		4,491,044.37
		5,272,049.30
Decreased by:		
Improvement Authorization Expenditures		3,695,496.15
Due to Current Fund as Anticipated Revenue:		
Reserve to Pay Debt Service		40,000.00
Due Current Fund - Interest		3,142.37
		3,738,638.52
Balance December 31, 2014	C	\$ 1,533,410.78

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2014	
		Bond Anticipation Notes	Budget Appropriation	Other	Improvement Authorizations	Other	From		To
Fund Balance	\$ 399,317.52							\$ 295,960.85	
Capital Improvement Fund	154,233.29		\$ 590,000.00				\$ 302,924.00	\$ 199,567.33	
NJ Department of Transportation Grant Receivable	(38,970.00)						554,000.00	1,425.69	
NJEIT Receivable - 2010	(351,773.00)			\$ 231,073.00				38,970.00	
NJEIT Receivable - 2014				1,787,709.00			3,343,000.00		
Due from Current Fund	(202,000.00)			205,142.37					
Reserve for:									
Payment of Debt Service	138,000.27							98,000.27	
Sewer Contributions	249,116.43			25,120.00			164,388.00	93.15	
FEMA	202,000.00						184,000.00		
NJ Department of Transportation Grant Receivable	38,970.00						38,970.00		
Preliminary Costs	93.15						93.15		
Encumbrances								1,310,298.34	
								1,310,298.34	
<u>Ord. No.</u>	<u>Improvement Description</u>								
212-07	Various Improvements	261,906.64			\$ 83,717.22		2,987.82	175,201.60	
229-08	Various Improvements	10,116.00						10,116.00	
	Sewerage System	86,148.09			24,916.61			61,231.48	
250-09	Various Improvements	10,000.00			1,557.28			8,442.72	
265-10	Various Improvements	43,899.75			37,110.00			6,789.75	
270-10	Refunding Bond Ordinance	(101,762.17)						(101,762.17)	
280-11	Acquisition of Equipment	8,292.77			8,133.00		159.77		
283-11	Acquisition of Equipment	6,476.99			5,211.07		1,265.92		
284-11	Acquisition of Equipment	7,835.85						7,835.85	
287-11	Purchase of Communication Equipment	(274,259.58)			3,000.00		3,730.64	(280,990.22)	
304-12	Improvement of Main and Central Avenue	202,367.33			2,800.00		199,567.33		
315-13	Road/Drainage Improvements	(571,858.17)	\$ 1,652,000.00		708,801.82		15,231.75	356,108.26	
320-13	Various Improvements	502,853.77			437,522.21			65,331.56	
322-13	Sanitary Sewer Improvements				1,595,533.44		1,225,600.82	3,343,000.00	
329-14	Acquisition of Equipment				251,283.79		36,077.00	348,388.00	
331-14	Various Improvements				519,425.80		26,670.31	822,347.00	
332-14	Various Improvements				16,483.91			34,577.00	
		<u>\$ 781,004.93</u>	<u>\$ 1,652,000.00</u>	<u>\$ 590,000.00</u>	<u>\$ 2,249,044.37</u>	<u>\$ 3,695,496.15</u>	<u>\$ 43,142.37</u>	<u>\$ 6,098,666.51</u>	<u>\$ 6,098,666.51</u>
								<u>\$ 1,533,410.78</u>	

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Funded by		Balance Dec. 31, 2014	Analysis of Balance December 31, 2014		
				Environmental Infrastructure Trust Loan	Improvement Authorizations Cancelled		Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
270-10	Refunding Bond Ordinance	\$ 101,762.17				\$ 101,762.17		\$ 101,762.17	
287-11	Purchase of Communication Equipment	300,000.00				300,000.00		280,990.22	\$ 19,009.78
304-12	Improvement of Main and Central Avenue	38,970.00				\$ 38,970.00			
315-13	Road/Drainage Improvements	1,652,000.00				1,652,000.00	\$1,652,000.00		
322-13	Sanitary Sewer Improvements	4,500,000.00		\$ 3,343,000.00		1,157,000.00			1,157,000.00
332-14	Various Improvements		\$ 681,423.00			681,423.00			681,423.00
		<u>\$6,592,732.17</u>	<u>\$ 681,423.00</u>	<u>\$ 3,343,000.00</u>	<u>\$ 38,970.00</u>	<u>\$3,892,185.17</u>	<u>\$1,652,000.00</u>	<u>\$ 382,752.39</u>	<u>\$ 1,857,432.78</u>
<u>Ref.</u>		C				C			

Analysis of Unexpended Improvement Authorizations

Improvement Authorizations - Unfunded	\$ 2,213,541.04
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
Ordinance # 315-13	356,108.26
	<u>\$ 1,857,432.78</u>

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations						Balance Dec. 31, 2014		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Fund Balance	Deferred Charges to Future Taxation - Unfunded	Reserve for Sewer Contributions	Reserve for FEMA Contributions	Paid or Charged	Cancelled	Funded	Unfunded
<u>General Improvements:</u>														
212-07	Various Improvements	09/12/07	\$ 1,880,100.00	\$ 261,906.64							\$ 86,705.04		\$ 175,201.60	
229-08	Various Improvements	06/25/08	1,150,000.00	10,116.00									10,116.00	
247-09	Improvements to the Sanitary Sewerage System	07/08/09	2,000,000.00	86,148.09							24,916.61		61,231.48	
250-09	Various Improvements	08/12/09	541,000.00	10,000.00							1,557.28		8,442.72	
265-10	Various Improvements	07/14/10	300,800.00	43,899.75							37,110.00		6,789.75	
280-11	Acquisition of Equipment	05/11/11	26,000.00	8,292.77							8,133.00	\$ 159.77		
283-11	Acquisition of Equipment	08/17/11	44,000.00	6,476.99							5,211.07	1,265.92		
284-11	Acquisition of Equipment	08/17/11	114,450.00	7,835.85									7,835.85	
287-11	Purchase of Communication Equipment	09/07/11	350,000.00		\$ 25,740.42						6,730.64			\$ 19,009.78
304-12	Improvement of Main and Central Avenue	06/27/12	608,000.00	202,367.33	38,970.00						2,800.00	238,537.33		
315-13	Road/Drainage Improvements	07/08/13	1,735,000.00		1,080,141.83						724,033.57			356,108.26
320-13	Various Improvements	09/11/13	526,137.00	502,853.77							437,522.21		65,331.56	
322-13	Sanitary Sewer Improvements	12/11/13	4,500,000.00		4,500,000.00						2,821,134.26		521,865.74	1,157,000.00
329-14	Acquisition of Equipment	06/11/14	348,388.00						\$ 164,388.00	\$ 184,000.00	287,360.79		61,027.21	
331-14	Various Improvements	06/25/14	822,347.00			\$ 519,423.00	\$ 302,924.00				546,096.11		276,250.89	
332-14	Various Improvements	06/25/14	716,000.00			34,577.00		\$ 681,423.00			16,483.91		18,093.09	681,423.00
				<u>\$ 1,139,897.19</u>	<u>\$ 5,644,852.25</u>	<u>\$ 554,000.00</u>	<u>\$ 302,924.00</u>	<u>\$ 681,423.00</u>	<u>\$ 164,388.00</u>	<u>\$ 184,000.00</u>	<u>\$ 5,005,794.49</u>	<u>\$ 239,963.02</u>	<u>\$ 1,212,185.89</u>	<u>\$ 2,213,541.04</u>
	<u>Ref.</u>			<u>C</u>	<u>C</u>								<u>C</u>	<u>C</u>
											Cash Disbursements		\$ 3,695,496.15	
											Encumbrances Payable		1,310,298.34	
													<u>\$ 5,005,794.49</u>	
													Fund Balance	\$ 199,567.33
													Capital Improvement Fund	1,425.69
													Deferred Charges to Future Taxation - Unfunded	38,970.00
													<u>\$ 239,963.02</u>	

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 154,233.29
Increased by:		
Improvement Authorizations Cancelled		\$ 1,425.69
Due from Current Fund:		
Current Fund Budget Appropriation		<u>590,000.00</u>
		<u>591,425.69</u>
		745,658.98
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>554,000.00</u>
Balance December 31, 2014	C	<u><u>\$ 191,658.98</u></u>

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2014
		Issue of Original Note	Issue	Maturity			
315-13	Various Improvements	6/12/14	6/12/14	6/12/15	0.57%	\$ 1,652,000.00	\$ 1,652,000.00
						\$ 1,652,000.00	\$ 1,694,004.00
					<u>Ref.</u>		C



TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
			Outstanding Dec. 31, 2014	Date				
General Bonds of 2007	2/15/07	\$ 6,450,000.00	2/15/15-19	\$ 375,000.00	4.00%	\$ 5,250,000.00	\$ 200,000.00	\$ 5,050,000.00
			2/15/20-26	400,000.00	4.00%			
			2/15/27	375,000.00	4.00%			
General Refunding Bonds of 2007	3/15/07	3,205,000.00	2/15/15	290,000.00	4.00%	1,995,000.00	290,000.00	1,705,000.00
			2/15/16-17	285,000.00	4.00%			
			2/15/18-19	280,000.00	4.00%			
			2/15/20	285,000.00	4.00%			
General Bonds of 2011	7/18/11	3,684,000.00	7/15/15-17	200,000.00	2.50%	3,484,000.00	200,000.00	3,284,000.00
			7/15/18-21	200,000.00	3.00%			
			7/15/22	200,000.00	3.125%			
			7/15/23	200,000.00	3.25%			
			7/15/24-25	200,000.00	3.50%			
			7/15/26	200,000.00	3.625%			
			7/15/27-30	200,000.00	4.00%			
			7/15/31	84,000.00	4.00%			
General Refunding Bonds of 2011	7/27/11	1,915,000.00				625,000.00	625,000.00	
						<u>\$ 11,354,000.00</u>	<u>\$ 1,315,000.00</u>	<u>\$ 10,039,000.00</u>
					<u>Ref.</u>	C		C

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE #1

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 1,250,016.98
Decreased by:		
Principal Matured		72,813.55
Balance December 31, 2014	C	\$ 1,177,203.43

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Trust Loan - 2010 Issue

<u>Payment Number</u>	<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 310,000.00
10	02/01/15		\$ 6,462.50	310,000.00
11	08/01/15	\$ 15,000.00	6,462.50	295,000.00
12	02/01/16		6,087.50	295,000.00
13	08/01/16	15,000.00	6,087.50	280,000.00
14	02/01/17		5,712.50	280,000.00
15	08/01/17	15,000.00	5,712.50	265,000.00
16	02/01/18		5,337.50	265,000.00
17	08/01/18	20,000.00	5,337.50	245,000.00
18	02/01/19		4,837.50	245,000.00
19	08/01/19	20,000.00	4,837.50	225,000.00
20	02/01/20		4,437.50	225,000.00
21	08/01/20	20,000.00	4,437.50	205,000.00
22	02/01/21		3,937.50	205,000.00
23	08/01/21	20,000.00	3,937.50	185,000.00
24	02/01/22		3,637.50	185,000.00
25	08/01/22	20,000.00	3,637.50	165,000.00
26	02/01/23		3,237.50	165,000.00
27	08/01/23	20,000.00	3,237.50	145,000.00
28	02/01/24		2,837.50	145,000.00
29	08/01/24	20,000.00	2,837.50	125,000.00
30	02/01/25		2,437.50	125,000.00
31	08/01/25	25,000.00	2,437.50	100,000.00
32	02/01/26		1,937.50	100,000.00
33	08/01/26	25,000.00	1,937.50	75,000.00
34	02/01/27		1,500.00	75,000.00
35	08/01/27	25,000.00	1,500.00	50,000.00
36	02/01/28		1,000.00	50,000.00
37	08/01/28	25,000.00	1,000.00	25,000.00
38	02/01/29		500.00	25,000.00
39	08/01/29	25,000.00	500.00	
		\$ 310,000.00	\$ 107,800.00	

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE #1  
(Continued)

Schedule of Principal Payments Outstanding December 31, 2014  
Fund Loan - 2010 Issue

<u>Payment Number</u>	<u>Due Date</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 867,203.43
10	02/01/15	\$ 19,271.18	847,932.25
11	08/01/15	38,542.37	809,389.88
12	02/01/16	19,271.18	790,118.70
13	08/01/16	38,542.37	751,576.33
14	02/01/17	19,271.18	732,305.15
15	08/01/17	38,542.37	693,762.78
16	02/01/18	19,271.18	674,491.60
17	08/01/18	38,542.37	635,949.23
18	02/01/19	19,271.18	616,678.05
19	08/01/19	38,542.37	578,135.68
20	02/01/20	19,271.18	558,864.50
21	08/01/20	38,542.37	520,322.13
22	02/01/21	19,271.18	501,050.95
23	08/01/21	38,542.37	462,508.58
24	02/01/22	19,271.18	443,237.40
25	08/01/22	38,542.37	404,695.03
26	02/01/23	19,271.18	385,423.85
27	08/01/23	38,542.37	346,881.48
28	02/01/24	19,271.18	327,610.30
29	08/01/24	38,542.37	289,067.93
30	02/01/25	19,271.18	269,796.75
31	08/01/25	38,542.37	231,254.38
32	02/01/26	19,271.18	211,983.20
33	08/01/26	38,542.37	173,440.83
34	02/01/27	19,271.18	154,169.65
35	08/01/27	38,542.37	115,627.28
36	02/01/28	19,271.18	96,356.10
37	08/01/28	38,542.37	57,813.73
38	02/01/29	19,271.18	38,542.55
39	08/01/29	38,542.55	
		<u>\$ 867,203.43</u>	

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE #2

	<u>Ref.</u>	
Increased by:		
Loan Proceeds		\$ 3,343,000.00
Decreased by:		
Principal Matured		<u>85,525.42</u>
Balance December 31, 2014	C	<u>\$ 3,257,474.58</u>

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

<u>Payment Number</u>	<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 820,000.00
1	02/01/15		\$ 15,359.38	820,000.00
2	08/01/15	\$ 30,000.00	15,359.38	790,000.00
3	02/01/16		14,909.38	790,000.00
4	08/01/16	30,000.00	14,909.38	760,000.00
5	02/01/17		14,459.38	760,000.00
6	08/01/17	30,000.00	14,459.38	730,000.00
7	02/01/18		13,709.38	730,000.00
8	08/01/18	30,000.00	13,709.38	700,000.00
9	02/01/19		12,959.38	700,000.00
10	08/01/19	35,000.00	12,959.38	665,000.00
11	02/01/20		12,084.38	665,000.00
12	08/01/20	35,000.00	12,084.38	630,000.00
13	02/01/21		11,209.38	630,000.00
14	08/01/21	40,000.00	11,209.38	590,000.00
15	02/01/22		10,209.38	590,000.00
16	08/01/22	40,000.00	10,209.38	550,000.00
17	02/01/23		9,209.38	550,000.00
18	08/01/23	40,000.00	9,209.38	510,000.00
19	02/01/24		8,209.38	510,000.00
20	08/01/24	45,000.00	8,209.38	465,000.00
21	02/01/25		7,084.38	465,000.00
22	08/01/25	45,000.00	7,084.38	420,000.00
23	02/01/26		6,409.38	420,000.00
24	08/01/26	45,000.00	6,409.38	375,000.00
25	02/01/27		5,734.38	375,000.00
26	08/01/27	50,000.00	5,734.38	325,000.00
27	02/01/28		4,984.38	325,000.00
28	08/01/28	50,000.00	4,984.38	275,000.00
29	02/01/29		4,234.38	275,000.00
30	08/01/29	50,000.00	4,234.38	225,000.00
33	02/01/30		3,484.38	225,000.00
34	08/01/30	55,000.00	3,484.38	170,000.00
35	02/01/31		2,659.38	170,000.00
36	08/01/31	55,000.00	2,659.38	115,000.00
37	02/01/32		1,834.38	115,000.00
38	08/01/32	55,000.00	1,834.38	60,000.00
39	02/01/33		975.00	60,000.00
40	08/01/33	60,000.00	975.00	
		<u>\$ 820,000.00</u>	<u>\$ 319,437.68</u>	

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE #2  
(Continued)

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

Payment Number	Due Date	Principal	Loan Balance
			\$ 2,437,474.58
2	2/1/2015	\$ 42,762.71	2,394,711.87
3	8/1/2015	85,525.42	2,309,186.45
4	2/1/2016	42,762.71	2,266,423.74
5	8/1/2016	85,525.42	2,180,898.32
6	2/1/2017	42,762.71	2,138,135.61
7	8/1/2017	85,525.42	2,052,610.19
8	2/1/2018	42,762.71	2,009,847.48
9	8/1/2018	85,525.42	1,924,322.06
10	2/1/2019	42,762.71	1,881,559.35
11	8/1/2019	85,525.42	1,796,033.93
12	2/1/2020	42,762.71	1,753,271.22
13	8/1/2020	85,525.42	1,667,745.80
14	2/1/2021	42,762.71	1,624,983.09
15	8/1/2021	85,525.42	1,539,457.67
16	2/1/2022	42,762.71	1,496,694.96
17	8/1/2022	85,525.42	1,411,169.54
18	2/1/2023	42,762.71	1,368,406.83
19	8/1/2023	85,525.42	1,282,881.41
20	2/1/2024	42,762.71	1,240,118.70
21	8/1/2024	85,525.42	1,154,593.28
22	2/1/2025	42,762.71	1,111,830.57
23	8/1/2025	85,525.42	1,026,305.15
24	2/1/2026	42,762.71	983,542.44
25	8/1/2026	85,525.42	898,017.02
26	2/1/2027	42,762.71	855,254.31
27	8/1/2027	85,525.42	769,728.89
28	2/1/2028	42,762.71	726,966.18
29	8/1/2028	85,525.42	641,440.76
30	2/1/2029	42,762.71	598,678.05
31	8/1/2029	85,525.42	513,152.63
32	2/1/2030	42,762.71	470,389.92
33	8/1/2030	85,525.42	384,864.50
34	2/1/2031	42,762.71	342,101.79
35	8/1/2031	85,525.42	256,576.37
36	2/1/2032	42,762.71	213,813.66
37	8/1/2032	85,525.42	128,288.24
38	2/1/2033	42,762.71	85,525.53
39	8/1/2033	85,525.53	
		<u>\$ 2,437,474.58</u>	

TOWNSHIP OF LONG HILL  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Bond Anticipation Notes Issued	NJ Environmental Infrastructure Trust Loan	Improvement Authorizations Cancelled	Balance Dec. 31, 2014
270-10	Refunding Bond Ordinance	\$ 101,762.17					\$ 101,762.17
287-11	Purchase of Communication Equipment	300,000.00					300,000.00
304-12	Improvement of Main and Central Avenue	38,970.00				\$ 38,970.00	
315-13	Road/Drainage Improvements	1,652,000.00		\$ 1,652,000.00			
322-13	Sanitary Sewer Improvements	4,500,000.00			\$ 3,343,000.00		1,157,000.00
332-14	Various Improvements		\$ 681,423.00				681,423.00
		<u>\$ 6,592,732.17</u>	<u>\$ 681,423.00</u>	<u>\$ 1,652,000.00</u>	<u>\$ 3,343,000.00</u>	<u>\$ 38,970.00</u>	<u>\$ 2,240,185.17</u>

TOWNSHIP OF LONG HILL  
COUNTY OF MORRIS  
2014  
PARKING LOT AND FACILITIES UTILITY FUND

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>
Balance December 31, 2013	D	\$ 288,674.07
Increased by Receipts:		
Parking Permits		\$ 21,238.50
Rental of Facilities		18,091.20
Interest on Investments		711.26
Prepaid Parking Permits		72,575.00
		<u>112,615.96</u>
		401,290.03
Decreased by Disbursements:		
2014 Appropriation Expenditures		23,925.49
2013 Appropriation Reserves		5,175.00
Due from Parking Lot & Facilities Capital Fund:		
Improvement Authorization Expenditures		2,120.00
Due to Current Fund - Fund Balance		
Utilized as Anticipated Revenue		50,000.00
		<u>81,220.49</u>
Balance December 31, 2014	D	<u>\$ 320,069.54</u>



TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
ANALYSIS OF PARKING LOT AND FACILITIES CAPITAL CASH

		Balance (Deficit) Dec.31,2013	Transfers		Balance (Deficit) Dec.31,2014
			From	To	
Due from Parking Lot and Facilities					
Utility Operating Fund		\$ (21,500.00)		\$ 2,120.00	\$ (19,380.00)
Reserve for Future Improvements		21,500.00			21,500.00
<u>Ord. No.</u>	<u>Improvement Description</u>				
329-14	Parking Lot Paving		\$ 2,120.00		(2,120.00)
		<u>\$ -0-</u>	<u>\$ 2,120.00</u>	<u>\$ 2,120.00</u>	<u>\$ -0-</u>

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec.31, 2013</u>	<u>Balance</u> <u>Dec.31, 2014</u>
Truck	\$ 15,655.00	\$ 15,655.00
Traffic Signs	165.00	165.00
Paving	3,747.96	3,747.96
Line Painter	3,000.00	3,000.00
Salt Spreader	3,345.00	3,345.00
Plumber Truck	7,000.00	7,000.00
Sink	173.89	173.89
Painting	5,800.00	5,800.00
Air Conditioning System	7,370.00	7,370.00
Purchase of Dump Truck	11,000.00	11,000.00
Floor	2,165.00	2,165.00
Repairs to Train Station	161,767.75	161,767.75
Parking Meters	10,000.00	10,000.00
Improvements to Millington Station		
Café Building	10,000.00	10,000.00
Roof Replacement	33,614.25	33,614.25
	<u>\$ 274,803.85</u>	<u>\$ 274,803.85</u>
	D	D

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>2014 Authorizations Deferred Charges to Future Revenue</u>	<u>Balance Dec.31, 2014</u>
Parking Lot Paving	329-14	\$ 70,000.00	\$ 70,000.00
		<u>\$ 70,000.00</u>	<u>\$ 70,000.00</u>
	<u>Ref.</u>		D

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec.31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
Capital Improvements:				
Capital Outlay	\$ 43,006.05	\$ 43,006.05	\$ 15,895.75	\$ 27,110.30
	\$ 43,006.05	\$ 43,006.05	\$ 15,895.75	\$ 27,110.30

Ref.

Analysis of Balance December 31, 2013

Appropriation Reserves:			
Unencumbered	D	\$ 41,481.05	
Encumbered	D	1,525.00	
		\$ 43,006.05	

Analysis of Paid or Charged:

Cash Disbursed	\$ 5,175.00
Accounts Payable	10,720.75
	\$ 15,895.75

TOWNSHIP OF LONG HILL  
PARKING LOT AND FACILITIES UTILITY FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		2014 Authorizations	Paid or Charged	Balance
		Date	Amount	Deferred Charges to Future Revenue		Dec. 31, 2014 Unfunded
<u>General Improvements:</u>						
329-14	Parking Lot Paving	06/11/14	\$ 70,000.00	\$ 70,000.00	\$ 2,120.00	\$ 67,880.00
				\$ 70,000.00	\$ 2,120.00	\$ 67,880.00
			<u>Ref.</u>			D

TOWNSHIP OF LONG HILL  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>2014 Authori- zations</u>	<u>Balance Dec 31, 2014</u>
329-14	06/11/14	Parking Lot Paving	\$ 70,000.00	\$ 70,000.00
			<u>\$ 70,000.00</u>	<u>\$ 70,000.00</u>

TOWNSHIP OF LONG HILL

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF LONG HILL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2014

Name of Federal Agency or Department	Name of Program	C.F.D.A. Number	Pass Through Entity ID	Grant Period		Grant Award Amount	Received	Total Program Expendi- tures	Cumulative Program Expendi- tures
				From	To				
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety)	Emergency Management Assistance	97.042	100-066-1200- 726-YEMR	01/01/11	12/31/14	\$ 5,000.00		\$ 1,028.80	\$ 5,000.00
				01/01/12	12/31/15	5,000.00		1,336.00	1,336.00
								2,364.80	6,336.00
	Disaster Grants - Public Assistance - F.E.M.A. Superstorm Sandy	97.036	N/A	01/01/12	12/31/12	693,808.02	\$ 354,727.42		693,808.02
Total US Department of Homeland Security							354,727.42	2,364.80	700,144.02
U.S. Department of Transportation (Passed through New Jersey Department of Transportation)	Municipal Aid - Gillette Schools Sidewalk	20.205	AKN-TCAP-6010	01/01/13	12/31/15	40,000.00		13,766.93	29,470.80
	(Passed through New Jersey Department of Law and Public Safety)	Distracted Driving	20.614	N/A	01/01/14	12/31/14	5,000.00	5,000.00	5,000.00
Total US Department of Transportation							5,000.00	18,766.93	34,470.80
Total Federal Awards							\$ 359,727.42	\$ 21,131.73	\$ 734,614.82

N/A - Not Applicable/Not Available



TOWNSHIP OF LONG HILL  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014

New Jersey Agency or Department	Project No./ State Grant Account No.	Name of Program	Grant Period		Grant Award Amount	Received	Total Program Expenditures	Cumulative Program Expenditures
			From	To				
Department of Environmental Protection	765-042-4900- 004-V42Y	Clean Communities Grant	01/01/12	12/31/14	\$ 16,223.19		\$ 5,457.99	\$ 16,223.19
			01/01/13	12/31/15	19,045.68		4,813.76	4,813.76
			01/01/14	12/31/15	17,863.74	\$ 17,863.74		
						<u>17,863.74</u>	<u>10,271.75</u>	<u>21,036.95</u>
	752-042-4900- 001-V42Y-6020	Recycling Tonnage Grant	01/01/14	12/31/15	11,022.41	11,022.41		
	S340404-07	NJ Environmental Infrastructure Trust and Fund Program	03/10/10	08/01/15	1,507,000.00	231,073.00	24,916.61	1,445,768.52
	S340404-06 and S340404-08	NJ Environmental Infrastructure Trust and Fund Program	03/10/10	08/01/14	3,343,000.00	1,787,709.00	2,821,134.26	2,821,134.26
						<u>2,018,782.00</u>	<u>2,846,050.87</u>	<u>4,266,902.78</u>
						<u>2,047,668.15</u>	<u>2,856,322.62</u>	<u>4,287,939.73</u>
	Total Department of Environmental Protection							
New Jersey Highlands Council	09-032-080-1430	Highlands Water Protection and Planning Council Grant	01/01/10	12/31/15	25,000.00		406.25	5,497.92
Total New Jersey Highlands Council								
							406.25	5,497.92
Department of Health and Senior Services	760-098-9735- Y900-001	Alcohol Education and Rehabilitation Enforcement Fund	01/01/05	12/31/14	3,620.00		2,146.43	3,620.00
			01/01/06	12/31/14	2,839.16		2,839.16	2,839.16
			01/01/07	12/31/15	5,446.99		4,009.36	4,009.36
			01/01/14	12/31/15	590.80	590.80		
								<u>590.80</u>
Total Department of Health and Senior Services								
Department of Law and Public Safety	100-078-6400- YYYY	Drunk Driving Enforcement Fund	01/01/10	12/31/14	1,846.26		1,455.83	1,846.26
			01/01/11	12/31/15	1,737.00		270.21	270.21
			01/01/14	12/31/15	5,583.24	5,583.24		
						<u>5,583.24</u>	<u>1,726.04</u>	<u>2,116.47</u>
	718-066-1020 001-YCJF	Body Armor Replacement Program	01/01/06	12/31/14	11,673.43		560.35	11,673.43
			01/01/07	12/31/14	5,356.26		5,356.26	5,356.26
			01/01/08	12/31/14	5,107.75		5,107.75	5,107.75
			01/01/11	12/31/14	3,581.00		3,581.00	3,581.00
			01/01/12	12/31/15	2,460.00		590.09	590.09
	01/01/14	12/31/15	2,646.74	2,646.74				
					<u>2,646.74</u>	<u>15,195.45</u>	<u>26,308.53</u>	
Total Department of Law and Public Safety								
					<u>8,229.98</u>	<u>16,921.49</u>	<u>28,425.00</u>	

TOWNSHIP OF LONG HILL  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014

New Jersey Agency or Department	Project No./ State Grant Account No.	Name of Program	Grant Period		Grant Award Amount	Received	Total Program Expenditures	Cumulative Program Expenditures
			From	To				
Department of the State - (Passed Through the County of Morris - Department of Planning, Development & Technology)	N/A	Historic Preservation Trust - Millington Schoolhouse	01/01/13	12/31/14	\$ 241,038.00		\$ 240,026.70	\$ 241,038.00
Total Department of State							240,026.70	241,038.00
Total State Awards						\$ 2,056,488.93	\$ 3,122,672.01	\$ 4,573,369.17

N/A - Not Applicable/Not Available

TOWNSHIP OF LONG HILL  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014

Note 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Township of Long Hill under programs of the federal and state governments for the year ended December 31, 2014. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 4. STATE LOANS OUTSTANDING

The Township of Long Hill has the following loans outstanding as of December 31, 2014:

NJ Environmental Infrastructure Trust Loan #1	\$ 1,177,203.43
NJ Environmental Infrastructure Trust Loan #2	<u>3,257,474.58</u>
	<u><u>\$ 4,434,678.01</u></u>

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



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

Independent Auditors' Report

The Honorable Mayor and Members  
 of the Township Committee  
 Township of Long Hill  
 Gillette, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Township of Long Hill, in the County of Morris (the "Township") as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated April 30, 2015. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Long Hill  
Page 2

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2014-01, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

### **The Township's Response to the Finding**

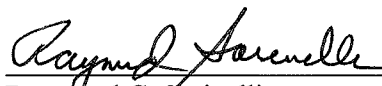
The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey  
April 30, 2015

NISIVOCCIA LLP



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



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

The Honorable Mayor and Members  
 of the Township Committee  
 Township of Long Hill  
 Gillette, New Jersey

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Long Hill  
Page 2

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

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

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

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


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

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

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

Mt. Arlington, NJ  
April 30, 2015

NISIVOCCIA LLP

  
Raymond G. Sarinelli  
Registered Municipal Accountant #383  
Certified Public Accountant

TOWNSHIP OF LONG HILL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- A significant deficiency was disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circular 04-04*.
- The auditor's report on compliance for the major state program for the Township expresses an unmodified opinion on the major state program.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The Township's program tested as a major state program for the current year consisted of the following state program:

	<u>State Grant Account #</u>	<u>Grant Expenditures</u>
NJ Environmental Infrastructure Trust and Fund Program	S340404-07	\$ 24,916.61
NJ Environmental Infrastructure Trust and Fund Program	S340404-06 and S340404-08	2,821,134.26

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



TOWNSHIP OF LONG HILL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014

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

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

Finding 2014-01  
Segregation of Duties

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The preparation of the general ledger and bank reconciliations are performed by one individual. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. While this is not unusual in operations the size of the Township, management and the Township Committee should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response

Due to staffing limitations the Township recognizes that segregation of duties is not maintained up to the standards that the Auditors' would prefer or recommend, but the Township believes there are offsetting controls that minimize the segregation of duties issues. Also, Treasury provides timely and accurate monthly financial reports to the Township Administration for their review and comment.

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

TOWNSHIP OF LONG HILL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2014

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2014-1.

TOWNSHIP OF LONG HILL

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF LONG HILL  
COMMENTS AND RECOMMENDATIONS

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

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

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

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

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

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

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

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

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

TOWNSHIP OF LONG HILL  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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

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

Collection of Interest on Delinquent Taxes and Sewer Charges

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

On January 6, 2014, the governing body adopted the following resolutions authorizing interest to be charged on delinquent taxes and utility charges:

Interest to be charged at the rate of 18% on all delinquent taxes and utility charges in excess of \$1,500 as per N.J.S. 54:4-67 and Chap. 435-1979 and at the rate of 8% on all delinquent taxes and utility charges under \$1,500. Any taxpayer with a cumulative delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year shall be charged with a penalty equal to six percent (6%) of the amount of the delinquency. Interest to be waived on current taxes paid within the first 10 days after due dates.

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

Discount on Prepayment of Taxes

R.S. 54:4-67 provides that the governing body of each municipality may by resolution fix the rate of discount to be allowed for payment of taxes ...previous to the date on which they would become delinquent. The rates affixed shall not exceed six (6%) percent per annum, shall be allowed only in case of payment on or before the thirtieth (30) day previous to the date on which the taxes or assessments would be delinquent.

The Governing Body adopted Resolution 14-007 authorizing a discount on prepaid taxes:

**WHEREAS**, the Township Committee wishes to adopt a discount schedule for the payment of taxes;

**NOW, THEREFORE BE IT RESOLVED** by the Township Committee of the Township of Long Hill in the County of Morris and State of New Jersey that pursuant to R.S. 54:4-67 it hereby adopts the following schedule for prepayment of local property taxes:

1. A taxpayer may prepay one-quarter, two-quarters, three-quarters, or his entire tax bill for the following year.
2. All prepayments must be received on or before 12:00 noon on the last regular business day (on which books are open) of the year in which the taxes are due.

TOWNSHIP OF LONG HILL  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Discount on Prepayment of Taxes (Cont'd)

3. The following factors shall be applied to prepayments made in accordance with paragraph 2 of this resolution:

First Quarter	.9917
Second Quarter	.9802
Third Quarter	.9674
Fourth Quarter	.9562

4. A taxpayer may not prepay the taxes for any quarter until the taxes for all the preceding quarters have been paid.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 3, 2014 and was complete with respect to all items eligible for sale.

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

<u>Year</u>	<u>Number of Liens</u>
2014	31
2013	29
2012	25

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2015 Taxes	20
Payments of 2014 Taxes	20
Delinquent Taxes	15
Payments of Water/Sewer Utility Charges	10
Delinquent Water/Sewer Utility Charges	10
Tax Title Liens	5

Verification notices were mailed to confirm balances as of December 31, 2014. The items that were returned were checked and in agreement with the Township's records. For items not returned, alternative procedures were performed.

TOWNSHIP OF LONG HILL  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Accounting Requirements under New Jersey Administrative Code

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

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

The Township maintains general ledger, fixed assets and encumbrance accounting systems.

Municipal Court

The transactions for the year 2014 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Receipts	Disbursements	Balance Dec. 31, 2014
Municipal Treasurer:				
Fines and Costs	\$ 3,648.71	\$ 131,645.03	\$ 127,353.04	\$ 7,940.70
Restitution		950.00	750.00	200.00
POAA FTA		66.00	62.00	4.00
Weights and Measures	4,455.00	41,700.00	43,905.00	2,250.00
Public Defender	145.50	2,083.00	2,078.50	150.00
Fish and Game		75.00	75.00	
County Treasurer	3,266.50	53,760.50	53,370.50	3,656.50
State Treasurer:				
Fines and Costs	8,779.29	80,975.47	84,927.96	4,826.80
Conditional Discharge	170.00	700.00	730.00	140.00
Conditional Dismissal		150.00	150.00	
Miscellaneous	0.71	144.98	251.12	(105.43)
Bail	1,575.07	8,819.00	10,394.07	
	<u>\$ 22,040.78</u>	<u>\$ 321,068.98</u>	<u>\$ 324,047.19</u>	<u>\$ 19,062.57</u>

Outside Offices

During our review of the outside offices it was noted that clerk collections were not reconciled to the Chief Financial Officer's records.

It is recommended that the Clerk's office prepares a monthly report that is reconciled with the Chief Financial Officer's records on a monthly basis.

Management's Response

In the future, the Clerk's office will prepare a monthly report that will be reconciled with the Chief Financial Officer's records on a monthly basis.

TOWNSHIP OF LONG HILL  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Tax/Sewer Records

During our review, we determined that the current year and prior year tax and sewer levies were not proved out and monthly reports were not in agreement with the Chief Financial Officer's records, similar to the previous year. During our review, we also noted the Tax Collector's cashbook had some mispostings during the year, and a few instances of clerical errors where properties had incorrect sewer billings.

It is recommended that all levies are proved out at end of the year and that the Tax Collector records be in proof with Chief Financial Officer's records on a monthly basis and greater care be taken in the preparation of all tax and sewer records prior to audit inspection.

Management's Response

Tax records will be proved to the Chief Financial Officer's records on a monthly basis and all levies will be proved out at year end.

Appropriated Grant Reserves and Grants Receivable

The schedule of Federal and State Appropriated Reserves and Federal and State Grant Receivables include balances from prior years. The Township has made a great effort over the last couple of years to continually review grant balances and further action will be taken in 2015. Therefore, no formal recommendation is warranted.

Corrective Action Plan

Recommendations #3, #4 and #5 from the 2013 audit report were corrected in 2014. Recommendations #1 and #2 are included in the current year recommendations and are in the process of being implemented, where possible.



TOWNSHIP OF LONG HILL  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. The Township maintain an adequate segregation of duties, where possible, with respect to the recording and treasury functions.
2. All levies are proved out at end of the year and that the Tax collector records are in proof with Chief Financial Officer's records on a monthly basis and greater care be taken in the preparation of all tax and sewer records prior to audit inspection.
3. The Clerk's office prepares a monthly report that is reconciled with the Chief Financial Officer's records on a monthly basis.

\* \* \* \* \*