

TOWNSHIP OF STILLWATER

COUNTY OF SUSSEX

REPORT OF AUDIT

2014

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF STILLWATER

COUNTY OF SUSSEX

REPORT OF AUDIT

2014

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TOWNSHIP OF STILLWATER
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 Stillwater, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* - of the various funds of the in the County of Sussex (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.

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

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

Qualified 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 Stillwater 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 Stillwater
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The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various 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 March 25, 2015 on our consideration of the Township of Stillwater'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 Stillwater's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
March 25, 2015

NISIVOCCIA LLP



Valerie A. Dolan
Registered Municipal Accountant No. 548
Certified Public Accountant

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
CURRENT FUND

TOWNSHIP OF STILLWATER
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 3,562,774.95	\$ 3,612,114.66
Change Fund		275.00	275.00
		<u>3,563,049.95</u>	<u>3,612,389.66</u>
Due From State of New Jersey:			
Senior Citizen and Veterans Deductions			250.00
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	265,704.88	337,977.14
Tax Title Liens Receivable	A-8	288,613.42	231,340.52
Property Acquired for Taxes at Assessed Valuation		1,492,600.00	1,492,600.00
Revenue Accounts Receivable	A-9	11,636.30	7,337.84
Due from Caesars Hotel and Casino			795.00
Due Animal Control Trust Fund	B	9,674.85	6,394.01
Total Receivables and Other Assets With Full Reserves		<u>2,068,229.45</u>	<u>2,076,444.51</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)		135,000.00	180,000.00
		<u>135,000.00</u>	<u>180,000.00</u>
<u>TOTAL ASSETS</u>		<u>\$ 5,766,279.40</u>	<u>\$ 5,869,084.17</u>

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

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 65,095.64	\$ 42,461.95
Unencumbered	A-3;A-11	522,946.47	634,989.25
		<u>588,042.11</u>	<u>677,451.20</u>
Prepaid Taxes		57,114.18	31,621.07
Tax Overpayments			127.97
Tax Lien Overpayment		4,000.00	4,000.00
Accounts Payable - Vendors		116,925.00	116,925.00
Water District Taxes Payable		3,410.54	3,711.38
Due General Capital Fund	C	26,458.22	247,768.00
Due Other Trust Funds	B		180,700.00
Due to State of New Jersey - Marriage License Fees		50.00	200.00
Due to State of New Jersey - DCA Training Fees		1,307.00	441.00
Due to County of Sussex Added and Omitted Taxes		1,399.50	3,913.31
Reserve for:			
Sale of Municipal Assets		30,741.00	30,741.00
Master Plan		17,382.99	17,382.99
Public Assistance		4,760.31	4,760.31
Revaluation		55,246.50	75,200.00
Pending Tax Appeals		100,000.00	100,000.00
Reserve for Grant Funds - Unappropriated:			
Recycling Tonnage Grant		3,133.04	3,053.11
Reserve for Grant Funds - Appropriated:			
Clean Communities		17,156.81	10,549.18
New Jersey State Police Grant		1,695.76	1,695.76
New Jersey Department of Transportation Trust Fund		150,000.00	150,000.00
Environmental Grant		3,710.00	3,710.00
Stormwater Management		6,250.00	6,250.00
		<u>1,188,782.96</u>	<u>1,670,201.28</u>
Reserve for Receivables and Other Assets	A	2,068,229.45	2,076,444.51
Fund Balance	A-1	2,509,266.99	2,122,438.38
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 5,766,279.40</u>	<u>\$ 5,869,084.17</u>

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

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

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	550,000.00	\$ 510,000.00
Miscellaneous Revenue Anticipated		620,143.17	614,234.93
Receipts from:			
Delinquent Taxes		330,199.69	386,456.01
Current Taxes		11,601,913.60	11,585,530.46
Nonbudget Revenue		41,350.19	58,379.76
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		377,283.31	287,270.73
Interfunds Returned		6,394.01	90,026.21
Collection of Receivable from Caesars Hotel and Casino		795.00	
Cancellation of Appropriated Grant Reserves:			
Municipal Alliance			16,484.99
Bulletproof Vest Partnership			621.03
Body Armor Replacement Fund			391.00
Clean Communities Grant		254.34	
		13,528,333.31	13,549,395.12
<u>Total Income</u>			
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		2,713,172.39	2,756,488.54
County Taxes		2,277,024.27	2,330,440.47
Local District School Taxes		3,998,320.00	3,940,009.00
Regional School Districts Taxes		3,471,080.00	3,422,179.00
Open Space Taxes		12,477.43	12,490.94
Water District Taxes		109,505.76	109,806.60
Cancellation of Senior Citizen and Veterans Receivable		250.00	12,044.00
Prior Year Senior Citizen and Veterans Deductions Disallowed			613.01
Interfunds Advanced		9,674.85	6,394.01
Due from Caesars Hotel and Casino			795.00
Increase in Reserve for Pending Tax Appeals			100,000.00
		12,591,504.70	12,691,260.57
<u>Total Expenditures</u>			

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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2014</u>	<u>2013</u>
Excess in Revenue		\$ 936,828.61	\$ 858,134.55
<u>Fund Balance</u>			
Balance January 1		<u>2,122,438.38</u>	<u>1,774,303.83</u>
		3,059,266.99	2,632,438.38
Decreased by:			
Utilized as Anticipated Revenue		<u>550,000.00</u>	<u>510,000.00</u>
Balance December 31	A	<u><u>\$ 2,509,266.99</u></u>	<u><u>\$ 2,122,438.38</u></u>

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

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

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 550,000.00		\$ 550,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	500.00		1,680.00	\$ 1,180.00
Fees and Permits	100,000.00		110,342.38	10,342.38
Municipal Court - Fines and Costs	5,000.00		7,835.14	2,835.14
Interest and Costs on Taxes	55,000.00		62,887.83	7,887.83
Interest on Investments	1,200.00		2,386.48	1,186.48
Consolidated Municipal Property Tax Relief Act	7,353.00		7,353.00	
Energy Receipts Tax	270,378.00		270,378.00	
Garden State Preservation Trust Fund	64,272.00		64,272.00	
Uniform Construction Code Fees	45,000.00		71,893.00	26,893.00
Clean Communities Grant		\$ 13,062.23	13,062.23	
Municipal Alliance	6,543.00			6,543.00
Sustainable Jersey Small Grant		10,000.00	5,000.00	5,000.00 *
Reserve for Recycling Tonnage Grant	3,053.11		3,053.11	
	<u>558,299.11</u>	<u>23,062.23</u>	<u>620,143.17</u>	<u>38,781.83</u>
Receipts from Delinquent Taxes	300,000.00		330,199.69	30,199.69
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	2,071,927.12		2,523,506.14	451,579.02
Budget Totals	3,480,226.23	23,062.23	4,023,849.00	520,560.54
Nonbudget Revenue			41,350.19	41,350.19
	<u>\$ 3,480,226.23</u>	<u>\$ 23,062.23</u>	<u>\$ 4,065,199.19</u>	<u>\$ 561,910.73</u>

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

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 11,601,913.60
Allocated to School, County, and Open Space Taxes	9,868,407.46
	<hr/>
Balance for Support of Municipal Budget	1,733,506.14
Add: Appropriation "Reserve for Uncollected Taxes"	790,000.00
	<hr/>

Realized for Support of Municipal Budget \$ 2,523,506.14

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 322,834.43
Tax Title Liens	7,365.26
	<hr/>
	\$ 330,199.69
	<hr/> <hr/>

Analysis of Fees and Permits:

Municipal Clerk	\$ 102,522.38	
Planning, Soil Erosion, and Board of Adjustment	1,800.00	
Zoning Officer	6,020.00	
	<hr/>	
		\$ 110,342.38
		<hr/> <hr/>

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

Analysis of Nonbudget Revenue:

Treasurer:

SECTV Franchise	\$ 14,968.00	
Uniform Fire Safety Fees	2,730.00	
Admin Fee - Veterans and Senior Citizens	790.00	
Other Miscellaneous	<u>12,456.83</u>	
		\$ 30,944.83

Statutory Excess in Animal Control Trust Fund 9,674.85

Tax Collector:

Miscellaneous Revenue 2,655.01

Collection of Prior Year Grants Receivable:

Municipal Alliance 4,073.20

47,347.89

Less Refunded

(5,997.70)

\$ 41,350.19

TOWNSHIP OF STILLWATER
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	
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 52,577.00	\$ 52,577.00	\$ 51,834.54	\$ 742.46	
Other Expenses	11,485.00	11,485.00	10,614.22	870.78	
Mayor & Council:					
Salaries & Wages	19,360.00	19,360.00	19,360.00		
Other Expenses	6,495.00	6,495.00	3,977.42	2,517.58	
Municipal Clerk:					
Salaries & Wages	69,650.00	69,650.00	56,159.60	13,490.40	
Other Expenses	16,300.00	16,300.00	11,480.58	4,819.42	
Financial Administration:					
Salaries & Wages	48,254.00	49,904.00	49,904.00		
Other Expenses	8,520.00	8,520.00	8,020.28	499.72	
Annual Audit	28,000.00	28,000.00	27,700.00	300.00	
Data Processing:					
Other Expenses	14,848.00	14,848.00	14,013.60	834.40	
Tax Collector:					
Salaries & Wages	31,214.00	31,714.00	31,677.30	36.70	
Other Expenses	3,770.00	3,770.00	2,774.65	995.35	
Tax Assessment Administration:					
Salaries & Wages	27,716.00	27,716.00	27,716.00		
Other Expenses	16,775.00	13,720.00	6,900.37	6,819.63	
Legal Services and Costs:					
Other Expenses	85,000.00	85,000.00	32,590.88	52,409.12	

TOWNSHIP OF STILLWATER
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	
GENERAL GOVERNMENT (continued):					
Engineering Services and Costs:					
Other Expenses	\$ 19,000.00	\$ 19,000.00	\$ 7,532.50	\$ 11,467.50	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries & Wages	5,954.00	5,954.00	5,954.00		
Other Expenses	9,650.00	9,650.00	4,520.72	5,129.28	
Zoning Board of Adjustment:					
Salaries & Wages	5,954.00	5,954.00	5,954.00		
Other Expenses	10,245.00	10,245.00	3,117.69	7,127.31	
Zoning Officer:					
Salaries & Wages	34,167.00	34,167.00	34,167.00		
Other Expenses	950.00	950.00	398.05	551.95	
Insurance:					
Group Insurance Plans for Employees	249,184.00	249,184.00	226,894.66	22,289.34	
General Liability Insurance	92,243.17	92,243.17	91,543.17	700.00	
Worker's Compensation	45,829.25	45,829.25	45,829.25		
Unemployment Insurance	10,000.00	10,000.00	5,279.47	4,720.53	
Other Insurance Premiums	1,000.00	1,000.00	500.00	500.00	
CODE ENFORCEMENT AND ADMINISTRATION:					
Building Sub-Code Official:					
Salaries & Wages	33,563.00	33,563.00	27,588.54	5,974.46	
Other Expenses	5,650.00	5,650.00	3,394.88	2,255.12	
Fire Prevention Sub-Code Official:					
Other Expenses	1,500.00	1,500.00	815.55	684.45	

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

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
PUBLIC SAFETY:					
Contribution to First Aid Organizations	\$ 20,000.00	\$ 20,000.00	\$ 15,105.00	\$ 4,895.00	
Police:					
Salaries & Wages	4,500.00	4,500.00	4,331.38	168.62	
Other Expense	250.00	250.00		250.00	
Aid to Volunteer Fire Companies	60,000.00	60,000.00	60,000.00		
Municipal Court:					
Other Expenses	38,000.00	38,000.00	38,000.00		
Fire Department:					
Other Expenses	25,925.00	29,300.00	25,019.16	4,280.84	
Emergency Management Services:					
Salaries & Wages	1,734.00	1,734.00	1,336.50	397.50	
Other Expenses	350.00	350.00		350.00	
STREETS AND ROADS:					
Public Works Department:					
Salaries & Wages	272,280.00	272,280.00	247,849.65	24,430.35	
Other Expenses	231,600.00	231,600.00	140,719.99	90,880.01	
Recycle Program:					
Salaries & Wages	13,536.00	13,536.00	12,042.00	1,494.00	
Solid Waste Collection:					
Salaries & Wages	18,900.00	18,900.00	16,103.01	2,796.99	
Other Expenses	53,600.00	53,600.00	43,795.94	9,804.06	
Landfill Testing	5,500.00	5,500.00	5,352.00	148.00	

TOWNSHIP OF STILLWATER
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	
STREETS AND ROADS:					
Public Building and Grounds:					
Other Expenses	\$ 34,710.00	\$ 34,710.00	\$ 21,489.42	\$ 13,220.58	
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	76,070.00	72,695.00	61,642.97	11,052.03	
Gypsy Moth Control:					
Other Expenses	5,000.00	5,000.00		5,000.00	
HEALTH AND WELFARE:					
Dog Regulation:					
Salaries & Wages (Animal Control Officer)	7,794.00	7,794.00	7,794.00		
Board of Health:					
PEOSHA- Hepatitis B Vaccinations	1,000.00	1,000.00	40.00	960.00	
PEOSHA- Judgment	5,000.00	5,000.00	3,012.00	1,988.00	
Environmental Health Services:					
Salaries & Wages	2,388.00	2,388.00	2,388.00		
Other Expenses	4,225.00	4,225.00	1,763.89	2,461.11	
RECREATION AND EDUCATION:					
Parks and Playgrounds:					
Salaries & Wages	1,800.00	2,295.00	1,986.00	309.00	
Other Expenses	22,700.00	22,700.00	20,693.68	2,006.32	
Celebration of Public Events:					
Other Expenses	1,000.00	1,000.00		1,000.00	

TOWNSHIP OF STILLWATER
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	
UNCLASSIFIED:					
Municipal Services Act:					
Other Expenses	\$ 80,000.00	\$ 80,000.00	\$ 17,841.11	\$ 62,158.89	
Utilities:					
Electricity	11,000.00	11,000.00	7,481.83	3,518.17	
Telephone (excluding equipment acquisition)	11,300.00	11,300.00	11,260.40	39.60	
Gas (natural or propane)	11,500.00	11,500.00	6,803.72	4,696.28	
Fuel Oil	9,500.00	9,500.00	5,248.81	4,251.19	
Gasoline	55,000.00	55,000.00	43,086.94	11,913.06	
Total Operations including Contingent within "CAPS"	<u>2,051,015.42</u>	<u>2,050,605.42</u>	<u>1,640,400.32</u>	<u>410,205.10</u>	
Detail:					
Salaries & Wages	651,341.00	653,986.00	604,145.52	49,840.48	
Other Expenses	1,399,674.42	1,396,619.42	1,036,254.80	360,364.62	
Deferred Charges and Statutory Expenditures -					
Municipal Within "CAPS":					
Public Employees Retirement System	54,004.25	54,414.25	49,783.25	4,631.00	
Social Security System (O.A.S.I.)	50,000.00	50,000.00	45,904.87	4,095.13	
Total Deferred Charges and Statutory Expenditures -					
Municipal Within "CAPS"	<u>104,004.25</u>	<u>104,414.25</u>	<u>95,688.12</u>	<u>8,726.13</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>2,155,019.67</u>	<u>2,155,019.67</u>	<u>1,736,088.44</u>	<u>418,931.23</u>	

TOWNSHIP OF STILLWATER
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	
Total Operations Excluded "CAPS":					
Insurance: (P.L. 2003, C.92) - Group Health Insurance	\$ 4,116.00	\$ 4,116.00	\$ 4,116.00		
Fire Department - Other Expenses (LOSAP)	63,000.00	63,000.00		\$ 63,000.00	
Police and Fire Dispatch Services:					
Shared Service Agreements (Police/Fire)	57,222.00	57,222.00	57,222.00		
Public and Private Programs Offset by Revenues:					
Clean Communities Grant (N.J.S.A. 40A:4-87, +\$13,062.23)		13,062.23	6,621.47	6,440.76	
Reserve for Recycling Tonnage Grant	3,053.11	3,053.11	3,053.11		
Sustainable Jersey Small Grant (N.J.S.A. 40A:4-87, +\$10,000.00)		10,000.00	2,166.52	7,833.48	
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	6,543.00	6,543.00	3,860.69	2,682.31	
Local Share	1,635.00	1,635.00		1,635.00	
Total Operations Excluded from "CAPS"	135,569.11	158,631.34	77,039.79	81,591.55	
Detail:					
Other Expenses	135,569.11	158,631.34	77,039.79	81,591.55	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	25,000.00	25,000.00	25,000.00		
Reserve for Purchase of DPW Equipment	3,000.00	3,000.00		3,000.00	
Reserve for Purchase of Emergency Vehicle	3,000.00	3,000.00		3,000.00	
Reconstruction of Various Roads	38,000.00	38,000.00	21,576.31	16,423.69	
Total Capital Improvements - Excluded from "CAPS"	69,000.00	69,000.00	46,576.31	22,423.69	

TOWNSHIP OF STILLWATER
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 Anticipation Notes and Capital Notes	\$ 220,000.00	\$ 220,000.00	\$ 219,900.00		\$ 100.00
Interest on Notes	17,527.45	17,527.45	17,523.74		3.71
Crandon Lakes Dam Loan - Principal and Interest	8,600.00	8,600.00	8,587.64		12.36
Total Municipal Debt Service - Excluded from "CAPS"	246,127.45	246,127.45	246,011.38		116.07
Deferred Charges - Municipal - Excluded from "CAPS":					
Special Emergency Authorizations	45,000.00	45,000.00	45,000.00		
Deferred Charges to Future Taxation - Unfunded: Ordinance #05-14 Dump Truck	39,510.00	39,510.00	39,510.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	84,510.00	84,510.00	84,510.00		
Total General Appropriations - Excluded from "CAPS"	535,206.56	558,268.79	454,137.48	\$ 104,015.24	116.07
Subtotal General Appropriations	2,690,226.23	2,713,288.46	2,190,225.92	522,946.47	116.07
Reserve for Uncollected Taxes	790,000.00	790,000.00	790,000.00		
Total General Appropriations	\$ 3,480,226.23	\$ 3,503,288.46	\$ 2,980,225.92	\$ 522,946.47	\$ 116.07

Ref.

A

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

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 3,480,226.23	
Added by N.J.S.A. 40A:4-53		<u>23,062.23</u>	
		<u>\$ 3,503,288.46</u>	
Reserve for Uncollected Taxes			\$ 790,000.00
Reserve for Encumbrances	A		65,095.64
Deferred Charges:			
Special Emergency Authorizations			45,000.00
Cash Disbursed			<u>2,086,983.58</u>
			2,987,079.22
Less: Appropriation Refunds			<u>6,853.30</u>
			<u>\$ 2,980,225.92</u>

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

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
TRUST FUNDS

TOWNSHIP OF STILLWATER
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31	
		2014	2013
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents			
Treasurer	B-4	\$ 19,597.05	\$ 17,775.81
Total Animal Control Trust Funds		<u>19,597.05</u>	<u>17,775.81</u>
Assessment Trust Fund:			
Assessment Receivable		183.47	183.47
Assessment Liens		7,812.43	7,812.43
Assessments and Liens Interest and Costs		1,069.73	1,069.73
Total Assessment Trust Fund		<u>9,065.63</u>	<u>9,065.63</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	734,801.47	502,872.42
Due Current Fund	A		180,700.00
Total Other Trust Funds		<u>734,801.47</u>	<u>683,572.42</u>
<u>TOTAL ASSETS</u>		<u>\$ 763,464.15</u>	<u>\$ 710,413.86</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-6	\$ 9,921.00	\$ 11,377.00
Due Current Fund	A	9,674.85	6,394.01
Due State of New Jersey		1.20	4.80
Total Animal Control Trust Funds		<u>19,597.05</u>	<u>17,775.81</u>
Assessment Trust Fund:			
Reserve for Assessments and Liens Receivable		7,995.90	7,995.90
Reserve for Assessments and Liens Interest and Costs		1,069.73	1,069.73
Total Assessment Trust Fund		<u>9,065.63</u>	<u>9,065.63</u>

TOWNSHIP OF STILLWATER
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31	
	2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Other Trust Funds:		
Reserve for:		
Driveway Bonds	\$ 48,867.46	\$ 48,867.46
Subdivision	24,532.06	20,674.63
Tax Sale Premiums	127,000.00	90,800.00
Landfill Escrow	8,059.53	8,042.19
Recycling	78,344.76	82,536.58
Recreation Commission	1,948.92	1,601.63
DNA Lifeprint	1,061.56	1,061.01
Council on Affordable Housing	31,687.54	23,421.92
Municipal Open Space	85,407.22	78,687.91
Snow Removal	237,000.00	237,000.00
Accumulated Sick	64,173.49	64,173.49
Performance Bonds	26,718.93	26,705.60
Total Other Trust Funds	734,801.47	683,572.42
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	\$ 763,464.15	\$ 710,413.86

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

TOWNSHIP OF STILLWATER
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 STILLWATER
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 STILLWATER
COUNTY OF SUSSEX
2014
GENERAL CAPITAL FUND

TOWNSHIP OF STILLWATER
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	\$ 1,343,509.66	\$ 1,081,530.25
Due Current Fund	A	26,458.22	247,768.00
New Jersey Department of Transportation Grant Receivable		45,000.00	
Deferred Charges to Future Taxation:			
Unfunded	C-4	1,405,000.00	1,441,410.00
<u>TOTAL ASSETS</u>		<u>\$ 2,819,967.88</u>	<u>\$ 2,770,708.25</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 1,405,000.00	\$ 1,401,900.00
Improvement Authorizations:			
Funded	C-5	170,666.96	74,815.68
Unfunded	C-5	124,792.45	452,389.22
Contracts Payable		612,768.97	166,767.85
Capital Improvement Fund	C-6	60,099.23	255,399.23
Reserve for Purchase of Emergency Vehicle		120,850.00	117,850.00
Reserve for DPW Equipment		3,000.00	
Reserve for PSE&G Susquehanna Roseland Project		242,768.00	242,768.00
Reserve for PEOSHA Gear		21,204.00	
Reserve for Courthouse Improvements		21,900.00	21,900.00
Fund Balance	C-1	36,918.27	36,918.27
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,819,967.88</u>	<u>\$ 2,770,708.25</u>

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

TOWNSHIP OF STILLWATER
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 36,918.27
Increased by:		
Improvement Authorizations Cancelled		<u>221,766.00</u>
		258,684.27
Decreased by:		
Improvement Authorizations Authorized	C	<u>221,766.00</u>
Balance December 31, 2014		<u><u>\$ 36,918.27</u></u>

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

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
WATER OPERATING FUND

NOT APPLICABLE

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
SEWER OPERATING FUND

NOT APPLICABLE

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
GENERAL FIXED ASSETS ACCOUNT GROUP

(UNAUDITED)

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

	December 31,	
	2014	2013
<u>ASSETS</u>		
Land	\$ 2,755,615.00	\$ 2,755,615.00
Buildings and Improvements	610,675.00	455,315.00
Equipment	2,966,059.30	2,929,660.66
<u>TOTAL ASSETS</u>	<u>\$ 6,332,349.30</u>	<u>\$ 6,140,590.66</u>
 <u>LIABILITIES AND RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 6,332,349.30</u>	<u>\$ 6,140,590.66</u>
<u>TOTAL LIABILITIES AND RESERVES</u>	<u>\$ 6,332,349.30</u>	<u>\$ 6,140,590.66</u>

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

TOWNSHIP OF STILLWATER
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 Stillwater include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Stillwater, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Stillwater do not include the operations of the volunteer fire and rescue 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 Stillwater 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 Stillwater 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 Fund - Receipt, 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.

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.

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

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

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow:

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is received and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. 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 generally 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 or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Township's financial statements been prepared under generally accepted accounting principles, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when received; and inventories would not be reflected as expenditures at the time of purchase.

TOWNSHIP OF STILLWATER
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)

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

D. Deferred Charges to Future Taxation

The 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 the 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 loans or by 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.

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.

TOWNSHIP OF STILLWATER
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:

General Fixed Assets (Unaudited) - In accordance with accounting requirements prescribed by the New Jersey Administrative Code, as promulgated by the Division of Local Government Services, the Township has developed a fixed assets accounting and reporting system based on the following:

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

F. Budget/Budgetary Control

Annual appropriated budgets are usually prepared in the first quarter for the Current 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.

Note 2: Long-Term Debt

Summary of Municipal Debt

The Local Bond Law governs the issuance of bond 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 have been pledged to the payment of the general obligation debt principal and interest.

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

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

Summary of Municipal Debt

	December 31,		
	2014	2013	2012
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 1,405,000.00	\$ 1,401,900.00	\$ 1,023,248.31
	<u>1,405,000.00</u>	<u>1,401,900.00</u>	<u>1,023,248.31</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes		39,510.00	378,170.00
		<u>39,510.00</u>	<u>378,170.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 1,405,000.00</u>	<u>\$ 1,441,410.00</u>	<u>\$ 1,401,418.31</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .306%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 1,635,000.00	\$ 1,635,000.00	
General Debt	<u>1,405,000.00</u>		<u>\$ 1,405,000.00</u>
	<u>\$ 3,040,000.00</u>	<u>\$ 1,635,000.00</u>	<u>\$ 1,405,000.00</u>

Net Debt: \$1,405,000 divided by Average Equalized Valuations of \$459,775,982 of Real Property = .306%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 16,092,159.37
Net Debt	<u>1,405,000.00</u>
Remaining Borrowing Power	<u>\$ 14,687,159.37</u>

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

TOWNSHIP OF STILLWATER
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

Fund	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013
Bond Anticipation Notes:				
General Capital Fund	\$ 1,017,900.00	\$ 1,401,900.00	\$ 1,017,900.00	\$ 1,401,900.00
Loans Payable:				
General Capital				
Green Acres Loans	5,348.31		5,348.31	
	<u>\$ 1,051,248.31</u>	<u>\$ 1,401,900.00</u>	<u>\$ 1,051,248.31</u>	<u>\$ 1,401,900.00</u>

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014
Bond Anticipation Notes:				
General Capital Fund	\$ 1,401,900.00	\$ 1,405,000.00	\$ 1,401,900.00	\$ 1,405,000.00
	<u>\$ 1,401,900.00</u>	<u>\$ 1,405,000.00</u>	<u>\$ 1,401,900.00</u>	<u>\$ 1,405,000.00</u>

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

General Capital - Bond Anticipation Notes Payable

	Final Maturity	Rate	Amount
Total Debt Issued and Outstanding	9/25/2015	0.95%	<u>\$ 1,405,000.00</u>

Note 3: Fund Balances Appropriated

As of the date of this report, the budget for 2015 has not been introduced. Thus, the amount of fund balance at December 31, 2014 which will be included in the Current Fund budget for the year ending December 31, 2015 is not known.

Note 4: School District Taxes

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

The Township of Stillwater has not elected to defer school taxes

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

Note 5: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. As of December 31, 2014 the following deferred charge is required to be raised in succeeding years as follows:

	<u>Balance at</u> <u>Dec. 31, 2014</u>	<u>To be</u> <u>Raised in</u> <u>2015 Budget</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years Budgets</u>
<u>Current Fund</u>			
Special Emergency Authorization	\$ 135,000.00	\$ 45,000.00	\$ 90,000.00

The appropriation in the 2015 budget will not be less than that required by statute.

Note 6: Pension Plans

Township employees are enrolled in a cost sharing multiple-employer public employee retirement system, the Public Employees' Retirement System (PERS) of New Jersey. The State of New Jersey sponsors and administers this plan which covers substantially all Township employees. As a general rule, all full-time employees are eligible to join this public employees' retirement system.

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 credible service. Vesting occurs after 8 to 10 years of service.

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 the above system, fund and trust. 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. 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 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in the PERS. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

Township contributions to the PERS amounted to \$49,783, \$41,844 and \$57,849 for 2014, 2013 and 2012, respectively.

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

Note 7: 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 at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$85,000 at December 31, 2014. 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 has been partially funded in the Reserve for Accumulated Sick of \$64,173.49 on the Trust Fund balance sheet at December 31, 2014.

Note 8: Deferred Compensation

The Township offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under these plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plans are administered by the Nationwide.

Note 9: Selected Tax Information

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

	<u>2014*</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	\$ 2.916	\$ 4.755	\$ 4.768
<u>Apportionment of Tax Rate</u>			
Municipal	0.513	0.865	0.863
County	0.563	0.935	0.986
Local School	0.985	1.582	1.548
Regional School	0.855	1.373	1.371
<u>Assessed Valuations</u>			
2014 *	<u>\$ 405,678,306.00</u>		
2013		<u>\$ 249,130,982.00</u>	
2012			<u>\$ 249,399,029.00</u>

*Revaluation in effect.

The 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.

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

Note 9: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 11,946,223.86	\$ 11,601,913.60	97.12%
2013	11,975,876.81	11,585,530.46	96.74%
2012	12,011,938.00	11,561,148.00	96.25%

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 10: 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 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 risk is the risk that in the event of 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 permitted under state statutes as detailed below and on the following page.

Deposits:

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

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

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

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

Note 10: Cash and Cash Equivalents (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 STILLWATER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 10: Cash and Cash Equivalents (Cont'd)

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

<u>Fund</u>	<u>Change Funds</u>	<u>Checking Accounts</u>	<u>Total</u>
Current Fund	\$ 275.00	\$ 3,562,774.95	\$ 3,563,049.95
Animal Control Trust Fund		19,597.05	19,597.05
Other Trust Fund		734,801.47	734,801.47
General Capital Fund		1,343,509.66	1,343,509.66
	<u>\$ 275.00</u>	<u>\$ 5,660,683.13</u>	<u>\$ 5,660,958.13</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 \$5,660,958.13 and the bank balance was \$5,684,068.46.

Note 11: Post-Retirement Medical Benefits

In addition to the pension benefits described in Note 6, the Township provides other post-retirement benefits to certain Township employees after retirement, substantially similar in nature to the health benefits provided to employees presently working.

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

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

Municipal Employees

Upon retirement, employees with twenty-five (25) years of full-time service with the Township will receive full benefits. The coverage applies to the employee and their dependents. In the event of an employee's death, coverage ceases.

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

Note 11: Post-Retirement Medical Benefits (Cont'd)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to:

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis.

The Township's portion of post-retirement benefits is funded on a pay-as-you go basis from the Current Fund operating budget. During 2014 and 2013, the Township had 8 employees who met eligibility requirements and recognized expenses of approximately \$150,774.24 and \$131,927.26 respectively.

Note 12: Risk Management

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

Property, Liability and Workers' Compensation

The Township is currently a member of the Statewide Insurance Fund (the "Fund"). The Fund provides its members with Auto, Liability, Property Insurance, Workers' Compensation and Employee Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of governmental entities established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this 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.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

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

Note 12: Risk Management (Cont'd)

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:

	<u>Statewide Insurance Fund</u>
Total Assets	\$ 36,865,759
Net Position	\$ 7,010,778
Total Revenue	\$ 23,466,411
Total Expenses	\$ 21,204,866
Change in Net Position	\$ 2,261,545
Members Dividends	\$ -0-

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

Statewide Insurance Fund
26 Columbia Turnpike
P.O. Box 678
Florham Park, NJ 07932-0678
(973) 549-1900

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Township is required to remit employee withholdings to the State on a quarterly basis. All of the Township's claims are paid by the State.

Note 13: Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 9,674.85	\$ 26,458.22
Animal Control Trust Fund		9,674.85
General Capital Fund	26,458.22	
	<u>\$ 36,133.07</u>	<u>\$ 36,133.07</u>

The interfund between the Current Fund and the Animal Control Trust Fund represents the Statutory Excess in the Reserve for Animal Control Expenditures. The interfund between General Capital Fund and Current Fund represents the transfer of capital appropriation reserves from Current Fund net of expenditure paid on behalf of the General Capital Fund.

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

Note 14: Economic Dependency

The Township receives a substantial amount of 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 program and activities.

Note 15: Open Space Trust Fund

The Township of Stillwater created an Open Space Trust Fund with a tax levy of \$.02 per \$100 of assessed valuation in 1999. The funds collected are used to acquire and maintain open space property in the Township. The balances of the Open Space Trust Fund at December 31, 2014 and 2013 were \$85,407.22 and \$78,687.91, respectively.

Note 16: Contingent Liabilities

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. The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

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 Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve, which it feels is sufficient, for this contingency in the amount of \$100,000.00.

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 STILLWATER

SUPPLEMENTARY DATA

TOWNSHIP OF STILLWATER
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2014

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
George Scott	Mayor		
Timmy Fisher	Deputy Mayor		
Lisa Chamings	Committee Member		
Charles Gross	Committee Member		
Anita Straway	Committee Member		
Dana J. Mooney	Chief Financial Officer	(A)	*
Gisela Boltzer	Tax Collector	(A)	*
Penny Holenstein	Tax Assessor	(A)	*
Lynda Knott	Acting Township Clerk	(A)	*
Richard Stein, Esq.	Attorney		

All bonds were examined and were properly executed.

* There is Public Employees Blanket Crime Coverage for \$1,000,000 covering all municipal employees, including statutory positions with the Statewide Insurance Fund.

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
CURRENT FUND

TOWNSHIP OF STILLWATER
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 3,612,114.66
Increased by Receipts:		
Tax Collector		\$ 12,215,083.52
Revenue Accounts Receivable		558,275.43
Petty Cash		200.00
Miscellaneous Revenue Not Anticipated		30,944.83
Due State of New Jersey:		
Marriage License Fees		525.00
DCA Training Fees		4,513.00
Veterans and Senior Citizens' Deductions		39,500.00
Reserve for Recycling Tonnage Grant - Unappropriated		3,133.04
Due Animal Control Trust Fund		6,394.01
Due Other Trust Funds		34,900.00
Due General Capital Fund		135,000.00
Due from Caesars Hotel and Casino		795.00
Appropriation Reserve Refunds		550.00
Appropriation Refunds		6,853.30
		<hr/>
		13,036,667.13
		<hr/>
		16,648,781.79
Decreased by Disbursements:		
2014 Appropriation Expenditures		2,086,983.58
2013 Appropriation Reserves		266,651.92
Petty Cash		200.00
Regional School Taxes		3,471,080.00
Local School Taxes		3,998,320.00
County Taxes		2,279,538.08
Tax Overpayments Refunded		15,462.65
Due State of New Jersey:		
Marriage License Fees		675.00
DCA Training Fees		3,647.00
Redemption of Outside Liens		144,999.60
Due to Stillwater Water District		109,806.60
Reserve for Revaluation		19,953.50
Due Other Trust Funds:		
Open Space Tax Levy		12,477.43
Interfunds Returned		286,700.00
Due General Capital Fund:		
Interfunds Returned		248,513.78
New Jersey Department of Transportation Grant		135,000.00
Refund of Miscellaneous Revenue		5,997.70
		<hr/>
		\$ 13,086,006.84
		<hr/>
Balance December 31, 2014	A	<u>\$ 3,562,774.95</u>

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

Increased by Receipts:		
Taxes Receivable	\$ 11,853,626.96	
Interest and Costs on Taxes	62,887.83	
2015 Prepaid Taxes	57,114.18	
Tax Overpayments	15,334.68	
Tax Title Liens	7,365.26	
Outside Liens	144,999.60	
Tax Sale Premiums - Due Other Trust Funds	71,100.00	
Miscellaneous Revenue Not Anticipated	2,655.01	
		\$ 12,215,083.52
Decreased by:		
Disbursed to Municipal Treasurer		12,215,083.52
		\$ -0-

TOWNSHIP OF STILLWATER
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

Year	Balance	2014 Levy	Collections		State of NJ	Cancelled	Transferred	Balance
	Dec. 31, 2013		2013	2014	Veterans and Senior Citizens' Deductions		to Tax Title Liens	
2012	\$ 267.64			\$ 257.14		\$ 10.50		
2013	337,709.50			322,577.29		3,535.16	\$ 11,597.05	
	337,977.14			322,834.43		3,545.66	11,597.05	
2014		\$ 11,946,223.86	\$ 31,621.07	11,530,792.53	\$ 39,500.00	\$ 28,088.56	50,516.82	\$ 265,704.88
	\$ 337,977.14	\$ 11,946,223.86	\$ 31,621.07	\$ 11,853,626.96	\$ 39,500.00	\$ 31,634.22	\$ 62,113.87	\$ 265,704.88
Ref.	A							A

Analysis of 2014 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 11,829,579.40	
Special District Taxes	109,505.76	
Added and Omitted Taxes	7,138.70	
	<u>\$ 11,946,223.86</u>	
Regional School District Taxes		\$ 3,471,080.00
Local School District Taxes		3,998,320.00
County Taxes:		
General Tax	\$ 2,042,612.76	
Library Tax	153,462.17	
Health Tax	69,531.10	
County Open Space Tax	10,018.74	
Due County for Added and Omitted Taxes	1,399.50	
	<u>2,277,024.27</u>	
Water District		109,505.76
Municipal Open Space		12,477.43
	<u>9,868,407.46</u>	
Local Tax for Municipal Purposes Levied	2,071,927.12	
Add: Additional Tax Levied	5,889.28	
	<u>2,077,816.40</u>	
	<u>\$ 11,946,223.86</u>	

TOWNSHIP OF STILLWATER
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 231,340.52
Increased by:		
Transfer from Taxes Receivable		\$ 62,113.87
Interest and Costs on Tax Sale		<u>2,524.29</u>
		<u>64,638.16</u>
		<u>295,978.68</u>
Decreased by:		
Redeemed		<u>7,365.26</u>
Balance December 31, 2014	A	<u>\$ 288,613.42</u>

TOWNSHIP OF STILLWATER
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Accrued In</u> <u>2014</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Clerk:					
Alcoholic Beverage Licenses		\$ 1,680.00	\$ 1,680.00		
Fees and Permits		102,522.38	102,522.38		
Municipal Court:					
Fines and Costs		7,835.14	7,835.14		
Uniform Construction Code Fees:					
Fees and Permits	\$ 2,917.00	68,976.00	71,893.00		
Planning Board, Soil Erosion, & Board of Adjustment:					
Fees and Permits		1,800.00	1,800.00		
Zoning Board:					
Fees and Permits		6,020.00	6,020.00		
Interest on Investments		2,386.48	2,386.48		
Consolidated Municipal Property Tax Relief Program		7,353.00	7,353.00		
Energy Receipts Tax		270,378.00	270,378.00		
Clean Communities Grant -2012	254.34			\$ 254.34	
Clean Communities Grant -2014		13,062.23	13,062.23		
Municipal Alliance - 2013	4,166.50	4,166.50	4,073.20		\$ 93.30
Municipal Alliance - 2014		6,543.00			6,543.00
Sustainable Jersey Small Grant		10,000.00	5,000.00		5,000.00
Garden State Preservation Trust Fund		64,272.00	64,272.00		
	<u>\$ 7,337.84</u>	<u>\$ 566,994.73</u>	<u>\$ 558,275.43</u>	<u>\$ 254.34</u>	<u>\$ 11,636.30</u>

Ref. A

A

TOWNSHIP OF STILLWATER
CURRENT FUND
SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
GENERAL GOVERNMENT:				
General Administration:				
Other Expenses	\$ 3,765.82	\$ 3,484.82	\$ 1,019.52	\$ 2,465.30
Mayor & Council:				
Other Expenses	403.25	403.25	159.00	244.25
Municipal Clerk:				
Salaries & Wages	7,614.00	7,614.00		7,614.00
Other Expenses	7,552.89	7,552.89	72.00	7,480.89
Financial Administration:				
Salaries & Wages	252.92	252.92		252.92
Other Expenses	2,028.70	2,028.70	610.20	1,418.50
Annual Audit	1,758.25	1,758.25	625.00	1,133.25
Data Processing:				
Other Expenses	1,677.21	1,677.21	1,373.00	304.21
Tax Collector:				
Other Expenses	8.78	168.78	161.70	7.08
Tax Assessment Administration:				
Salaries & Wages	3,507.52	3,507.52		3,507.52
Other Expenses	13,136.39	13,136.39	1,853.25	11,283.14
Legal Services and Costs:				
Other Expenses	61,435.78	61,435.78	5,545.00	55,890.78
Engineering Services and Costs:				
Other Expenses	16,090.00	16,090.00	2,500.00	13,590.00
Municipal Land Use Law:				
Planning Board:				
Other Expenses	4,305.86	4,305.86	516.90	3,788.96
Zoning Board of Adjustment (Zoning Officer):				
Other Expenses	6,614.50	6,614.50	587.96	6,026.54
Zoning Officer:				
Other Expenses	502.62	502.62		502.62
Police:				
Salaries & Wages	919.28	919.28		919.28
Other Expenses	135.00	135.00		135.00
CODE ENFORCEMENT AND ADMINISTRATION:				
Building Sub-Code Official:				
Salaries & Wages	15,106.10	15,106.10		15,106.10
Other Expenses	631.77	631.77	528.28	103.49
Fire Prevention Sub Code Official:				
Other Expenses	701.85	701.85		701.85
PUBLIC SAFETY:				
Emergency Management Services:				
Salaries & Wages	87.98	87.98		87.98
Other Expenses	5,130.22	5,130.22		5,130.22

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

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY:				
Aid to Volunteer Fire Companies	\$ 1,610.51	\$ 1,610.51		\$ 1,610.51
Contribution to First Aid Organizations	6,836.00	6,836.00	\$ 2,259.00	4,577.00
Municipal Court:				
Other Expenses	34.00	34.00		34.00
Fire Department:				
Other Expenses	11,719.17	11,719.17	275.00	11,444.17
STREETS AND ROADS:				
Public Works Department:				
Salaries & Wages	20,145.99	20,145.99	8,309.40	11,836.59
Other Expenses	132,540.77	132,540.77	33,466.27	99,074.50
Recycle Program:				
Salaries & Wages	2,111.23	2,111.23		2,111.23
Solid Waste Collection:				
Salaries & Wages	227.38	227.38		227.38
Other Expenses:	19,766.91	19,766.91	5,513.04	14,253.87
Landfill Testing	162.50	162.50		162.50
Public Building and Grounds:				
Other Expenses	16,945.67	16,945.67	2,473.80	14,471.87
Vehicle Maintenance (Including Police Vehicles):				
Other Expenses	36,373.47	36,373.47	5,167.45	31,206.02
Gypsy Moth Control:				
Other Expenses	5,000.00	5,000.00		5,000.00
HEALTH AND WELFARE:				
Board of Health:				
Other Expenses:				
PEOSHA- Hepatitis B Vaccinations	1,180.00	1,180.00	160.00	1,020.00
PEOSHA- Judgement	2,471.00	2,471.00	2,457.00	14.00
Environmental Health Services:				
Other Expenses	2,718.98	2,718.98		2,718.98
RECREATION AND EDUCATION:				
Parks and Playground:				
Salaries & Wages	600.00	600.00	600.00	
Other Expenses	9,365.48	9,365.48	3,256.51	6,108.97
Celebration of Public Events:				
Other Expenses	941.23	941.23		941.23
UNCLASSIFIED:				
Municipal Services Act:				
Other Expenses	71,163.49	71,163.49	\$ 71,163.49	
Utilities:				
Electricity	4,602.25	4,602.25	906.64	3,695.61
Telephone (excluding equipment acquisition)	418.27	926.23	926.08	0.15
Gas (natural or propane)	2,488.61	2,488.61	2,488.61	

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

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
UNCLASSIFIED:				
Utilities:				
Fuel Oil	\$ 5,473.81	\$ 5,473.81	\$ 1,304.10	\$ 4,169.71
Gasoline	25,846.63	5,459.67	5,299.70	159.97
Contributions to:				
Social Security System (O.A.S.I.)	4,780.34	4,780.34	338.86	4,441.48
Insurance:				
Group Insurance Plans for Employees	5,950.36	25,950.36	13,427.60	12,522.76
Unemployment Insurance	867.73	867.73		867.73
Other Insurance Premiums	3,821.00	3,821.00	550.00	3,271.00
Fire Department- Excluded from "CAPS"				
Other Expenses (LOSAP)	52,550.00	52,550.00	51,450.00	1,100.00
State and Federal Programs Offset by Revenues:				
Clean Communities	7,946.74	7,946.74	7,946.74	
Municipal Alliance on Alcoholism and Drug Abuse:				
State Share	2,926.50	2,926.50	1,468.30	1,458.20
Local Share	1,090.00	1,090.00		1,090.00
Capital Improvements - Excluded from "CAPS"				
Reserve for Purchase of DPW Equipment	3,000.00	3,000.00	3,000.00	
Reserve for Purchase of Emergency Vehicle	3,000.00	3,000.00	3,000.00	
Reconstruction of Various Roads	36,204.49	36,204.49	36,204.49	
Reserve for PEOSHA Gear	21,204.00	21,204.00	21,204.00	
	<u>\$ 677,451.20</u>	<u>\$ 677,451.20</u>	<u>\$ 300,167.89</u>	<u>\$ 377,283.31</u>

Ref.

Analysis of Balance 12/31/2013

Unencumbered	A \$ 634,989.25
Encumbered	A <u>42,461.95</u>
	<u>\$ 677,451.20</u>

Cash Disbursed	\$ 266,651.92
Transferred to Appropriated Grant Reserve:	
Clean Communities	6,861.97
Due General Capital Fund	
Reserve for Purchase of DPW Equipment	3,000.00
Reserve for Purchase of Emergency Vehicle	3,000.00
Reserve for PEOSHA Gear	21,204.00
	<u>300,717.89</u>
Appropriation Reserve Refunds	550.00
	<u>\$ 300,167.89</u>

TOWNSHIP OF STILLWATER
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE
YEAR ENDED DECEMBER 31, 2014

Increased by:

Levy - Calendar Year 2014

\$ 3,998,320.00

Decreased by:

Payments to Local School District

\$ 3,998,320.00

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

Increased by:

Levy - Calendar Year 2014

\$ 3,471,080.00

Decreased by:

Payments to Regional School District

\$ 3,471,080.00

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
TRUST FUNDS

TOWNSHIP OF STILLWATER
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2013	B	\$ 17,775.81	\$ 502,872.42
Increased by Receipts:			
Township Dog License Fees		\$ 4,943.60	
Penalties on Dog License Fees		4,785.00	
State Dog License Fees		1,100.40	
Due Current Fund:			
Interest on Deposits		12.47	\$ 124.39
Interfund Returned			180,700.00
Subdivision			18,860.96
Tax Sale Premiums			71,100.00
Landfill Escrow			17.34
Recycling			13,452.60
Recreation Commission			3,394.29
DNA Lifeprint			0.55
Council on Affordable Housing			8,265.62
Municipal Open Space:			
Open Space Levy			12,477.43
Interest on Deposits			37.63
Performance Bonds			13.33
		10,841.47	
		28,617.28	308,444.14
			811,316.56

TOWNSHIP OF STILLWATER
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Animal Control Fund	Other Trust Funds
Decreased by Disbursements:		
Administrative Expenses	\$ 1,509.75	
Due to State of New Jersey	1,104.00	
Due Current Fund	6,406.48	\$ 124.39
Subdivision		15,003.53
Tax Sale Premiums		34,900.00
Recycling		17,644.42
Recreation Commission		3,047.00
Municipal Open Space		5,795.75
	\$ 9,020.23	\$ 76,515.09
Balance December 31, 2014	B <u><u>\$ 19,597.05</u></u>	<u><u>\$ 734,801.47</u></u>

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

NOT APPLICABLE

TOWNSHIP OF STILLWATER
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 11,377.00
Increased by:		
Dog License Fees:		
Collected in Current Year		\$ 4,943.60
Penalties on Dog License Fees		4,785.00
		9,728.60
		21,105.60
Decreased by:		
Expenditures Under R.S. 4:19-15.11		1,509.75
Statutory Excess Due to Current Fund		9,674.85
		11,184.60
Balance December 31, 2014	B	\$ 9,921.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 4,998.00
2013	4,923.00
Maximum Allowable Reserve	\$ 9,921.00

TOWNSHIP OF STILLWATER
COUNTY OF SUSSEX
2014
GENERAL CAPITAL FUND

TOWNSHIP OF STILLWATER
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 1,081,530.25
Increased by:		
2014 Budget Appropriations:		
Capital Improvement Fund		\$ 25,000.00
Deferred Charges to Future Taxation Unfunded		259,410.00
Bond Anticipation Notes		1,405,000.00
New Jersey Department of Transportation Grant		135,000.00
Due Current Fund:		
Interfund Returned		248,891.45
Interest Earned		580.86
		2,073,882.31
		3,155,412.56
Decreased by:		
Improvement Authorization Expenditures		242,576.52
Contracts Payable		166,467.85
Bond Anticipation Notes		1,401,900.00
Due Current Fund		958.53
		1,811,902.90
Balance December 31, 2014	C	\$ 1,343,509.66

TOWNSHIP OF STILLWATER
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2013	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2014	
		Budget Appropriation	Bond	Miscellaneous	Improvement Authorizations	Bond	Miscellaneous	From	To		
			Anticipation Notes			Anticipation Notes					
Capital Improvement Fund	\$ 255,399.23	\$ 25,000.00						\$ 220,300.00		\$ 60,099.23	
Due to/from Current Fund	(247,768.00)			\$ 249,472.31			\$ 958.53	27,204.00		(26,458.22)	
New Jersey Department of Transportation Grant				135,000.00				180,000.00		(45,000.00)	
Contracts Payable	166,767.85								\$ 612,468.97	612,768.97	
Reserve:											
Purchase of Emergency Vehicle	117,850.00								3,000.00	120,850.00	
DPW Equipment									3,000.00	3,000.00	
Reserve for PEOSHA Gear									21,204.00	21,204.00	
PSE&G Susquehanna Roseland Project	242,768.00									242,768.00	
Courthouse Improvements	21,900.00									21,900.00	
Fund Balance	36,918.27							221,766.00	221,766.00	36,918.27	
<u>Ord.</u>											
<u>Number</u>	<u>Improvement Description</u>										
93-17/00-04	Rehabilitation of Low Income Housing									30,262.11	
96-03/02-02	Development of Property									5,105.81	
03-11	COAH Rehabilitation Project									18,367.61	
05-11	Old Foundry Road	30,000.00	\$ 30,000.00			\$ 60,000.00					
05-14	Dump Truck	(39,510.00)	39,510.00								
06-12	Mt Benevolence Road - Phase I	50,000.00	105,000.00			155,000.00					
06-16	Purchase of Ambulance	3,000.00	5,000.00			8,000.00					
06-17	Pond Brook Park	16,303.08								16,303.08	
07-12	Mt Benevolence Road - Phase II	37,000.00	111,000.00			148,000.00					
07-21	Police Computer	0.01								0.01	
08-02	Mill Brook Road	85,835.65	15,200.00	60,800.00	\$ 85,835.65	76,000.00					
09-10	Purchase of Two Dump Trucks		17,600.00	93,900.00		111,500.00					
10-02	Reconstruction of Balwin Gate Bridge		7,800.00	60,700.00		68,500.00					
11-04	Middleville Road Phase I	95,873.45	16,000.00	120,000.00	13,967.25	136,000.00	81,906.20				
11-10	PEOSHA Gear and Fire Truck Pump	26,640.44	10,300.00	84,600.00	23,405.20	94,900.00				3,235.24	
12-02	Renovations to Municipal Building										
12-04	Various Capital Improvements	228,786.55	20,000.00	286,000	500.00	306,000.00	221,766.00			6,520.55	
13-05	Renovations to Municipal Building	15,253.13	13,000.00	225,000	7,795.71	238,000.00				7,457.42	
13-06	Purchase of Pickup Truck	194.76								194.76	
13-09	Purchase of Emergency Ambulance	4,582.30			60.00					4,522.30	
13-10	Renovations to Third Bay of Municipal Building										
14-08	Various Capital Improvements			223,000	71,943.99		235,476.77	192,000.00		107,579.24	
14-09	Purchase of Two Dump Trucks				1,725.20		217,453.10	221,766.00		2,587.70	
14-10	Various Capital Improvements				37,343.52		77,632.90	193,300.00		78,323.58	
14-18	Middleville Road Phase II							15,000.00		15,000.00	
		<u>\$ 1,081,530.25</u>	<u>\$ 284,410.00</u>	<u>\$ 1,405,000.00</u>	<u>\$ 384,472.31</u>	<u>\$ 242,576.52</u>	<u>\$ 1,401,900.00</u>	<u>\$ 167,426.38</u>	<u>\$ 1,483,504.97</u>	<u>\$ 1,483,504.97</u>	<u>\$ 1,343,509.66</u>

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

Ord. Number	Improvement Description	Balance Dec. 31, 2013	Funded by Budget Appropriation	2014 Authorizations	Balance Dec. 31, 2014	Analysis of Balance December 31, 2014	
						Bond Anticipation Notes	Unexpended Improvement Authorizations
05-11	Old Foundry Road	\$ 60,000.00	\$ 30,000.00		\$ 30,000.00	\$ 30,000.00	
05-14	Dump Truck	39,510.00	39,510.00				
06-16	Purchase of Ambulance	8,000.00	3,000.00		5,000.00	5,000.00	
06-12	Mt Benevolence Road - Phase I	76,000.00	50,000.00		26,000.00	26,000.00	
07-12	Mt Benevolence Road - Phase II	155,000.00	37,000.00		118,000.00	118,000.00	
08-02	Mill Brook Road	148,000.00	15,200.00		132,800.00	132,800.00	
09-10	Purchase of Two Dump Trucks	111,500.00	17,600.00		93,900.00	93,900.00	
10-02	Reconstruction of Balwin Gate Bridge	68,500.00	7,800.00		60,700.00	60,700.00	
11-04	Middleville Road - Phase I	136,000.00	16,000.00		120,000.00	120,000.00	
11-10	PEOSHA Gear and Fire Truck Pump	94,900.00	10,300.00		84,600.00	84,600.00	
12-04	Various Capital Improvements	306,000.00	20,000.00		286,000.00	286,000.00	
13-05	Renovations to Municipal Building	238,000.00	13,000.00		225,000.00	225,000.00	
14-08	Various Capital Improvements			\$ 223,000.00	223,000.00	223,000.00	
		<u>\$ 1,441,410.00</u>	<u>\$ 259,410.00</u>	<u>\$ 223,000.00</u>	<u>\$ 1,405,000.00</u>	<u>\$ 1,405,000.00</u>	<u>\$ -0-</u>
Ref.	C				C		

Improvement Authorizations Unfunded:	\$ 124,792.45
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
Ordinance 11-10 (PEOSHA Gear and Fire Truck Pump)	(3,235.24)
Ordinance 12-04 Various Capital Improvements	(6,520.55)
Ordinance 13-05 Renovations to Municipal Building	(7,457.42)
Ordinance 14-08 Various Capital Improvements	(107,579.24)
	<u>\$ -0-</u>

TOWNSHIP OF STILLWATER
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2013		2014 Authorizations		Paid or Charged	Cancelled to Capital Fund Balance	Balance December 31, 2014			
		Date	Amount	Funded	Unfunded	Funded by Various Sources	Deferred Charges to Future Taxation- Unfunded			Funded	Unfunded		
00-04	Rehabilitation of Local Income Housing	03/07/00	\$ 100,000.00	\$ 30,262.11						\$ 30,262.11			
02-02	Development of Property	05/21/02	150,000.00	5,105.81						5,105.81			
03-11	COAH Rehabilitation Project	07/01/03	100,000.00	18,367.61						18,367.61			
06-17	Pond Brook Park	08/15/06	36,548.00	16,303.08						16,303.08			
07-21	Police Computer	08/08/07	3,000.00	0.01						0.01			
08-02	Mill Brook Road	04/24/08	392,000.00		\$ 101,715.65			\$ 101,715.65					
11-04	Middleville Road Phase I	04/05/11	363,000.00		79,993.45			79,993.45					
11-10	PEOSHA Gear and Fire Truck Pump	06/14/11	105,000.00		26,640.44			23,405.20			\$ 3,235.24		
12-04	Various Capital Improvements	06/19/12	322,000.00		228,786.55			500.00	\$ 221,766.00		6,520.55		
13-05	Renovations to Municipal Building	07/16/13	250,000.00		15,253.13			7,795.71			7,457.42		
13-06	Purchase of Pickup Truck	07/16/13	33,650.00	194.76						194.76			
13-09	Purchase of Emergency Ambulance	07/16/13	160,000.00	4,582.30				60.00		4,522.30			
14-08	Various Capital Improvements	05/06/14	415,000.00			\$ 192,000.00	\$ 223,000.00	307,420.76			107,579.24		
14-09	Purchase of Two Dump Trucks	05/06/14	221,766.00			221,766.00		219,178.30		2,587.70			
14-10	Various Capital Improvements	05/06/14	193,300.00			193,300.00		114,976.42		78,323.58			
14-18	Middleville Road Phase II	10/21/14	15,000.00			15,000.00				15,000.00			
				<u>\$ 74,815.68</u>	<u>\$ 452,389.22</u>	<u>\$ 622,066.00</u>	<u>\$ 223,000.00</u>	<u>\$ 855,045.49</u>	<u>\$ 221,766.00</u>	<u>\$ 170,666.96</u>	<u>\$ 124,792.45</u>		
Ref.				C	C							C	C
Capital Improvement Fund								\$ 220,300.00					
Fund Balance								221,766.00					
New Jersey Department of Transportation Grant								180,000.00					
								<u>\$ 622,066.00</u>					
								Cash Disbursed	\$ 242,576.52				
								Contracts Payable	<u>612,468.97</u>				
									<u>\$ 855,045.49</u>				

TOWNSHIP OF STILLWATER
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 255,399.23
Increased by:		
Current Fund Budget Appropriation		25,000.00
		<u>280,399.23</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		220,300.00
		<u>220,300.00</u>
Balance December 31, 2014	C	<u>\$ 60,099.23</u>

TOWNSHIP OF STILLWATER
GENERAL CAPITAL FUND
SCHEDULE OF BONDS ANTICIPATION NOTES PAYABLE

Improvement Authorization	Original Note		Date of		Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Balance Dec. 31, 2014
	Date of Issue	Amount	Issue	Maturity					
Old Foundry Road	10/06/05	\$ 270,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	\$ 60,000.00	\$ 30,000.00	\$ 60,000.00	\$ 30,000.00
Mill Brook Road	10/01/09	230,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	148,000.00	111,000.00	148,000.00	111,000.00
Purchase of Ambulance	03/11/09	16,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	8,000.00	5,000.00	8,000.00	5,000.00
Mt Benevolence Road - Phase I	03/11/09	144,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	76,000.00	60,800.00	76,000.00	60,800.00
Mt Benevolence Road - Phase II	03/11/09	279,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	155,000.00	105,000.00	155,000.00	105,000.00
Middleville Road - Phase I	10/18/11	155,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	136,000.00	120,000.00	136,000.00	120,000.00
Purchase of Two Dump Trucks	09/29/12	133,600.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	111,500.00	93,900.00	111,500.00	93,900.00
Reconstruction of Balwin Gate Bridge	09/29/12	80,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	68,500.00	60,700.00	68,500.00	60,700.00
PEOSHA Gear and Fire Truck Pump	09/29/12	100,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	94,900.00	84,600.00	94,900.00	84,600.00
Various Improvements	09/26/13	306,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	306,000.00	286,000.00	306,000.00	286,000.00
Municipal Building Improvements	09/26/13	238,000.00	09/26/13 09/25/14	09/26/14 09/25/15	1.25% 0.95%	238,000.00	225,000.00	238,000.00	225,000.00
Various Improvements	05/06/14	238,000.00	09/25/14	09/25/15	0.95%		223,000.00		223,000.00
						<u>\$ 1,401,900.00</u>	<u>\$ 1,405,000.00</u>	<u>\$ 1,401,900.00</u>	<u>\$ 1,405,000.00</u>
					<u>Ref.</u>	<u>C</u>			<u>C</u>
	Renewed						\$ 1,182,000.00	\$ 1,182,000.00	
	Issued for Cash						223,000.00		
	Paid by Budget Appropriation							219,900.00	
							<u>\$ 1,405,000.00</u>	<u>\$ 1,401,900.00</u>	

TOWNSHIP OF STILLWATER
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

TOWNSHIP OF STILLWATER
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES TRUST LOAN
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

Ord. Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Funded by Budget Appropriation	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Balance Dec. 31, 2014
05-11	Old Foundry Road			\$ 30,000.00	\$ 30,000.00	\$ 60,000.00	
05-14	Dump Truck	\$ 39,510.00		39,510.00			
06-16	Purchase of Ambulance			3,000.00	5,000.00	8,000.00	
06-12	Mt Benevolence Road - Phase I			50,000.00	105,000.00	155,000.00	
07-12	Mt Benevolence Road - Phase II			37,000.00	111,000.00	148,000.00	
08-02	Mill Brook Road			15,200.00	60,800.00	76,000.00	
09-10	Purchase of Two Dump Trucks			17,600.00	93,900.00	111,500.00	
10-02	Reconstruction of Balwin Gate Bridge			7,800.00	60,700.00	68,500.00	
11-04	Middleville Road - Phase I			16,000.00	120,000.00	136,000.00	
11-10	PEOSHA Gear and Fire Truck Pump			10,300.00	84,600.00	94,900.00	
12-04	Various Capital Improvements			20,000.00	286,000.00	306,000.00	
13-05	Renovations to Municipal Building			13,000.00	225,000.00	238,000.00	
14-08	Middleville Road - Phase II		\$ 223,000.00		223,000.00		
		<u>\$ 39,510.00</u>	<u>\$ 223,000.00</u>	<u>\$ 259,410.00</u>	<u>\$ 1,405,000.00</u>	<u>\$ 1,401,900.00</u>	<u>\$ -0-</u>

TOWNSHIP OF STILLWATER

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

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

Federal Funding Department	Federal Program	CFDA #	Pass Through Entity ID	Project Name	Grant Period		Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures
					From	To				
U.S. Department of Transportation (Passed through New Jersey Department of Transportation)	State Highway Projects	20.205	6320-480-078-6320 ADA-TCAP-60102	Middleville Road - Phase II	01/01/14	12/31/15	\$ 180,000.00	\$ 135,000.00		
Total Department of Transportation								<u>135,000.00</u>		
TOTAL FEDERAL AWARDS								<u>\$135,000.00</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

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

Name of State Agency or Department	State Program	State Account No.	Grant Award	Amount Received	Grant Period		Amount of Expenditures		
					From	To	Year to Date	Cumulative	
Department of Environmental Protection	Clean Communities Program	765-042-4900- 004-6020	\$ 12,920.00		01/01/11	12/31/14	\$ 1,084.77	\$ 8,833.53	
			13,062.23	\$ 13,062.23	01/01/14	12/31/15	6,621.47	6,621.47	
				13,062.23			7,706.24	15,455.00	
	Sustainable Jersey Small Grant - Paulinskill Watershed Project	N/A	10,000.00	5,000.00	5,000.00	01/01/14	12/31/15	2,166.52	2,166.52
					5,000.00			2,166.52	2,166.52
	Recycling Tonnage Grants	752-042-4900- 001-6020	3,053.11	3,053.11		01/01/13	12/31/14	3,053.11	3,053.11
3,133.04				3,133.04	01/01/14	12/31/15			
				3,133.04			3,053.11	3,053.11	
Total Department of Environmental Protection				21,195.27			12,925.87	20,674.63	
Department of Treasury									
Passed Through Sussex County									
Governor's Council of Alcoholism and Drug Abuse	Municipal Alliance	200-475- 665120-60	4,362.00	4,073.20	06/30/13	06/30/14	1,468.30	2,903.80	
			6,543.00		06/30/14	06/30/15	3,860.69	3,860.69	
Total Department of Treasury				4,073.20			5,328.99	6,764.49	
Total State Awards				\$ 25,268.47			\$ 18,254.86	\$ 27,439.12	

N/A - Not Available

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

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

A. Basis of Presentation

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

B. Summary of Significant Accounting Policies

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

C. Relationship to Federal and State Financial Reports

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



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

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

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

Independent Auditors' Report

The Honorable Mayor and Members
 of the Township Committee
 Township of Stillwater
 Stillwater, 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 Stillwater, in the County of Sussex (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 March 25, 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.

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 Responses as Finding 2014-1, that we consider to be a significant deficiency.

The Honorable Mayor and Members
of the Township Committee
Township of Stillwater
Stillwater, New Jersey

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 Responses. 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
March 25, 2015

NISIVOCCIA LLP



Valerie A. Dolan
Registered Municipal Accountant No. 548
Certified Public Accountant

TOWNSHIP OF STILLWATER
SCHEDULE OF FINDINGS AND RESPONSES
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.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04 for the year ended December 31, 2014 as both state and federal grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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

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

Finding 2014-1

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 perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collection of taxes and permit and license fees; and recording of collections. Also, the Chief Financial Officer reconciles the bank accounts for the respective funds or accounts and the Finance Clerk disburses funds under the direction of the Chief Financial Officer. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, 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

The finding was evaluated, however due to budgetary constraints no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the Single Audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the Single Audit threshold.

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

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

TOWNSHIP OF STILLWATER

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF STILLWATER
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 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 the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) 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 fiscal 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 STILLWATER
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

On January 7, 2014 the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes charges:

BE IT RESOLVED by the Mayor and Committee of the Township of Stillwater, Sussex County, New Jersey, that the rate of interest charges on delinquent taxes in this Township shall be as follows:

On all delinquents to and including December 31, 2014, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2014 at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500, and the rate of 6% per annum for and upon any amount in excess of \$10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

BE IT RESOLVED, that the collector of the Township be and hereby directed to collect interest on all taxes accordingly.

Delinquent Taxes and Tax Title Liens

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>Tax Title Liens</u>
2014	80
2013	67
2012	63

It was noted that there are a large number of municipal liens held by the Township which continue to increase every year. 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.

It is recommended that:

1. The records for the Township liens be reviewed and measures be taken to collect or foreclose on the liens held by the Township.

TOWNSHIP OF STILLWATER
COMMENTS AND RECOMMENDATIONS
(Continued)

Delinquent Taxes and Tax Title Liens (Cont'd)

Management Response:

The Chief Financial Officer and Tax Collector will review all lien balances and begin to take measures to collect or foreclose on the liens held by the Township.

Technical Accounting Directives

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

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

The Township maintains an encumbrance accounting system, a fixed asset accounting and reporting system and a general ledger accounting system. The Township maintains a listing of current year additions to their fixed asset records; however, a cumulative listing of all the assets of the Township is not maintained.

It is recommended that the Township maintain a cumulative listing of the Township's fixed assets.

Management's Response

The fixed assets accounting and reporting records will be investigated to determine the feasibility of obtaining the cumulative record in 2015.

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>
Payment of 2014 Taxes	20
Payment of 2015 Taxes	20
Delinquent Taxes	15
Tax Title Liens	5

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2013 audit report. Corrective action was implemented regarding recommendations 2 and 5 during 2014. Recommendations 1, 3, 4, are included in the current year recommendations.

TOWNSHIP OF STILLWATER
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. The records for the Township liens be reviewed and measures be taken to collect or foreclose on the liens held by the Township.
3. The Township maintain a cumulative listing of the Township's fixed assets.

* * * * *