

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
REPORT OF AUDIT
2013

NISIVOCCIA, LLP
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF MENDHAM

COUNTY OF MORRIS

REPORT OF AUDIT

2013

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TOWNSHIP OF MENDHAM

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2013



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Mt. Arlington, NJ 07858
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11 Lawrence Road
Newton, NJ 07860
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Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 audit opinions.

The Honorable Mayor and Members
of the Township Committee
Township of Mendham
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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, 2013 and 2012, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

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

Qualified Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2014 on our consideration of the Township'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's internal control over financial reporting and compliance.

April 30, 2014
Mount Arlington, New Jersey

Visio, UP

Kathryn L. Mantell

Kathryn L. Mantell
Registered Municipal Accountant No. 447
Certified Public Accountant

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
CURRENT FUND

TOWNSHIP OF MENDHAM
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2013	2012
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 1,707,857.11	\$ 2,166,319.11
Change Fund		320.00	320.00
		<u>1,708,177.11</u>	<u>2,166,639.11</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	260,833.75	245,894.38
Tax Title Liens Receivable	A-8	38,920.18	28,763.70
Revenue Accounts Receivable	A-9	12,077.58	10,123.73
Due from Animal Control Fund	B	2,327.63	9.20
Due from General Capital Fund	C	29,319.84	
Due from Payroll Accounts		558.62	
Total Receivables and Other Assets		<u>344,037.60</u>	<u>284,791.01</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)		15,620.00	33,740.00
Total Deferred Charges		<u>15,620.00</u>	<u>33,740.00</u>
Total Regular Fund		<u>2,067,834.71</u>	<u>2,485,170.12</u>
Federal & State Grant Fund:			
Due from Current Fund	A	55,345.03	31,336.41
Grants Receivable	A-10	<u>12,935.39</u>	<u>7,935.39</u>
Total Federal and State Grant Fund		<u>68,280.42</u>	<u>39,271.80</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,136,115.13</u>	<u>\$ 2,524,441.92</u>

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

		December 31,	
	Ref.	2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 102,060.93	\$ 126,209.13
Unencumbered	A-3;A-11	160,203.35	87,887.63
		<u>262,264.28</u>	<u>214,096.76</u>
Other Encumbrances Payable		5,720.54	
Accounts Payable - Vendors		417.30	1,667.30
Prepaid Taxes		278,614.54	286,449.70
Local School Taxes Payable	A-12	103,069.00	
Due to State of New Jersey:			
Marriage Licenses			100.00
Department of Community Affairs Training Fees		2,805.00	3,080.00
Senior Citizens & Veterans Deductions		8,474.57	5,024.57
Due Federal & State Grant Fund	A	55,345.03	31,336.41
Due to Other Trust Funds	B	20,457.42	508,479.16
Due to General Capital Fund	C		20,338.43
Tax Overpayments		18,911.60	30,494.47
Tax Sale Premiums		66,600.00	152,200.00
Reserve for:			
Codification of Ordinances			4,098.00
Special Events Donation		2,000.00	2,000.00
Pending Tax Appeals		73,017.41	73,017.41
Environmental Commission		120.53	120.53
		<u>897,817.22</u>	<u>1,332,502.74</u>
Reserve for Receivables and Other Assets	A	344,037.60	284,791.01
Fund Balance	A-1	<u>825,979.89</u>	<u>867,876.37</u>
Total Regular Fund		<u>2,067,834.71</u>	<u>2,485,170.12</u>
Federal & State Grant Fund:			
Appropriated Reserves	A-14	51,863.71	9,337.86
Reserve for Encumbrances	A-14	4,318.40	
Unappropriated Reserves	A-15	12,098.31	29,933.94
Total Federal and State Grant Fund		<u>68,280.42</u>	<u>39,271.80</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,136,115.13</u>	<u>\$ 2,524,441.92</u>

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

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

		Year Ended December 31,	
	Ref.	2013	2012
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 798,631.00	\$ 763,643.00
Miscellaneous Revenue Anticipated		1,492,588.07	1,387,930.10
Receipts from:			
Delinquent Taxes		239,506.67	337,565.49
Current Taxes		36,209,794.27	35,967,260.71
Nonbudget Revenue		214,192.79	150,137.68
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		63,470.32	15,349.88
Cancellation of Due to State of New Jersey - Marriage License Fees			80.00
Interfunds Returned		9.20	45.65
Total Income		<u>39,018,192.32</u>	<u>38,622,012.51</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		8,053,020.42	7,777,622.39
County Taxes		4,917,812.59	4,922,852.88
Due County for Added and Omitted Taxes		5,479.43	7,797.19
Local School District Taxes		15,069,476.00	15,074,661.00
Regional High School Taxes		9,710,253.00	9,494,842.30
Municipal Open Space Trust Taxes		434,313.04	435,684.50
Prior Year Senior Citizens' and Veterans Deductions Disallowed		250.00	
Increase in Reserve for Pending Tax Appeals			28,000.00
Refund of Prior Year Taxes		38,647.23	5,802.00
Cancellation of Grants Receivable			6,454.79
Interfunds Advanced		32,206.09	9.20
Total Expenditures		<u>38,261,457.80</u>	<u>37,753,726.25</u>
Excess in Revenue		<u>756,734.52</u>	<u>868,286.26</u>
Statutory Excess to Fund Balance		756,734.52	868,286.26
<u>Fund Balance</u>			
Balance January 1		<u>867,876.37</u>	<u>763,233.11</u>
		1,624,610.89	1,631,519.37
Decreased by:			
Utilized as Anticipated Revenue		<u>798,631.00</u>	<u>763,643.00</u>
Balance December 31	A	\$ 825,979.89	\$ 867,876.37

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

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 798,631.00		\$ 798,631.00	
Miscellaneous Revenue:				
Alcoholic Beverages	2,580.00		2,580.00	
Fees and Permits	73,728.85		58,921.85	\$ 14,807.00 *
Municipal Court - Fines and Costs	104,904.23		112,218.64	7,314.41
Interest and Costs on Taxes	89,758.93		80,652.70	9,106.23 *
Interest on Investments and Deposits	6,940.79		7,907.90	967.11
Energy Receipts Tax	459,000.00		459,000.00	
Watershed Aid	28,059.00		28,059.00	
Uniform Construction Code Fees	183,452.00		162,266.20	21,185.80 *
Joint Municipal Court:				
Mendham Borough	122,350.00		104,392.47	17,957.53 *
Mendham Borough - Public Defender	2,000.00		2,000.00	
Recycling Tonnage Grant	5,000.00		5,000.00	
Alcohol Education Rehabilitation Fund - 2012	1,834.74		1,834.74	
Alcohol Education Rehabilitation Fund - 2013		\$ 3,958.10	3,958.10	
Body Armor Replacement Fund - 2012	1,725.92		1,725.92	
Body Armor Replacement Fund - 2013		893.85	893.85	
Over the Limit Under Arrest	4,400.00		4,400.00	
Reserve - Drunk Driving Enforcement Fund	14,763.28		14,763.28	
Reserve - Sustainable Jersey Grant	2,000.00		2,000.00	
Reserve - FEMA - OEM Grant	9,610.00		9,610.00	
Clean Communities Grant		19,391.87	19,391.87	
Drunk Driving Enforcement Fund		10,057.36	10,057.36	
Drive Sober or Get Pulled Over - 2013		4,371.32	4,371.32	
Reserve for Natural Area Maintenance	10,000.00		10,000.00	
Uniform Fire Safety Act	1,670.82		1,962.68	291.86
Rents on Municipal Properties	13,800.00		15,100.00	1,300.00
Recycling Rebates on Prior Year Collections	5,311.60		4,686.00	625.60 *
Annual CATV Gross Receipts	85,224.19		85,224.19	
Reserve to Pay Debt Service	75,000.00		75,000.00	
Reserve for Municipal Building	55,000.00		55,000.00	
FEMA Emergency Protective Measures	149,610.00		149,610.00	
	1,507,724.35	38,672.50	1,492,588.07	53,808.78 *
Receipts from Delinquent Taxes	254,855.23		239,506.67	15,348.56 *
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	6,412,801.90		7,022,460.21	609,658.31
Budget Totals	8,974,012.48	38,672.50	9,553,185.95	540,500.97
Nonbudget Revenue			214,192.79	214,192.79
	\$ 8,974,012.48	\$ 38,672.50	\$ 9,767,378.74	\$ 754,693.76

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
 (Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 36,209,794.27
Allocated to:		
Local School District Taxes	\$ 15,069,476.00	
Regional High School Taxes	9,710,253.00	
Municipal Open Space Taxes	434,313.04	
County Taxes	4,917,812.59	
Due County for Added and Omitted Taxes	<u>5,479.43</u>	
		<u>30,137,334.06</u>
Balance for Support of Municipal Budget		6,072,460.21
 Add: Appropriated Reserve for Uncollected Taxes		 <u>950,000.00</u>
 Realized for Support of Municipal Budget		 <u><u>\$ 7,022,460.21</u></u>

Uniform Construction Code Fees

Received by the Treasurer	\$ 166,133.00
Less: Refunded	<u>3,866.80</u>
	<u><u>\$ 162,266.20</u></u>

Fees and Permits

Clerk	\$ 1,004.82
Board of Health	33,595.00
Police	10,680.83
Planning and Zoning	3,290.00
Fire Inspection	5,260.00
Department of Public Works	1,858.50
Other	<u>3,232.70</u>
	<u><u>\$ 58,921.85</u></u>

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Analysis of Interest on Investments:

Treasurer	\$ 7,051.78
Due from Other Trust Funds	696.65
Due from General Capital Fund	70.09
Due from Payroll Accounts	89.38
	<hr/>
	\$ 7,907.90
	<hr/>

Analysis of Nonbudget Revenue:

Treasurer:

Senior Citizens' and Veterans Deductions Administrative Fee	\$ 550.00	
OPRA Requests Fees	2.25	
Division of Motor Vehicles - Fines	3,080.00	
Verizon Rebates	3,390.91	
FEMA Reimbursements:		
October 2011 Snow Storm	24,500.11	
Super Storm Sandy	177,468.73	
Prior Year Voided Checks	138.80	
Other Miscellaneous	2,504.13	
	<hr/>	
		\$ 211,634.93

Tax Collector 230.23

Due from Animal Control Fund:

Statutory Excess in Reserve for Animal Control Expenditures	2,327.63
	<hr/>
	\$ 214,192.79
	<hr/>

TOWNSHIP OF MENDHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 163,500.00	\$ 163,500.00	\$ 163,500.00		
Other Expenses	38,750.00	38,750.00	38,744.67	\$ 5.33	
Mayor and Council:					
Salaries & Wages	11,750.00	11,750.00	11,750.00		
Other Expenses	21,500.00	21,500.00	12,127.77	9,372.23	
Municipal Clerk:					
Salaries & Wages	52,000.00	52,000.00	52,000.00		
Other Expenses	500.00	500.00	500.00		
Financial Administration:					
Salaries & Wages	103,000.00	103,000.00	102,874.51	125.49	
Other Expenses	7,500.00	7,500.00	7,496.27	3.73	
Annual Audit	36,000.00	36,000.00	36,000.00		
Management Information Services:					
Other Expenses	40,500.00	40,500.00	38,926.25	1,573.75	
Revenue Administration (Tax Collection):					
Salaries & Wages	52,250.00	52,250.00	49,512.08	2,737.92	
Other Expenses	3,400.00	3,400.00	3,400.00		
Tax Assessment Administration:					
Salaries & Wages	38,250.00	41,850.00	41,848.42	1.58	
Other Expenses	7,400.00	7,400.00	7,331.77	68.23	
Legal Services and Costs:					
Other Expenses - General	39,000.00	39,000.00	35,448.12	3,551.88	
Other Expenses - Labor/Personnel	3,500.00	3,500.00	221.00	3,279.00	
Other Expenses - Tax Appeals	9,000.00	9,000.00	8,997.53	2.47	
Environmental Commission (R.S. 40:56A-1 et seq.):					
Other Expenses	500.00	500.00	500.00		

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
Engineering Services and Costs:					
Other Expenses	\$ 26,000.00	\$ 26,000.00	\$ 24,121.00	\$ 1,879.00	
Historic Preservation:					
Other Expenses	300.00	300.00	138.80	161.20	
Aid to Museums (N.J.S.A. 40:55D-1)	500.00	500.00	500.00		
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries & Wages	16,000.00	16,000.00	16,000.00		
Other Expenses	18,500.00	18,500.00	17,477.84	1,022.16	
Board of Adjustment:					
Salaries & Wages	16,000.00	16,000.00	16,000.00		
Other Expenses	4,200.00	4,200.00	1,642.36	2,557.64	
General Liability Insurance	123,094.41	120,094.41	120,067.49	26.92	
Workers Compensation Insurance	128,078.12	128,078.12	128,078.12		
Group Insurance Plan for Employees	556,000.00	556,000.00	555,995.60	4.40	
PUBLIC SAFETY:					
Police:					
Salaries & Wages	1,495,000.00	1,535,000.00	1,534,406.40	593.60	
Other Expenses	67,750.00	67,750.00	67,750.00		
Other Expenses - Purchase of Vehicles	30,000.00	30,000.00	30,000.00		
Municipal Court:					
Salaries & Wages	80,350.00	61,400.00	61,400.00		
Other Expenses	10,100.00	9,100.00	7,506.04	1,593.96	
Public Defender (P.L. 1997, Chapter 256):					
Other Expenses	2,000.00	2,000.00	2,000.00		

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC SAFETY (Cont'd):					
Municipal Prosecutor:					
Other Expenses	\$ 15,000.00	\$ 15,000.00	\$ 14,779.80	\$ 220.20	
Contractual Radio Dispatch	138,000.00	138,000.00	134,486.50	3,513.50	
Emergency Management Services:					
Salaries & Wages	12,253.00	12,253.00	12,253.00		
Other Expenses	500.00	500.00	135.00	365.00	
Aid to Volunteer Fire Company	100,012.00	100,012.00	96,609.00	3,403.00	
First Aid Organization Contribution	4,000.00	4,000.00	4,000.00		
Fire:					
Salaries & Wages	8,000.00	8,000.00	7,897.84	102.16	
Other Expenses	500.00	500.00	500.00		
Fire Hydrant Service	63,000.00	63,000.00	62,010.66	989.34	
PUBLIC WORKS:					
Street Road Repairs and Maintenance:					
Salaries & Wages	738,000.00	738,000.00	737,851.44	148.56	
Other Expenses	265,000.00	265,000.00	234,783.00	30,217.00	
Sanitation:					
Trash Removal	210,500.00	210,500.00	193,625.00	16,875.00	
Public Building and Grounds:					
Other Expenses	49,150.00	49,150.00	33,685.14	15,464.86	
Tree Protection:					
Other Expenses	500.00	500.00	112.50	387.50	
Snow Removal:					
Other Expenses	100,000.00	100,000.00	97,635.54	2,364.46	
Storm Water Management:					
Other Expenses	7,000.00	7,000.00	7,000.00		

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

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
HEALTH AND WELFARE:					
Board of Health:					
Salaries & Wages	\$ 20,000.00	\$ 15,000.00	\$ 13,541.23	\$ 1,458.77	
Other Expenses	7,500.00	7,500.00	6,462.72	1,037.28	
Health Services Contract	101,000.00	101,000.00	100,754.00	246.00	
Animal Control:					
Other Expenses	15,300.00	15,300.00	15,235.50	64.50	
Senior Citizen Programs:					
Other Expenses	22,153.00	22,153.00	20,540.74	1,612.26	
Other Expenses - From Donations	1,000.00	1,000.00	1,000.00		
PARKS AND RECREATION:					
Board of Recreation Commissioners:					
Salaries & Wages	41,000.00	41,000.00	36,516.16	4,483.84	
Celebration of Public Events:					
Other Expenses	2,000.00	2,000.00	2,000.00		
Maintenance of Parks:					
Other Expenses	17,250.00	17,250.00	14,975.58	2,274.42	
UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries & Wages	88,500.00	88,500.00	87,230.54	1,269.46	
Other Expenses	20,920.00	18,920.00	15,372.75	3,547.25	
Other Code Enforcement:					
Salaries & Wages	42,000.00	42,000.00	42,000.00		
UNCLASSIFIED:					
Reserve for Sick Leave Benefits	14,000.00	14,000.00		14,000.00	
Utilities	296,000.00	293,500.00	284,018.78	9,481.22	
Total Operations Within "CAPS"	5,602,210.53	5,613,360.53	5,471,274.46	142,086.07	

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

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Contingent	\$ 2,000.00				
Total Operations Including Contingent Within "CAPS"	5,604,210.53	\$ 5,613,360.53	\$ 5,471,274.46	\$ 142,086.07	
Detail:					
Salaries & Wages	2,991,853.00	3,011,503.00	2,986,581.62	24,921.38	
Other Expenses	2,612,357.53	2,601,857.53	2,484,692.84	117,164.69	
Statutory Expenditures - Municipal Within "CAPS"					
Contribution to Public Employees Retirement System (ERIP)	13,269.00	13,269.00	13,269.00		
Public Employees' Retirement System	164,077.51	164,077.51	164,077.51		
Social Security System (O.A.S.I.)	233,500.00	224,350.00	223,679.98	670.02	
Police & Fireman's Retirement System of NJ	315,702.00	315,702.00	315,702.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	726,548.51	717,398.51	716,728.49	670.02	
Total General Appropriations for Municipal Purposes Within "CAPS"	6,330,759.04	6,330,759.04	6,188,002.95	142,756.09	
Operations Excluded from "CAPS":					
Aid to Privately Owned Library (R.S. 40A:54-35):					
Other Expenses	215,000.00	215,000.00	215,000.00		
Contribution to :					
Length of Service Award	53,000.00	53,000.00	45,750.00	7,250.00	
Shared Service Agreements:					
Municipal Court:					
Other Expenses	122,350.00	122,350.00	112,152.74	10,197.26	
Public Defender (P.L. 1997, Chapter 256):					
Other Expenses	2,000.00	2,000.00	2,000.00		

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS": (Cont'd)					
State and Federal Programs Offset by Revenue:					
Over the Limit Under Arrest - 2013	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00		
Body Armor Replacement Fund - 2012	1,725.92	1,725.92	1,725.92		
Body Armor Replacement Fund - 2013 (N.J.S.A. 40A:4-87 + \$893.85)		893.85	893.85		
Clean Communities Program (N.J.S.A. 40A:4-87 + \$19,391.87)		19,391.87	19,391.87		
Recycling Tonnage Grant	5,000.00	5,000.00	5,000.00		
Drunk Driving Enforcement Fund	14,763.28	14,763.28	14,763.28		
Drunk Driving Enforcement Fund - 2013 (N.J.S.A. 40A:4-87 + \$10,057.36)		10,057.36	10,057.36		
Alcohol Rehabilitation Education Fund - 2012	1,834.74	1,834.74	1,834.74		
Alcohol Rehabilitation Education Fund - 2013 (N.J.S.A. 40A:4-87 + \$3,958.10)		3,958.10	3,958.10		
Municipal Alliance Grant - Matching Funds	2,500.00	2,500.00	2,500.00		
Sustainable Jersey Grant	2,000.00	2,000.00	2,000.00		
FEMA - OEM Grant	9,610.00	9,610.00	9,610.00		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 + \$4,371.32)		4,371.32	4,371.32		
Total Operations Excluded from "CAPS"	434,183.94	472,856.44	455,409.18	\$ 17,447.26	
Detail:					
Other Expenses	434,183.94	472,856.44	455,409.18	17,447.26	
Capital Improvements - Excluded form "CAPS"					
Capital Improvement Fund	137,350.00	137,350.00	137,350.00		
Total Capital Improvements - Excluded from "CAPS"	137,350.00	137,350.00	137,350.00		

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	\$ 669,000.00	\$ 669,000.00	\$ 669,000.00		
Payment of Bond Anticipation Notes and Capital Notes	84,667.00	84,667.00	75,003.00		\$ 9,664.00
Interest on Bonds	332,096.50	332,096.50	332,096.26		0.24
Interest on Notes	17,836.00	17,836.00	17,835.68		0.32
Total Municipal Debt Service - Excluded from "CAPS"	1,103,599.50	1,103,599.50	1,093,934.94		9,664.56
Deferred Charges - Municipal - Excluded from "CAPS":					
Special Emergency Authorization - 5 Years (N.J.S.A 40A:4-55)	18,120.00	18,120.00	18,120.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	18,120.00	18,120.00	18,120.00		
Total General Appropriations - Excluded from "CAPS"	1,693,253.44	1,731,925.94	1,704,814.12	\$ 17,447.26	\$ 9,664.56
Subtotal General Appropriations	8,024,012.48	8,062,684.98	7,892,817.07	160,203.35	9,664.56
Reserve for Uncollected Taxes	950,000.00	950,000.00	950,000.00		
Total General Appropriations	\$ 8,974,012.48	\$ 9,012,684.98	\$ 8,842,817.07	\$ 160,203.35	\$ 9,664.56

Ref.

A

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

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 8,974,012.48	
Added by N.J.S.A. 40A:4-87		<u>38,672.50</u>	
		<u>\$ 9,012,684.98</u>	
Cash Disbursed			\$ 7,819,956.79
Encumbrances Payable	A		102,060.93
Deferred Charges			18,120.00
Due to General Capital Fund			230,188.68
Reserve for Uncollected Taxes			950,000.00
Transfer to Appropriated Grant Reserves:			
Federal, State and Local Grants			78,006.44
Local Matching Funds			<u>2,500.00</u>
			9,200,832.84
Less: Appropriation Refunds			<u>358,015.77</u>
			<u>\$ 8,842,817.07</u>

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

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
TRUST FUNDS

TOWNSHIP OF MENDHAM
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

		December 31	
	<u>Ref.</u>	2013	2012
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 7,600.83	\$ 5,486.34
Change Fund		20.00	20.00
		<u>7,620.83</u>	<u>5,506.34</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,244,968.09	942,237.82
Cash - Petty Cash - Recreation		500.00	500.00
Investments - Zero Coupon Bonds		80,381.68	107,129.59
Due from Current Fund	A	20,457.42	508,479.16
		<u>1,346,307.19</u>	<u>1,558,346.57</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,353,928.02</u>	<u>\$ 1,563,852.91</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Prepaid Municipal Licenses		\$ 248.40	\$ 1,710.00
Due to Current Fund	A	2,327.63	9.20
Due to State of New Jersey		17.40	528.60
Reserve for Animal Control Fund Expenditures	B-6	5,027.40	3,258.54
		<u>7,620.83</u>	<u>5,506.34</u>
Other Trust Funds:			
Due to General Capital Fund	C	182,309.72	205,989.73
Reserve for:			
Developers' Deposits		319,376.48	379,043.96
State Unemployment Insurance		22,959.03	33,035.12
Recreation		114,362.75	96,009.73
Parking Offenses Adjudication Act		379.16	378.18
Open Space Preservation		501,695.90	632,438.82
Trail Maintenance		260.75	260.75
Road Detail		80,333.99	106,030.03
Public Defender		20,115.11	11,518.17
Snow Removal		12.54	12.54
Dodge Grant		490.05	490.05
Fishing Contest		4,008.77	1,000.52
Forfeited Assets		432.85	1,413.08
Municipal Alliance		4,537.67	4,719.73
Natural Area Maintenance		15,618.71	25,618.71
Police Donations		8,818.57	37,230.09
TV Operations/Programs		70,595.14	23,157.36
		<u>1,346,307.19</u>	<u>1,558,346.57</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 1,353,928.02</u>	<u>\$ 1,563,852.91</u>

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

TOWNSHIP OF MENDHAM
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

TOWNSHIP OF MENDHAM
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

NOT APPLICABLE

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

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
GENERAL CAPITAL FUND

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2013	2012
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 737,473.10	\$ 410,028.79
Accounts Receivable:			
New Jersey Department of Transportation		451,000.00	326,000.00
Homeland Security Grant		31,500.00	31,500.00
Mendham Soccer and Lacrosse Clubs		70,000.00	70,000.00
New Jersey Department of Environmental Protection -			
Board of Public Utilities (Energy Assistance)		50,148.12	161,117.51
Mendham Township First Aid Squad		47,000.00	
Due from Current Fund	A		20,338.43
Due from Other Trust Funds - Open Space	B	182,309.72	205,989.73
Deferred Charges to Future Taxation:			
Funded		11,957,223.41	12,938,123.37
Unfunded	C-4	4,351,568.96	3,851,564.96
<u>TOTAL ASSETS</u>		<u>\$ 17,878,223.31</u>	<u>\$ 18,014,662.79</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 4,217,000.00	3,716,000.00
Serial Bonds Payable	C-8	10,669,000.00	11,419,000.00
Green Acres Loan Payable	C-9	1,288,223.41	1,519,123.37
Improvement Authorizations:			
Funded	C-5	180,520.47	190,521.35
Unfunded	C-5	942,096.22	608,128.19
Due to Current Fund	A	29,319.84	
Capital Improvement Fund	C-6	7,247.65	7,247.65
Reserve for:			
Encumbrances Payable	C-5	88,647.10	
Preliminary Expenses - Appraisals		35.00	35.00
Recreation Improvements		7,000.00	7,000.00
Future Recreation Commission Center Complex		9,000.00	9,000.00
Road Improvements		300.00	300.00
Municipal Building Improvements		93,000.00	148,000.00
Municipal Facilities		190,000.00	190,000.00
Payment of Debt Service		107,682.73	182,682.73
Fund Balance	C-1	49,150.89	17,624.50
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 17,878,223.31</u>	<u>\$ 18,014,662.79</u>

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

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

	<u>Ref.</u>		
Balance December 31, 2012	C	\$	17,624.50
Increased by:			
Premium on Bond Anticipation Notes		\$	22,223.59
Fully Funded Improvement Authorizations Cancelled			<u>9,302.80</u>
			<u>31,526.39</u>
Balance December 31, 2013	C	\$	<u><u>49,150.89</u></u>

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

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
MENDHAM EAST SEWER UTILITY FUND

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2013	2012
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 83,716.30	\$ 87,367.25
Receivable with Full Reserve:			
Consumer Accounts Receivable and Liens	D-6	9,239.74	11,421.87
Due from Mendham West Sewer Utility Operating Fund	E	6,124.60	
Total Operating Fund		99,080.64	98,789.12
Capital Fund:			
Cash and Cash Equivalents	D-4	2,304.57	
Due from Mendham East Sewer Utility Operating Fund	D	39,158.50	36,219.21
Fixed Capital	D-10	3,507,993.12	3,491,715.89
Total Capital Fund		3,549,456.19	3,527,935.10
<u>TOTAL ASSETS</u>		<u>\$ 3,648,536.83</u>	<u>\$ 3,626,724.22</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-12	\$ 5,116.44	\$ 3,331.69
Encumbered	D-3;D-12	18,695.53	16,407.05
		23,811.97	19,738.74
Prepaid/Overpaid Sewer Rents		18.64	61.05
Accrued Interest on Loans		12,702.90	13,258.78
Due to Mendham East Sewer Utility Capital Fund	D	39,158.50	36,219.21
		75,692.01	69,277.78
Reserve for Receivables	D	9,239.74	11,421.87
Fund Balance	D-1	14,148.89	18,089.47
Total Operating Fund		99,080.64	98,789.12
Capital Fund:			
United States Department of Agriculture Loans Payable	D-18	1,118,163.75	1,133,127.32
Due to Mendham West Sewer Utility Capital Fund	E		1,756.14
Capital Improvement Fund	D-15	41,143.00	34,143.00
Reserve for Amortization	D-16	2,389,829.37	2,358,588.57
Fund Balance	D-1A	320.07	320.07
Total Capital Fund		3,549,456.19	3,527,935.10
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 3,648,536.83</u>	<u>\$ 3,626,724.22</u>

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

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2013	2012
<u>Revenue and Other Income Realized</u>			
Operating Surplus Anticipated		\$ 10,147.00	\$ 9,200.00
Rents		257,790.13	258,222.87
Miscellaneous Revenue		2,297.17	2,245.64
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		3,402.24	9,524.62
Total Income		273,636.54	279,193.13
<u>Expenditures</u>			
Budget Expenditures:			
Operating		180,110.00	163,200.00
Capital Improvements		23,500.00	25,160.00
Debt Service		63,820.12	71,548.32
Deferred Charges and Statutory Expenditures			3,281.00
Total Expenditures		267,430.12	263,189.32
Excess in Revenue/Statutory Excess to Fund Balance		6,206.42	16,003.81
<u>Fund Balance</u>			
Balance January 1		18,089.47	11,285.66
		24,295.89	27,289.47
Decreased by:			
Utilized as Anticipated Revenue		10,147.00	9,200.00
Balance December 31	D	\$ 14,148.89	\$ 18,089.47

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

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ <u>320.07</u>
Balance December 31, 2013	D	\$ <u><u>320.07</u></u>

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

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

	<u>Budget Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit*</u>
Fund Balance Anticipated	\$ 10,147.00	\$ 10,147.00	
Rents	255,608.00	257,790.13	\$ 2,182.13
Miscellaneous Revenue	<u>2,245.00</u>	<u>2,297.17</u>	<u>52.17</u>
	<u>\$ 268,000.00</u>	<u>\$ 270,234.30</u>	<u>\$ 2,234.30</u>

Analysis of Sewer Rents Realized:

Collections	\$ 257,729.08
Overpayments Applied	<u>61.05</u>
	<u>\$ 257,790.13</u>

Analysis of Miscellaneous Revenue

Interest on Sewer Rents	\$ 2,023.15
Interest on Deposits:	
Cash Received by Treasurer	244.52
Due from Mendham East Sewer Utility Capital Fund	<u>29.50</u>
	<u>\$ 2,297.17</u>

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

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balances Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Other Expenses	\$ 180,110.00	\$ 180,110.00	\$ 177,966.33	\$ 2,143.67	
Capital Improvements:					
Capital Improvement Fund	7,000.00	7,000.00	7,000.00		
Capital Outlay	16,500.00	16,500.00	13,527.23	2,972.77	
Debt Service:					
USDA Loan - Principal and Interest	64,390.00	64,390.00	63,820.12		\$ 569.88
	<u>\$ 268,000.00</u>	<u>\$ 268,000.00</u>	<u>\$ 262,313.68</u>	<u>\$ 5,116.44</u>	<u>\$ 569.88</u>
		<u>Ref.</u>		D	
Cash Disbursed			\$ 155,573.60		
Accrued Interest on Loans			48,856.55		
Due to Sewer Utility Capital Fund Mendham East			39,188.00		
Encumbrances Payable		D	18,695.53		
			<u>\$ 262,313.68</u>		

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

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
MENDHAM WEST SEWER UTILITY FUND

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>ASSETS</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2013</u>	<u>2012</u>
Operating Fund:			
Cash and Cash Equivalents	E-4		\$ 3,793.86
Receivable with Full Reserve:			
Consumer Accounts Receivable and Liens	E-6	\$ 3,490.07	3,161.60
Due Mendham West Sewer Utility Capital Fund	E	24,500.00	16,000.00
Deferred Charges:			
Expenditures Without an Appropriation			5,135.08
Total Operating Fund		27,990.07	28,090.54
Capital Fund:			
Cash and Cash Equivalents	E-4	24,500.00	38,743.86
Due Mendham East Sewer Utility Capital Fund	D		1,756.14
Fixed Capital	E-10	2,050,726.32	2,024,995.59
Total Capital Fund		2,075,226.32	2,065,495.59
<u>TOTAL ASSETS</u>		<u>\$ 2,103,216.39</u>	<u>\$ 2,093,586.13</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-12	\$ 4,712.43	\$ 1,503.85
Encumbered	E-3;E-12	6,832.00	8,625.83
		11,544.43	10,129.68
Prepaid/Overpaid Sewer Rents		11.32	2.44
Due Mendham East Sewer Utility Operating Fund	D	6,124.60	
		17,680.35	10,132.12
Reserve for Receivables	E	3,490.07	3,161.60
Fund Balance	E-1	6,819.65	14,796.82
Total Operating Fund		27,990.07	28,090.54
Capital Fund:			
Due Mendham West Sewer Utility Operating Fund	E	24,500.00	16,000.00
Reserve for Amortization	E-16	2,050,726.32	2,024,995.59
Reserve for Future Sewer Improvements			24,500.00
Total Capital Fund		2,075,226.32	2,065,495.59
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,103,216.39</u>	<u>\$ 2,093,586.13</u>

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

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS

		Year Ended December 31,	
	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>			
Operating Surplus Anticipated		\$ 9,661.00	
Rents		102,506.46	\$ 103,502.93
Reserve for Future Sewer Improvements		24,500.00	16,000.00
Miscellaneous Revenue		548.60	355.52
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,503.85	890.25
Total Income		<u>138,719.91</u>	<u>120,748.70</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		103,000.00	104,599.00
Capital Outlay		28,901.00	3,000.00
Deferred Charges		5,135.08	
Expenditures Without an Appropriation			5,135.08
Total Expenditures		<u>137,036.08</u>	<u>112,734.08</u>
Excess in Revenue		1,683.83	8,014.62
Adjustment to Excess Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			5,135.08
Statutory Excess to Fund Balance		1,683.83	13,149.70
<u>Fund Balance</u>			
Balance January 1		<u>14,796.82</u>	<u>1,647.12</u>
		16,480.65	14,796.82
Decreased by:			
Utilized as Anticipated Revenue		<u>9,661.00</u>	
Balance December 31	E	<u>\$ 6,819.65</u>	<u>\$ 14,796.82</u>

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

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

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

	Budget Anticipated	Realized	Excess/ Deficit*
Operating Surplus Anticipated	\$ 9,661.00	\$ 9,661.00	
Sewer Rents	102,876.00	102,506.46	\$ 369.54 *
Reserve for Future Sewer Improvements	24,500.00	24,500.00	
	137,037.00	136,667.46	369.54
Miscellaneous Revenue Not Anticipated		548.60	548.60
	\$ 137,037.00	\$ 137,216.06	\$ 179.06

Analysis of Sewer Rents Realized:

Collections	\$ 102,504.02
Prepaid/Overpaid Sewer Rents Applied	2.44
	\$ 102,506.46

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Delinquent Sewer Rents	\$ 548.60
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THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Other Expenses	\$ 103,000.00	\$ 103,000.00	\$ 101,457.84	\$ 1,542.16	
Capital Improvements:					
Capital Outlay	28,901.00	28,901.00	25,730.73	3,170.27	
Deferred Charges:					
Deficit in Operations in Prior Year					
Expenditures Without an Appropriation	<u>5,136.00</u>	<u>5,136.00</u>	<u>5,135.08</u>		\$ 0.92
	<u>\$ 137,037.00</u>	<u>\$ 137,037.00</u>	<u>\$ 132,323.65</u>	<u>\$ 4,712.43</u>	<u>\$ 0.92</u>

Ref.

E

	<u>Ref.</u>	
Cash Disbursed		\$ 120,356.57
Encumbrances	E	6,832.00
Deferred Charges		<u>5,135.08</u>
		<u>\$ 132,323.65</u>

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

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
GENERAL FIXED ASSETS ACCOUNT GROUP

UNAUDITED

TOWNSHIP OF MENDHAM
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
 (UNAUDITED)

	December 31,	
	2013	2012
<u>ASSETS</u>		
Land	\$ 27,290,692.00	\$ 27,290,692.00
Buildings and Improvements	1,798,860.05	1,798,860.05
Equipment	7,357,274.13	6,998,763.13
<u>TOTAL ASSETS</u>	<u>\$ 36,446,826.18</u>	<u>\$ 36,088,315.18</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 36,446,826.18</u>	<u>\$ 36,088,315.18</u>
<u>TOTAL RESERVES</u>	<u>\$ 36,446,826.18</u>	<u>\$ 36,088,315.18</u>

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

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Description of Funds

The accounting policies of the Township 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 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.

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

General Fixed Assets Account Group (Unaudited) - Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E - "Basis of Accounting".

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(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 budgeted 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 awarded; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Sewer Utility Capital Funds would be depreciated.

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

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded deferred charges represent improvement authorizations where permanent financing has been obtained. Unfunded deferred charges represent improvement authorizations where no or temporary financing has been obtained. A municipality can permanently finance unfunded deferred charges through budget appropriation, grant funds, or by issuing bonds, loans or 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 MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

E. Other significant accounting policies include:

General Fixed Assets (Unaudited) - In accordance with N.J.A.C. Accounting requirement, the Township has developed a fixed assets accounting and reporting system based on the following:

General fixed assets and buildings are recorded at estimated historical cost, except for land which is recorded at assessed value in the year of acquisition. 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, general capital fund, and sewer utility funds. 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.

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

F. Budget/Budgetary Control

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

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term 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.

Summary of Municipal Debt

	December 31,		
	2013	2012	2011
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$16,174,223.41	\$16,654,123.37	\$17,048,973.68
Mendham East Sewer Utility:			
Bonds, Notes and Loans	1,118,163.75	1,133,127.32	1,154,457.11
Net Debt Issued	<u>17,292,387.16</u>	<u>17,787,250.69</u>	<u>18,203,430.79</u>
<u>Less:</u>			
Funds Temporarily Held to Pay			
Bonds and Notes:			
Open Space Trust Fund	501,695.90	632,438.82	703,759.79
Reserve to Pay Debt Service -			
General Capital Fund	<u>107,682.73</u>	<u>182,682.73</u>	<u>193,182.73</u>
	<u>16,683,008.53</u>	<u>16,972,129.14</u>	<u>17,306,488.27</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	<u>134,568.96</u>	<u>135,564.96</u>	<u>25,964.96</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$16,817,577.49</u>	<u>\$17,107,694.10</u>	<u>\$17,332,453.23</u>

Summary of Statutory Debt Condition –Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Revised Annual Debt Statement and indicates a statutory net debt of .79%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 9,055,000.00	\$ 9,055,000.00	
Regional High School District Debt	4,400,091.57	4,400,091.57	
Mendham East Sewer Utility Debt	1,118,163.75	1,118,163.75	
General Debt	<u>16,308,792.37</u>	<u>609,378.63</u>	<u>\$ 15,699,413.74</u>
	<u>\$ 30,882,047.69</u>	<u>\$ 15,182,633.95</u>	<u>\$ 15,699,413.74</u>

Net Debt: \$15,699,413.74 divided by Average Equalized Valuations of \$1,954,090,625.67 of Real Property = .80%.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

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

3-1/2% Average Equalized Valuation of Real Property	\$ 69,443,171.90
Net Debt	<u>15,699,413.74</u>
Remaining Borrowing Power	<u>\$ 53,743,758.16</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 270,234.30
Deductions:	
Operating and Maintenance Costs	\$ 180,110.00
Debt Service	<u>63,820.12</u>
	<u>243,930.12</u>
Excess in Revenue	<u>\$ 26,304.18</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

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

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/11	Additions	Retirements	Balance 12/31/12
Serial Bonds:				
General Capital Fund	\$ 10,939,000.00		\$ 641,000.00	\$ 10,298,000.00
Open Space Trust Fund	1,200,000.00		79,000.00	1,121,000.00
Sewer Utility Capital Fund	7,000.00		7,000.00	
Bond Anticipation Notes:				
General Capital Fund	3,164,500.00	\$ 3,716,000.00	3,164,500.00	3,716,000.00
Loans Payable:				
General Capital Fund:				
Green Acres Loans	1,745,473.68		226,350.31	1,519,123.37
Sewer Utility Capital Fund:				
USDA Loans	<u>1,147,457.11</u>		<u>14,329.79</u>	<u>1,133,127.32</u>
	<u>\$ 18,203,430.79</u>	<u>\$ 3,716,000.00</u>	<u>\$ 4,132,180.10</u>	<u>\$ 17,787,250.69</u>

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Current Year

<u>Fund</u>	<u>Balance 12/31/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/13</u>
Serial Bonds:				
General Capital Fund	\$ 10,298,000.00		\$ 669,000.00	\$ 9,629,000.00
Open Space Trust Fund	1,121,000.00		81,000.00	1,040,000.00
Bond Anticipation Notes:				
General Capital Fund	3,716,000.00	\$ 4,217,000.00	3,716,000.00	4,217,000.00
Loans Payable:				
General Capital Fund:				
Green Acres Loans	1,519,123.37		230,899.96	1,288,223.41
Sewer Utility Capital Fund:				
USDA Loans	1,133,127.32		14,963.57	1,118,163.75
	<u>\$ 17,787,250.69</u>	<u>\$ 4,217,000.00</u>	<u>\$ 4,711,863.53</u>	<u>\$ 17,292,387.16</u>

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

General Capital Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
04/01/15	3.50%	\$ 699,000.00
02/01/24	3.00-3.75%	8,930,000.00
		<u>\$ 9,629,000.00</u>

Open Space Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
09/01/22	3.875-4.70%	\$ 570,000.00
02/01/24	3.00-3.75%	470,000.00
		<u>\$ 1,040,000.00</u>

General Capital Green Acres Loans Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
03/16/17	2.00%	\$ 105,252.63
07/21/17	2.00%	578,151.76
01/24/22	2.00%	362,891.42
01/24/22	2.00%	241,927.60
		<u>\$ 1,288,223.41</u>

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

General Capital Bond Anticipation Notes Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
05/22/14	1.00%	<u>\$ 4,217,000.00</u>

Mendham East - Sewer Utility Capital Fund
United States Department of Agriculture Loan Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
09/28/46	4.375%	<u>\$ 1,118,163.75</u>

Total Debt Issued and Outstanding	<u>\$ 17,292,387.16</u>
-----------------------------------	-------------------------

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

<u>Calendar Year</u>	<u>General Capital*</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 780,000.00	\$ 349,560.02	\$ 1,129,560.02
2015	809,000.00	323,408.78	1,132,408.78
2016	845,000.00	297,138.78	1,142,138.78
2017	885,000.00	270,473.78	1,155,473.78
2018	930,000.00	241,928.15	1,171,928.15
2019-2023	5,280,000.00	697,276.90	5,977,276.90
2024-2028	1,140,000.00	21,375.00	1,161,375.00
Total	<u>\$ 10,669,000.00</u>	<u>\$ 2,201,161.41</u>	<u>\$ 12,870,161.41</u>

* - Includes debt to be paid by the Open Space Trust Fund

Green Acres Loans Payable

On September 19, 1997, the Township entered into an agreement with the New Jersey Department of Environmental Protection Fund for a loan under the Green Acres program, in the aggregate amount of \$503,143, which represents a direct obligation of the Township. The loan agreements were obtained to finance the acquisition of open space property known as "Buttermilk Falls Property".

Principal payments on the Loan commenced on March 6, 1998, and will continue on an annual basis over 20 years at 2.00% interest. The Township will be responsible for all such interest and principal payments.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

Green Acres Loans Payable (Cont'd)

On April 19, 2002, the Township entered into three additional agreements with the New Jersey Department of Environmental Protection for loans under the Green Acres program, in the aggregate amount of \$3,200,000, which represent direct obligations of the Township. The loans were obtained to finance the acquisition of three open space properties known as "Buttermilk Falls Property" in the amount of \$1,950,000; "Seeing Eye Property" in the amount of \$750,000; and "Tompkins Property" in the amount of \$500,000.

Principal payments on the Loans commenced on January 24, 2003, and will continue on an annual basis over 20 years at 2.00% interest. The Township will be responsible for all such interest and principal payments.

United States Department of Agriculture Loan Payable

On September 28, 2006, the Township entered into an agreement with the United States Department of Agriculture, in the aggregate amount of \$1,210,500, which represents a direct obligation of the Township. The loan agreement was obtained to finance improvements to the Mendham East Sewer Utility system.

Principal payments on the Loan commenced on March 28, 2007, and will continue on an annual basis over 40 years at 4.375% interest. The Township will be responsible for all such interest and principal payments.

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

Calendar Year	General Capital		Mendham East Sewer Utility Capital		Total
	Green Acres Loans		USDA Loan		
	Principal	Interest	Principal	Interest	
2014	\$ 235,541.04	\$ 24,592.63	\$ 15,625.39	\$ 48,750.61	\$ 324,509.67
2015	240,275.42	19,858.23	16,316.48	48,059.53	324,509.66
2016	245,104.96	15,028.71	17,038.13	47,337.86	324,509.66
2017	234,388.06	10,102.09	17,791.71	46,584.29	308,866.15
2018	71,426.05	6,302.94	18,578.60	45,797.40	142,104.99
2019-2023	261,487.88	10,563.58	105,969.98	215,910.02	593,931.46
2024-2028			131,571.12	190,308.88	321,880.00
2029-2033			163,357.22	158,522.78	321,880.00
2034-2038			202,822.48	119,057.52	321,880.00
2039-2043			251,822.08	70,057.92	321,880.00
2044-2046			177,270.56	13,702.06	190,972.62
Total	\$1,288,223.41	\$ 86,448.18	\$1,118,163.75	\$1,004,088.87	\$3,496,924.21

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 3: Fund Balances Appropriated

Fund balance at December 31, 2013, which is appropriated and included in the Current Fund and the Sewer Utility Operating Funds' budgets for the year ending December 31, 2014, is as follows:

Current Fund	\$ 810,359.00
Mendham East Sewer Utility Fund	7,913.00
Mendham West Sewer Utility Fund	6,819.00

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2013, the following deferred charge is shown on the Township's balance sheets:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Required</u> <u>2014 Budget</u> <u>Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$ 15,620.00	\$ 15,620.00

The appropriation in the 2014 Current Fund budget is not less than that required by statute.

Note 5: Local 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 has not elected to defer school taxes.

Note 6: Pension Plans

Township employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey. The State of New Jersey sponsors and administers these two plans which cover substantially all Township employees. As a general rule, all full-time employees are eligible to join one of these two public employees' retirement systems.

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

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

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 6: Pension Plans (Cont'd)

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

The Township's contributions to PFRS amounted to \$315,702.00, \$332,540.00 and \$374,370.00 for 2013, 2012 and 2011, respectively. The Township's contributions to PERS amounted to \$164,077.51, \$207,576.51 and \$191,021.00 for 2013, 2012 and 2011, respectively.

The Township also made contributions of \$13,269.00, \$12,549.00 and \$12,066.00 in 2013, 2012 and 2011, respectively, to PERS related to the Early Retirement Incentive Program elected by the Township.

Note 7: Accrued Sick Benefits

The Township permits employees to accrue a limited amount of unused 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 \$79,281 at December 31, 2013. This amount is not reported either as 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.

Note 8: Selected Tax Information

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

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 8: Selected Tax Information (Cont'd)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	\$ 1.938	\$ 1.918	\$ 1.901
<u>Apportionment of Tax Rate</u>			
Municipal	0.362	0.357	0.357
County	0.262	0.262	0.261
Local School	0.799	0.797	0.797
Regional High School	0.515	0.502	0.486
<u>Assessed Valuations</u>			
2013	\$ 1,886,227,802		
2012		\$ 1,890,259,447	
2011			\$ 1,889,924,347

Comparison of Tax Levies and Collections Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$ 36,595,611.88	\$ 36,209,794.27	98.94%
2012	36,312,255.27	35,967,260.71	99.04%
2011	36,065,039.59	35,626,627.83	98.78%

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

Note 9: Cash and Cash Equivalents

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

Investments 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.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

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.

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.

Deposits:

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

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

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

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;

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

Investments (Cont'd)

- (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.

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

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Money Market</u>	<u>Totals</u>
Current	\$ 320.00	\$ 1,707,857.11		\$ 1,708,177.11
Animal Control	20.00	7,600.83		7,620.83
Other Trust	500.00	1,050,369.17	\$ 194,598.92	1,245,468.09
General Capital		737,473.10		737,473.10
Sewer Utility:				
Operating - East		83,716.30		83,716.30
Capital - East		2,304.57		2,304.57
Capital - West		24,500.00		24,500.00
	<u>\$ 840.00</u>	<u>\$ 3,613,821.08</u>	<u>\$ 194,598.92</u>	<u>\$ 3,809,260.00</u>

During the period ended December 31, 2013, the Township held one investment. The carrying amount of the Township's cash and cash equivalents at December 31, 2013, was \$3,809,260.00 and the bank balance was \$3,909,011.47.

Investments - Zero Coupon Bonds

On October 30, 2000, the Township received a donation of various investments from the New Jersey Conservation Foundation. The contributions are to be used to pay a portion of the debt service for the acquisition of land for open space. The zero coupon bonds have been included in the Other Trust Funds at their fair market value of \$80,381.68 at December 31, 2013 and \$107,129.59 at December 31, 2012.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 10: 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 to employees through the State of New Jersey health benefits plan.

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

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

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

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

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. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The December 31, 2013 audit report of the Morris County Municipal Joint Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2012 is as follows:

Total Assets	<u>\$ 23,194,903</u>
Net Position	<u>\$ 9,573,823</u>
Total Revenue	<u>\$ 14,823,626</u>
Total Expenses	<u>\$ 17,170,545</u>
Change in Net Position	<u>\$ (2,346,919)</u>
Members Dividends	<u>\$ -0-</u>

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

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

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 10: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ -0-	\$ 4,374.42	\$ 54.54	\$ 14,505.05	\$ 22,959.03
2012	-0-	4,165.08	66.85	9,408.36	33,035.12
2011	788.13	3,646.49	193.38	22,764.37	38,211.55

Note 11: Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 31,647.47	\$ 75,802.45
Federal and State Grant	55,345.03	
Other Trust	20,457.42	182,309.72
Animal Control		2,327.63
General Capital	182,309.72	29,319.84
Sewer Utility Operating - Mendham East	6,124.60	39,158.50
Sewer Utility Capital - Mendham East	39,158.50	
Sewer Utility Operating - Mendham West	24,500.00	6,124.60
Sewer Utility Capital - Mendham West		24,500.00
	<u>\$ 359,542.74</u>	<u>\$ 359,542.74</u>

The interfund receivable in the Federal and State Grant Fund represents the net of Federal and State grant expenditures paid and grant receipts collected by the Current Fund. The interfund receivable in the Other Trust Funds comprises of prior year interfund receivable, 2013 open space tax levy due from the Current Fund and Other Trust Funds receipts collected in the Current Fund; net of interest due to the Current Fund, interfund advanced to the Other Trust Funds from the Current Fund, Other Trust Funds expenditures paid by the Current Fund and Reserve for Natural Area Maintenance anticipated as revenue in the Current Fund. The interfund payable in the Other Trust Funds represents open space expenditure paid by the General Capital Fund. The interfund payable in the Animal Control Fund is the statutory excess in the Reserve for Animal Control Expenditures due to the Current Fund.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 11: Interfund Receivables and Payables (Cont'd)

The interfund payable in the General Capital Fund represents current year interest due to the Current Fund, Reserve for Payment of Debt Service and Reserve for Municipal Building Improvement anticipated as Current Fund revenue due to the Current Fund and interfund advanced from the Current Fund; offset by General Capital Fund receipts collected in the Current Fund, appropriation in the Current Fund budget for Capital Improvement Fund due to the General Capital Fund and General Capital Fund expenditures paid by the Current Fund.

The interfund receivable in the Mendham East Sewer Utility Operating Fund is interfund advanced to the Mendham West Sewer Utility Operating Fund.

The interfund payable in the Mendham East Sewer Utility Operating Fund represents appropriation in the Mendham East Sewer Utility Operating Fund budget for Capital Improvement Fund due to the Mendham East Sewer Utility Capital Fund and Mendham East Sewer Utility Operating Fund expenditures paid by the Mendham East Sewer Utility Capital Fund; net of interest earned in the Mendham East Sewer Utility Capital Fund due to the Mendham East Sewer Utility Operating Fund.

The interfund receivable in the Mendham West Sewer Utility Operating Fund is the Reserve for Future Sewer Improvements in the Mendham West Sewer Utility Capital Fund anticipated as revenue in the Mendham East Sewer Utility Operating Fund.

Note 12: 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.

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.

Various tax appeals have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals has not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has recorded a reserve for pending tax appeals as of December 31, 2013 in the amount of \$73,017.41 and feels that amount is adequate to fund any potential reductions in assessments and taxes.

Note 13: Open Space Trust Fund

On November 2, 1993, the Township created an Open Space Trust Fund with a tax levy of up to \$.045 per \$100 of assessed valuation. The funds collected are used to acquire and maintain open space property in the Township. As of December 31, 2013, the balance in the Open Space Trust Fund was \$501,695.90 which consists of \$421,314.22 from local sources and \$80,381.68 from a donation from the NJ Conservation Foundation.

TOWNSHIP OF MENDHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 14: Economic Dependency

The Township of Mendham 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 programs and activities.

Note 15: Deferred Compensation Plans

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

Note 16: Fixed Assets (Unaudited)

The following is a summarization of general fixed assets for the years ended December 31, 2012 and 2013:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Land	\$ 27,290,692.00			\$ 27,290,692.00
Building and Improvements	1,798,860.05			1,798,860.05
Equipment	6,856,256.00	\$ 172,938.58	\$ 30,431.45	6,998,763.13
	<u>\$ 35,945,808.05</u>	<u>\$ 172,938.58</u>	<u>\$ 30,431.45</u>	<u>\$ 36,088,315.18</u>
	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
Land	\$ 27,290,692.00			\$ 27,290,692.00
Building and Improvements	1,798,860.05			1,798,860.05
Equipment	6,998,763.13	\$ 396,802.00	\$ 38,291.00	7,357,274.13
	<u>\$ 36,088,315.18</u>	<u>\$ 396,802.00</u>	<u>\$ 38,291.00</u>	<u>\$ 36,446,826.18</u>

TOWNSHIP OF MENDHAM

SUPPLEMENTARY DATA

TOWNSHIP OF MENDHAM
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2013

Name	Title	Amount of Bond	Name of Corporate Surety
Richard Merkt	Mayor		
Maribeth Thomas	Deputy Mayor		
Chris Baumann	Committee Member		
Samuel K. Tolley	Committee Member		
Robert O. Strobel	Committee Member		
Stephen P. Mountain	Township Administrator	(1)	
Timothy B. Day	Chief Financial Officer	\$ 1,000,000.00	Municipal Excess Liability/ Morris County Municipal JIF
Marie Kenia (To 02/01/13); Donna Cummins (From 03/01/13)	Tax Collector, Utility Collector and Tax Search Officer	1,000,000.00	Municipal Excess Liability/ Morris County Municipal JIF
Kathleen Potter	Township Clerk, Assessment/Subdivision Searcher, Registrar of Vital Statistics	(1)	
David H. Read, Sr.	Superintendent of Public Works	(1)	
John M. Mills, III	Township Attorney		
Peter Fico	Township Prosecutor		
Gary F. Troxell	Magistrate/Court Judge	(1)	
Lisa Conover	Court Administrator/Violations Clerk	(1)	
Susan Piscitello	Deputy Court Administrator	(1)	
Russ Heiney	Construction Code Official/Fire Official - Acting	(1)	
Scott Holzhauer	Township Tax Assessor	(1)	
Paul Ferriero & John Hansen	Township Engineers		
Steve Crawford	Police Chief	(1)	
Peter Staples	Fire Chief	(1)	
Lori Dent	Recreation Director	(1)	

All bonds were examined and were properly executed.

(1) All employees, who are not specifically bonded, are covered under \$ 950,000 and \$50,000 Faithful Performance Blanket Bonds with the Municipal Excess Liability Joint Insurance Fund and Morris County Municipal Joint Insurance Fund, respectively.

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
CURRENT FUND

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF CASH - TREASURER

Balance December 31, 2012	<u>Ref.</u> A	\$ 2,166,319.11
Increased by Receipts:		
Tax Collector		\$ 36,649,832.73
Revenue Accounts Receivable		1,189,887.83
Interest on Investments		7,051.78
Miscellaneous Revenue Not Anticipated		211,634.93
Due Federal and State Grant Fund:		
Grant Receivable		43,072.50
Unappropriated Reserves		12,098.31
Appropriated Grant Reserves Refunds		16,890.00
Animal Control Fund:		
Prior Year Interfunds Returned		9.20
Due Other Trust Funds:		
Interfunds Advanced:		
Road Detail Receipts Collected in Current Fund		680.00
Recreation Receipts Collected in Current Fund		250.00
Due General Capital Fund:		
General Capital Fund Receipts Collected in Current Fund		500.00
Due to the State of New Jersey:		
Marriage License Fees		275.00
DCA Training Fees		12,701.00
Veterans and Senior Citizens' Deductions		27,500.00
Appropriation Refunds		358,015.77
Appropriation Reserve Refunds		24,614.27
		<hr/>
		38,555,013.32
		<hr/> 40,721,332.43

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF CASH - TREASURER
(Continued)

	<u>Ref.</u>	
Decreased by Disbursements:		
2013 Appropriation Expenditures	\$ 7,819,956.79	
2012 Appropriation Reserves	175,240.71	
Regional High School Taxes	9,710,253.00	
Local School Taxes	14,966,407.00	
County Taxes	4,923,292.02	
Accounts Payable	1,250.00	
Due Other Trust Funds:		
Open Space Trust Fund:		
Interfund Advanced	568,245.60	
Payment on Behalf of Open Space Trust	340,346.41	
Road Detail - Payment on Behalf of Road Detail Trust	3,526.12	
Recreation - Payment on Behalf of Recreation Trust	450.00	
Due General Capital Fund:		
Prior Year Interfunds Returned	20,338.43	
Interfund Advanced	129,938.43	
Due from Payroll:		
Interfund Advanced	469.24	
Tax Overpayments	71,379.82	
Due to the State of New Jersey:		
Marriage License Fees	250.00	
DCA Training Fees	12,976.00	
Third Party Tax Title Liens	86,391.53	
Tax Sale Premiums	85,600.00	
Refund of Prior Year Taxes	38,647.23	
Reserve for Codification of Ordinance	4,098.00	
Refund of Uniform Construction Code Fees	3,866.80	
Due Federal and State Grant Fund:		
Appropriated Grant Reserves	50,552.19	
	<u>50,552.19</u>	
		<u>\$ 39,013,475.32</u>
Balance December 31, 2013	A	<u>\$ 1,707,857.11</u>

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by Receipts:

Taxes Receivable	\$ 36,111,833.55
2014 Prepaid Taxes	278,614.54
Interest and Costs on Taxes	80,652.70
Tax Overpayments	92,110.18
Third Party Tax Liens	86,391.53
Other Miscellaneous	230.23
	<hr/>
	36,649,832.73

Decreased by:

Paid to Treasurer	<u>\$ 36,649,832.73</u>
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TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

Year	Balance	2013 Levy	Collections		Overpayments Applied	NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2012		2012	2013					Dec. 31, 2013
2012	\$ 245,894.38			\$ 239,506.67		\$ (250.00)	\$ 1,637.49	\$ 4,491.95	\$ 508.27
2013		\$ 36,595,611.88	\$ 286,449.70	35,872,326.88	\$ 26,717.69	24,300.00	120,957.21	4,534.92	260,325.48
	<u>\$ 245,894.38</u>	<u>\$ 36,595,611.88</u>	<u>\$ 286,449.70</u>	<u>\$36,111,833.55</u>	<u>\$ 26,717.69</u>	<u>\$ 24,050.00</u>	<u>\$ 122,594.70</u>	<u>\$ 9,026.87</u>	<u>\$ 260,833.75</u>

Ref. A

A

Analysis of 2013 Property Tax Levy

Tax Yield:

General Purpose Tax	\$36,555,094.84	
Added, Omitted & Rollback Taxes	<u>40,517.04</u>	
		<u>\$36,595,611.88</u>

Tax Levy:

Local School District Taxes		\$15,069,476.00
Regional High School District Taxes		9,710,253.00
County Taxes	\$ 4,917,812.59	
Due County for Added and Omitted Taxes	<u>5,479.43</u>	
		4,923,292.02

Due Other Trust Funds:

Local Tax for Open Space	433,832.00	
Additional Taxes Levied	<u>481.04</u>	
		434,313.04
		<u>30,137,334.06</u>

Local Tax for Municipal Purposes Levied	6,412,801.90	
Additional Taxes Levied	<u>45,475.92</u>	
		6,458,277.82
		<u>\$36,595,611.88</u>

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 28,763.70
Increased by:		
Transfer from Taxes Receivable		\$ 9,026.87
Interest and Costs Accrued at Tax Sale		<u>1,129.61</u>
		<u>10,156.48</u>
Balance December 31, 2013	A	<u>\$ 38,920.18</u>

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2012	Accrued	Collected	Balance Dec. 31, 2013
Licenses:				
Alcoholic Beverage Licenses		\$ 2,580.00	\$ 2,580.00	
Fees and Permits		58,921.85	58,921.85	
Municipal Court:				
Fines and Costs	\$ 10,123.73	114,172.49	112,218.64	\$ 12,077.58
Energy Tax Receipts		459,000.00	459,000.00	
Watershed Aid		28,059.00	28,059.00	
Uniform Construction Code Fees		166,133.00	166,133.00	
Shared Service Agreement:				
Joint Municipal Court:				
Mendham Borough		104,392.47	104,392.47	
Mendham Borough - Public Defender		2,000.00	2,000.00	
Reserve for Natural Area Maintenance		10,000.00	10,000.00	
Uniform Fire Safety Act		1,962.68	1,962.68	
Rents on Municipal Properties		15,100.00	15,100.00	
Recycling Rebates on Prior Year Collections		4,686.00	4,686.00	
Annual CATV Gross Receipts		85,224.19	85,224.19	
Reserve to Pay Debt Service		75,000.00	75,000.00	
Reserve for Municipal Building		55,000.00	55,000.00	
FEMA Emergency Protective Measures		149,610.00	149,610.00	
	<u>\$ 10,123.73</u>	<u>\$ 1,331,841.68</u>	<u>\$ 1,329,887.83</u>	<u>\$ 12,077.58</u>

Ref.

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Cash Received	\$ 1,189,887.83
Due from Other Trust Funds	10,000.00
Due from General Capital Fund	<u>130,000.00</u>
	<u>\$ 1,329,887.83</u>

TOWNSHIP OF MENDHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2012	Budget Revenue Realized	Cash Received	Transferred From Unappropriated Reserves	Balance Dec. 31, 2013
Clean Communities Grant - 2013		\$ 19,391.87	\$ 19,391.87		
Body Armor Replacement Fund:					
2012		1,725.92		\$ 1,725.92	
2013		893.85	893.85		
Federal Highway Administration Trail Grant	\$ 2,600.00				\$ 2,600.00
Alcohol Education Rehabilitation Fund:					
2012		1,834.74		1,834.74	
2013		3,958.10	3,958.10		
Recycling Tonnage Grant:					
2012	105.72				105.72
2013		5,000.00			5,000.00
Drunk Driving Enforcement Fund Grant:					
2010		860.25		860.25	
2011		5,224.91		5,224.91	
2012		8,678.12		8,678.12	
2013		10,057.36	10,057.36		
NJ Division of Highway Traffic Safety:					
Over the Limit Under Arrest Grant:					
2011	817.88				817.88
2013		4,400.00	4,400.00		
Drive Sober or Get Pulled Over - 2013		4,371.32	4,371.32		
NJ Highlands Water Protection & Planning Council:					
Initial Assessment Grant	4,411.79				4,411.79
Federal Emergency Management Agency		9,610.00		9,610.00	
New Jersey Sustainable Energy - 2012		2,000.00		2,000.00	
	<u>\$ 7,935.39</u>	<u>\$ 78,006.44</u>	<u>\$ 43,072.50</u>	<u>\$ 29,933.94</u>	<u>\$ 12,935.39</u>

Ref.

A

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TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Administration:				
Salaries & Wages	\$ 10.59	\$ 10.59		\$ 10.59
Other Expenses	2,290.83	2,290.83	\$ 1,354.60	936.23
Mayor and Council:				
Other Expenses	570.47	570.47	476.51	93.96
Municipal Clerk:				
Other Expenses	92.75	92.75		92.75
Financial Administration:				
Other Expenses	348.62	348.62	348.62	
Management Information Services:				
Other Expenses	2,266.16	2,266.16	835.43	1,430.73
Revenue Administration (Tax Collection):				
Other Expenses	487.42	487.42	21.01	466.41
Tax Assessment Administration:				
Salaries & Wages	4.91	4.91		4.91
Other Expenses	809.76	809.76	808.85	0.91
Legal Services and Costs:				
Other Expenses - General	841.07	841.07	841.07	
Other Expenses - Labor/Personnel	754.33	754.33	754.33	
Engineering Services and Costs:				
Other Expenses	2,864.09	2,864.09	1,062.50	1,801.59
Open Space Committee:				
Other Expenses	200.00	200.00		200.00
Historical Preservation:				
Other Expenses	561.20	561.20		561.20
Municipal Land Use Law:				
Planning Board:				
Other Expenses	4,029.12	4,029.12	3,469.00	560.12
Board of Adjustment:				
Other Expenses	591.58	591.58	51.12	540.46
General Liability Insurance	29.56	29.56		29.56
Group Insurance Plan for Employees	111.51	111.51		111.51
Fire:				
Fire Hydrant Services	5,419.23	5,419.23	5,419.23	
Other Expenses	500.00	500.00	382.15	117.85
Prosecutor:				
Other Expenses	220.20	220.20		220.20
Contractual Radio Dispatch	5.47	5.47	5.47	
Municipal Court:				
Other Expenses	2,754.43	2,754.43	645.70	2,108.73
Police:				
Salaries & Wages	1.64	1.64		1.64
Other Expenses	13,987.26	13,987.26	13,702.93	284.33
Other Expenses - Purchase of Vehicles	15.68	15.68		15.68
Aid to Volunteer Fire Company	2,253.75	2,253.75	2,253.75	

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

(Continued)

	Balance Dec. 31, 2012	Balance After Modification	Paid or Charged	Balance Lapsed
Emergency Management Services:				
Other Expenses	\$ 370.00	\$ 370.00	\$ 370.00	
Street and Road Repairs and Maintenance:				
Salaries & Wages	2,619.98	2,619.98	2,500.00	\$ 119.98
Other Expenses	58,757.87	58,757.87	33,079.72	25,678.15
Sanitation - Trash Removal:				
Other Expenses	7,370.12	7,370.12	6,975.00	395.12
Public Building and Grounds:				
Other Expenses	9,226.04	9,226.04	5,008.61	4,217.43
Snow Removal:				
Other Expenses	26,833.67	26,833.67	22,987.22	3,846.45
Board of Health:				
Other Expenses	345.46	345.46	289.99	55.47
Health Services Contract	252.00	252.00		252.00
Animal Control				
Other Expenses	336.00	336.00		336.00
Senior Citizen Programs:				
Other Expenses	1,614.36	1,614.36	1,591.48	22.88
Board of Recreation Commissioners:				
Salaries & Wages	3,882.93	3,882.93	3,882.93	
Maintenance of Parks:				
Other Expenses	28.23	28.23		28.23
Construction Code Official:				
Other Expenses	1,621.89	1,621.89	1,621.79	0.10
Unclassified:				
Reserve for Sick Leave Benefits	9,000.00	9,000.00		9,000.00
Length of Service Award Program	10,600.00	10,600.00	10,600.00	
Utilities	34,661.36	34,661.36	26,787.43	7,873.93
Contributions to:				
Public Employee's Retirement System	6.49	6.49		6.49
Social Security System (O.A.S.I.)	2,008.73	2,008.73		2,008.73
Shared Service Agreement:				
Municipal Court - O&E Borough Share	2,540.00	2,540.00	2,500.00	40.00
	<u>\$ 214,096.76</u>	<u>\$ 214,096.76</u>	<u>\$ 150,626.44</u>	<u>\$ 63,470.32</u>

Balance December 31, 2012:

Ref.

Unencumbered	A	\$ 87,887.63
Encumbered	A	126,209.13
		<u>\$ 214,096.76</u>

Cash Disbursed
Less: Refunds

\$ 175,240.71
(24,614.27)
\$ 150,626.44

TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Ref.

Increased by:

Levy - Calendar Year 2013		\$ 15,069,476.00
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Decreased by:

Payments to Local School District		14,966,407.00
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Balance at December 31, 2013

	A	\$ 103,069.00
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TOWNSHIP OF MENDHAM
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Ref.

Increased by:

Levy - Calendar Year 2013		\$ 9,710,253.00
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Decreased by:

Payments to Regional School District		\$ 9,710,253.00
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TOWNSHIP OF MENDHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES - FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2012	Transferred from 2013 Budget Appropriations	Expended	Encumbrances Payable	Balance Dec. 31, 2013
Clean Communities Grant - 2013		\$ 19,391.87	\$ 17,272.32	\$ 2,119.55	
Recycling Tonnage Grant:					
2012	\$ 4,886.78		750.00		\$ 4,136.78
2013		5,000.00			5,000.00
Body Armor Replacement Fund:					
2011	597.12		597.12		
2012		1,725.92	1,190.58		535.34
2013		893.85		893.85	
Alcohol Rehabilitation Fund:					
2011	1,353.96				1,353.96
2012		1,834.74			1,834.74
2013		3,958.10	2,450.00	1,150.00	358.10
Drunk Driving Enforcement Grant:					
2010		860.25			860.25
2011		5,224.91			5,224.91
2012		8,678.12			8,678.12
2013		10,057.36	4,502.17	155.00	5,400.19
NJ Division of Highway Traffic Safety:					
Over the Limit Under Arrest Grant - 2013		4,400.00	4,400.00		
Drive Sober or Get Pulled Over - 2013		4,371.32			4,371.32
Municipal Alliance Grant - Matching Funds:					
2012	2,500.00				2,500.00
2013		2,500.00	2,500.00		
New Jersey Sustainable Energy - 2012		2,000.00			2,000.00
Federal Emergency Management Agency		9,610.00			9,610.00
	<u>\$ 9,337.86</u>	<u>\$ 80,506.44</u>	<u>\$ 33,662.19</u>	<u>\$ 4,318.40</u>	<u>\$ 51,863.71</u>

Ref.

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Federal Grants	\$ 10,771.32	\$ 4,400.00	
State Grants	65,235.12	26,762.19	\$ 4,318.40
	76,006.44	31,162.19	4,318.40
Local Grants/Local Match	4,500.00	2,500.00	
	<u>\$ 80,506.44</u>	<u>\$ 33,662.19</u>	<u>\$ 4,318.40</u>
Cash Disbursed		\$ 50,552.19	
Refunds		(16,890.00)	
		<u>\$ 33,662.19</u>	

TOWNSHIP OF MENDHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES - FEDERAL AND STATE GRANTS

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>to Grants</u> <u>Receivable</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Alcohol Education Rehabilitation Fund:				
2012	\$ 1,834.74		\$ 1,834.74	
Body Armor Replacement Fund:				
2012	1,725.92		1,725.92	
2013		\$ 2,098.31		\$ 2,098.31
Drunk Driving Enforcement Fund:				
2010	860.25		860.25	
2011	5,224.91		5,224.91	
2012	8,678.12		8,678.12	
Federal Emergency Management Agency	9,610.00		9,610.00	
New Jersey Sustainable Energy:				
2012	2,000.00		2,000.00	
2013		10,000.00		10,000.00
	<u>\$ 29,933.94</u>	<u>\$ 12,098.31</u>	<u>\$ 29,933.94</u>	<u>\$ 12,098.31</u>

Ref.

A

A

Federal Grants	\$ -0-
State Grants	2,098.31
Local Grants	<u>10,000.00</u>
	<u>\$ 12,098.31</u>

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
TRUST FUNDS

TOWNSHIP OF MENDHAM
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2012	B	\$ 5,486.34	\$ 942,237.82
Increased by Receipts:			
Township Dog License Fees		\$ 2,840.40	
Penalties on Dog License Fees		87.00	
Cat License Fees		192.00	
Township Budget Appropriation		3,937.50	
State Dog License Fees		430.20	
Prepaid Municipal Licenses		248.40	
Interest Earned		30.93	
Zero Coupon Bonds Matured			\$ 27,000.00
Due Current Fund:			
Interest Earned			696.65
Interfund Advanced			568,245.60
Reserve for:			
Developers' Deposits			100,255.68
State Unemployment Insurance			4,428.96
Recreation			103,012.30
Parking Offenses Adjudication Act			0.98
Open Space Trust Fund:			
Interest Earned			26.06
Road Detail			23,354.52
Public Defender			17,893.23
Fishing Contest			2,758.25
Forfeited Assets			5,349.92
Municipal Alliance			11,611.98
Police Donations			72,930.88
TV Operations/Programs			94,706.34
		<u>7,766.43</u>	<u>1,032,271.35</u>
		13,252.77	1,974,509.17

TOWNSHIP OF MENDHAM
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Animal Control Expenditures		\$ 4,515.34	
Due to State of New Jersey		1,127.40	
Due Current Fund:			
Prior Year Interfund Returned		9.20	
Due General Capital Fund			
Prior Year Interfund Returned			\$ 205,989.73
Reserve for:			
Developers' Deposits Refunds			159,923.16
State Unemployment Insurance			14,505.05
Recreation			84,209.28
Open Space Trust Fund			42,677.98
Road Detail			46,204.44
Public Defender			9,296.29
Forfeited Assets			6,330.15
Municipal Alliance			11,794.04
Police Donations			101,342.40
TV Operations/Programs			47,268.56
		<u>\$ 5,651.94</u>	<u>\$ 729,541.08</u>
Balance December 31, 2013	B	<u>\$ 7,600.83</u>	<u>\$1,244,968.09</u>

TOWNSHIP OF MENDHAM
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 3,258.54
Increased by:		
Dog License Fees	\$ 2,840.40	
Penalties	87.00	
Cat License Fees	192.00	
2013 Prepaid Licenses Realized:		
Dog License Fees	1,428.00	
Cat License Fees	96.00	
Township Budget Appropriation	3,937.50	
Interest on Investment	30.93	
		<u>8,611.83</u>
		11,870.37
Decreased by:		
Expenditures Under R.S. 4:19-15.11	4,515.34	
Due to Current Fund:		
Statutory Excess	2,327.63	
		<u>6,842.97</u>
Balance December 31, 2013	B	<u>\$ 5,027.40</u>
 <u>License Fees Collected</u>		
2011	\$ 2,454.40	
2012	2,573.00	
		<u>5,027.40</u>
Maximum Allowable Reserve	\$ 5,027.40	

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
GENERAL CAPITAL FUND

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 410,028.79
Increased by:		
Due from/to Current Fund:		
Prior Year Interfund Returned	\$ 20,338.43	
Interest Earned	70.09	
Interfund Advanced	129,938.43	
Due from Open Space Trust Fund:		
Prior Year Interfund Returned	205,989.73	
Premium on Bond Anticipation Notes	22,223.59	
Receivables:		
First Aid Squad Contribution for New Ambulance	63,620.00	
Bond Anticipation Notes Issued	748,650.00	
Improvement Authorization Refunds	6,106.10	
		<u>1,196,936.37</u>
		1,606,965.16
Decreased by:		
Due from Current Fund:		
Budgeted Pay Down of Bond Anticipation Notes	75,003.00	
Bond Anticipation Notes Interest	17,835.68	
Improvement Authorization Expenditures	594,343.66	
Due from Reserve for Open Space Trust Fund:		
Bond Anticipation Notes Matured	172,647.00	
Payment on Behalf of Open Space Trust Fund	9,662.72	
		<u>869,492.06</u>
Balance December 31, 2013	C	<u>\$ 737,473.10</u>

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2012	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2013
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Capital Fund Balance	\$ 17,624.50		\$ 22,223.59					\$ 9,302.80	\$ 49,150.89
Capital Improvement Fund	7,247.65						\$ 137,350.00	137,350.00	7,247.65
Reserve for:									
Preliminary Expenses - Appraisals	35.00								35.00
Payment of Debt Service	182,682.73						75,000.00		107,682.73
Recreation Improvements	7,000.00								7,000.00
Road Maintenance Fund	300.00								300.00
Municipal Bldg. Improvements	148,000.00						55,000.00		93,000.00
Municipal Facility	190,000.00								190,000.00
Recreation Center	9,000.00								9,000.00
Encumbrances Payable								88,647.10	88,647.10
Homeland Security Grants Receivable	(31,500.00)								(31,500.00)
New Jersey Department of:									
Transportation Grants Receivable	(326,000.00)						250,000.00	125,000.00	(451,000.00)
Environmental Protection Grant Receivable	(161,117.51)							110,969.39	(50,148.12)
Mendham Soccer & Lacrosse Club Receivable	(70,000.00)								(70,000.00)
First Aid Squad Receivable			63,620.00				110,620.00		(47,000.00)
Due Current Fund	(20,338.43)		150,346.95		\$ 75,003.00	\$ 17,835.68	137,850.00	130,000.00	29,319.84
Due Open Space Trust Fund	(205,989.73)		205,989.73		172,647.00	9,662.72			(182,309.72)
Ord. No.	Improvement Description								
01-99;									
16-02	Various Improvements	(5,933.30)	416.10	\$ 1,481.70				500.00	(6,498.90)
06-07	Various Improvements		4,870.25	2,006.59					2,863.66
07-07	Various Improvements	178,759.18		1,999.13					176,760.05
13-07	Various Improvements	617.66		617.66					
01-08	Various Improvements	(2,254.00)							(2,254.00)
03-08	Acquisition of Property - 22 St. Johns Drive	(110,000.00)							(110,000.00)
09-08; 11-08	Various Improvements	1,887.01		989.80			0.45		896.76
12-08	Acquire Pitney Property	9,257.50					9,257.50		

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. No.	Improvement Description	Balance (Deficit) Dec. 31, 2012	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2013
			Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
03-09	Various Improvements									
13-09	Various Improvements	\$ 187.69			\$ 187.69					
07-10	Various Capital Improvements	46.50			46.50					
02-11	Various Capital Improvements	88,619.77			8,094.57			\$ 72,431.31		\$ 8,093.89
03-12;										
06-12; 02-13	Various Capital Improvements	501,896.57		\$ 819.75	91,102.70			170,144.22		241,469.40
04-13; 11-13	Various Capital Improvements		\$ 748,650.00		487,817.32			82,085.81	\$ 497,970.00	676,716.87
		<u>\$ 410,028.79</u>	<u>\$ 748,650.00</u>	<u>\$ 448,286.37</u>	<u>\$ 594,343.66</u>	<u>\$ 247,650.00</u>	<u>\$ 27,498.40</u>	<u>\$ 1,099,739.29</u>	<u>\$ 1,099,739.29</u>	<u>\$ 737,473.10</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2012	2013 Improvement Authorizations	Notes Paid By Budget Appropriation	Improvement Authorizations Cancelled	Notes Paid by Reserve for Open Space Trust Fund	Balance Dec. 31, 2013	Analysis of Balance December 31, 2013		
								Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations
01-99; 16-02	Various Capital Improvements	\$ 21,839.96					\$ 21,839.96	\$ 6,498.90		\$ 15,341.06
01-08	Various Capital Improvements	208,143.42			\$ 996.00		207,147.42	2,254.00	\$ 204,893.42	
03-08	Acquire Property - 22 St. Johns Drive	1,084,682.00				\$ 139,240.29	945,441.71	110,000.00	835,441.71	
03-09	Various Improvements	185,429.69		\$ 15,153.00			170,276.69		169,801.69	475.00
08-09	Improve Land/Facilities/Acquire Equip.	104,808.48		7,707.00			97,101.48		97,101.48	
13-09	Various Capital Improvements	210,811.97		19,236.00			191,575.97		191,575.97	
15-09	Various Capital Improvements	289,410.79		12,380.00			277,030.79		277,030.79	
20-09	Various Capital Improvements	331,091.00				33,406.71	297,684.29		297,684.29	
01-10	Various Equipment	383,677.19		20,527.00			363,150.19		363,150.19	
07-10	Various Capital Improvements	29,520.46					29,520.46		29,520.46	
02-11	Various Capital Improvements	246,600.00					246,600.00		246,600.00	
03-12;										
06-12; 02-13	Various Capital Improvements	755,550.00					755,550.00		755,550.00	
04-13; 11-13	Various Capital Improvements		\$ 748,650.00				748,650.00		748,650.00	
		<u>\$ 3,851,564.96</u>	<u>\$ 748,650.00</u>	<u>\$ 75,003.00</u>	<u>\$ 996.00</u>	<u>\$ 172,647.00</u>	<u>\$ 4,351,568.96</u>	<u>\$ 118,752.90</u>	<u>\$ 4,217,000.00</u>	<u>\$ 15,816.06</u>

Ref.

C

C

Improvement Authorizations - Unfunded

\$ 942,096.22

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance #02-11 (Various Improvements)

\$ 8,093.89

Ordinance #03-12 (Various Improvements)

241,469.40

Ordinance #04-13 (Various Improvements)

676,716.87

926,280.16\$ 15,816.06

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012		2013 Authorizations		Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2013	
		Date	Amount	Funded	Unfunded	Other Sources	Deferred Charges Future Taxation - Unfunded			Funded	Unfunded
01-99; 16-02	Various Improvements	11/12/02	\$ 319,000.00		\$ 15,906.66			\$ 565.60			\$ 15,341.06
06-07	Environmental Commission	03/16/07	22,000.00					(2,863.66)		\$ 2,863.66	
07-07	Various Improvements	05/22/07	1,085,500.00	178,759.18				1,999.13		176,760.05	
13-07	Various Improvements	12/21/07	455,000.00	617.66				617.66			
01-08	Various Improvements	02/11/08	285,000.00		996.00				\$ 996.00		
09-08;	Various Improvements	07/22/08	1,535,574.00								
11-08		09/08/08	1,586,685.55	1,887.01				989.80	0.45	896.76	
12-08	Acquire Pitney Property	12/23/08	4,075,000.00	9,257.50					9,257.50		
03-09	Various Improvements	02/09/09	260,500.00		475.00						475.00
13-09	Various Improvements	05/11/09	258,000.00		187.69			187.69			
07-10	Various Capital Improvements	07/12/10	308,700.00		46.50			46.50			
02-11	Various Capital Improvements	03/29/11	448,900.00		88,619.77			9,863.52	70,662.36		8,093.89
03-12;		04/24/12;									
06-12;		07/24/12;									
02-13		02/11/13;									
08-13	Various Capital Improvements	08/27/13	1,084,000.00		501,896.57			95,075.29	165,351.88		241,469.40
04-13; 11-13	Various Capital Improvements	04/23/13	1,246,620.00			\$ 497,970.00	\$ 748,650.00	569,903.13			676,716.87
				<u>\$ 190,521.35</u>	<u>\$ 608,128.19</u>	<u>\$ 497,970.00</u>	<u>\$ 748,650.00</u>	<u>\$ 676,384.66</u>	<u>\$ 246,268.19</u>	<u>\$ 180,520.47</u>	<u>\$ 942,096.22</u>

Ref.

C

C

C

C

Capital Improvement Fund

New Jersey Department of Transportation Grant

Mendham Township First Aid Squad Contribution

\$ 137,350.00

250,000.00

110,620.00

NJ Dept of Transportation Grant

New Jersey Clean Energy Grant

Capital Fund Balance

Def. Ch. to Future Tax. - Unfunded

\$ 497,970.00

\$ 125,000.00

110,969.39

9,302.80

996.00

\$ 246,268.19

Cash Disbursed

\$ 594,343.66

Encumbrances Payable

88,647.10

Less: Refunds

(6,106.10)

Less: Refunds Due from Current Fund

(500.00)

\$ 676,384.66

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 7,247.65
Increased by:		
2013 Budget Appropriation - Due from Current Fund		<u>137,350.00</u>
		144,597.65
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>137,350.00</u>
Balance December 31, 2013	C	<u>\$ 7,247.65</u>

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2012	Issued	Matured	Balance Dec. 31, 2013
		Original Issue	Issue	Maturity					
01-08	Various Capital Improvements	05/29/08	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	\$ 204,893.42	\$ 204,893.42	\$ 204,893.42	\$ 204,893.42
03-08	Acquisition of Property - 22 St. Johns Drive	05/29/08	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	974,682.00	974,682.00 835,441.71	974,682.00	835,441.71
03-09	Various Capital Improvements	05/28/09	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	184,954.69	184,954.69 169,801.69	184,954.69	169,801.69
08-09	Improvement of Land and Facilities and Acquisition of Equipment	05/28/09	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	104,808.48	104,808.48 97,101.48	104,808.48	97,101.48
13-09	Various Capital Improvements	12/09/09	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	210,811.97	210,811.97 191,575.97	210,811.97	191,575.97
15-09	Various Capital Improvements	12/09/09	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	289,410.79	289,410.79 277,030.79	289,410.79	277,030.79
20-09	Various Capital Improvements	12/09/09	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	331,091.00	331,091.00 297,684.29	331,091.00	297,684.29
01-10	Various Equipment	05/26/10	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	383,677.19	383,677.19 363,150.19	383,677.19	363,150.19
07-10	Various Capital Improvements	05/26/11	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	29,520.46	29,520.46	29,520.46	29,520.46
02-11	Various Capital Improvements	05/26/11	05/25/12 05/22/13	05/24/13 05/22/14	0.74% 1.00%	246,600.00	246,600.00	246,600.00	246,600.00

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance	Issued	Matured	Balance
		Original Issue	Issue	Maturity		Dec. 31, 2012			Dec. 31, 2013
03-12	Various Capital Improvements	05/25/12	05/25/12	05/24/13	0.74%	\$ 755,550.00		\$ 755,550.00	
			05/22/13	05/22/14	1.00%		\$ 755,550.00	\$ 755,550.00	
04-13	Various Capital Improvements	05/22/13	05/22/13	05/22/14	1.00%		748,650.00		748,650.00
						<u>\$ 3,716,000.00</u>	<u>\$ 4,217,000.00</u>	<u>\$ 3,716,000.00</u>	<u>\$ 4,217,000.00</u>
					<u>Ref.</u>	C			C
			Renewals				\$ 3,468,350.00	\$ 3,468,350.00	
			New Issues				748,650.00		
			Paid from Budget Appropriation					75,003.00	
			Paid from Open Space Trust Fund					172,647.00	
							<u>\$ 4,217,000.00</u>	<u>\$ 3,716,000.00</u>	

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2013		Interest Rate	Balance Dec. 31, 2012	Matured	Balance Dec. 31, 2013
			Date	Amount				
Open Space	09/01/02	\$ 1,285,000.00	09/01/14	\$ 65,000.00	3.875%			
			09/01/15	65,000.00	4.000%			
			09/01/16	65,000.00	4.100%			
			09/01/17	65,000.00	4.200%			
			09/01/18	65,000.00	4.375%			
			09/01/19	65,000.00	4.400%			
			09/01/20	65,000.00	4.500%			
			09/01/21	65,000.00	4.600%			
			09/01/22	50,000.00	4.700%	\$ 635,000.00	\$ 65,000.00	\$ 570,000.00
General Improvements	06/08/05	3,874,000.00	04/01/14	375,000.00	3.50%			
			04/01/15	324,000.00	3.50%	1,074,000.00	375,000.00	699,000.00
General Improvements	06/04/09	9,500,000.00	02/01/14	323,000.00	3.00%			
			02/01/15	399,000.00	3.00%			
			02/01/16	741,000.00	3.00%			
			02/01/17	779,000.00	3.00%			
			02/01/18	822,000.00	3.13%			
			02/01/19	865,000.00	3.25%			
			02/01/20	907,000.00	3.25%			
			02/01/21	955,000.00	3.38%			
			02/01/22	1,002,000.00	3.50%			
			02/01/23	1,054,000.00	3.63%			
			02/01/24	1,083,000.00	3.75%	9,224,000.00	294,000.00	8,930,000.00

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2013		Interest Rate	Balance Dec. 31, 2012	Matured	Balance Dec. 31, 2013
			Date	Amount				
Open Space	06/04/09	\$ 500,000.00	02/01/14	\$ 17,000.00	3.00%			
			02/01/15	21,000.00	3.00%			
			02/01/16	39,000.00	3.00%			
			02/01/17	41,000.00	3.00%			
			02/01/18	43,000.00	3.13%			
			02/01/19	45,000.00	3.25%			
			02/01/20	48,000.00	3.25%			
			02/01/21	50,000.00	3.38%			
			02/01/22	53,000.00	3.50%			
			02/01/23	56,000.00	3.63%			
			02/01/24	57,000.00	3.75%			
						\$ 486,000.00	\$ 16,000.00	\$ 470,000.00
						<u>\$ 11,419,000.00</u>	<u>\$ 750,000.00</u>	<u>\$ 10,669,000.00</u>
					<u>Ref.</u>	<u>C</u>		<u>C</u>
			General Improvement Bonds			\$ 10,298,000.00	\$ 669,000.00	\$ 9,629,000.00
			Open Space Bonds			<u>1,121,000.00</u>	<u>81,000.00</u>	<u>1,040,000.00</u>
						<u>\$ 11,419,000.00</u>	<u>\$ 750,000.00</u>	<u>\$ 10,669,000.00</u>

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

Balance December 31, 2012	<u>Ref.</u> C	\$ 1,519,123.37
Decreased by:		
Loan Payments - Open Space Trust Fund		<u>230,899.96</u>
Balance December 31, 2013	C	<u>\$ 1,288,223.41</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
GREEN ACRES LOAN #1 PAYABLE
OUTSTANDING DECEMBER 31, 2013

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 105,252.63
33	03/06/14	2.0%	\$ 1,052.53	\$ 14,590.99	90,661.64
34	09/06/14	2.0%	906.62	14,736.90	75,924.74
35	03/06/15	2.0%	759.25	14,884.27	61,040.47
36	09/06/15	2.0%	610.40	15,033.11	46,007.36
37	03/06/16	2.0%	460.07	15,183.44	30,823.92
38	09/06/16	2.0%	308.24	15,335.28	15,488.64
39	03/06/17	2.0%	154.88	15,488.64	-0-
			<u>\$ 4,251.99</u>	<u>\$ 105,252.63</u>	

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
GREEN ACRES LOAN #2 PAYABLE
OUTSTANDING DECEMBER 31, 2013

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Payment of</u>		<u>Balance of Loan</u>
			<u>Interest</u>	<u>Principal</u>	
					\$ 578,151.76
23	01/22/14	2.00%	\$ 5,781.52	\$ 69,777.30	508,374.46
24	07/22/14	2.00%	5,083.74	70,475.08	437,899.38
25	01/22/15	2.00%	4,378.99	71,179.83	366,719.55
26	07/22/15	2.00%	3,667.19	71,891.63	294,827.92
27	01/22/16	2.00%	2,948.28	72,610.54	222,217.38
28	07/21/16	2.00%	2,222.17	73,336.65	148,880.73
29	01/21/17	2.00%	1,488.81	74,070.01	74,810.72
30	07/21/17	2.00%	748.10	74,810.72	-0-
			<u>\$ 26,318.80</u>	<u>\$ 578,151.76</u>	

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
GREEN ACRES LOAN #3 PAYABLE
OUTSTANDING DECEMBER 31, 2013

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 362,891.42
23	01/24/14	2.00%	\$ 3,628.91	\$ 19,689.78	343,201.64
24	07/24/14	2.00%	3,432.02	19,886.68	323,314.96
25	01/24/15	2.00%	3,233.15	20,085.55	303,229.41
26	07/24/15	2.00%	3,032.29	20,286.40	282,943.01
27	01/24/16	2.00%	2,829.43	20,489.27	262,453.74
28	07/24/16	2.00%	2,624.54	20,694.16	241,759.58
29	01/24/17	2.00%	2,417.60	20,901.10	220,858.48
30	07/24/17	2.00%	2,208.58	21,110.11	199,748.37
31	01/24/18	2.00%	1,997.49	21,321.21	178,427.16
32	07/24/18	2.00%	1,784.28	21,534.42	156,892.74
33	01/24/19	2.00%	1,568.93	21,749.77	135,142.97
34	07/24/19	2.00%	1,351.43	21,967.27	113,175.70
35	01/24/20	2.00%	1,131.76	22,186.94	90,988.76
36	07/24/20	2.00%	909.89	22,408.81	68,579.95
37	01/24/21	2.00%	685.80	22,632.90	45,947.05
38	07/24/21	2.00%	459.47	22,859.23	23,087.82
39	01/24/22	2.00%	230.88	23,087.82	-0-
			<u>\$ 33,526.45</u>	<u>\$ 362,891.42</u>	

TOWNSHIP OF MENDHAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
GREEN ACRES LOAN #4 PAYABLE
OUTSTANDING DECEMBER 31, 2013

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 241,927.60
23	01/24/14	2.00%	\$ 2,419.28	\$ 13,126.52	228,801.08
24	07/24/14	2.00%	2,288.01	13,257.79	215,543.29
25	01/24/15	2.00%	2,155.43	13,390.36	202,152.93
26	07/24/15	2.00%	2,021.53	13,524.27	188,628.66
27	01/24/16	2.00%	1,886.29	13,659.51	174,969.15
28	07/24/16	2.00%	1,749.69	13,796.11	161,173.04
29	01/24/17	2.00%	1,611.73	13,934.07	147,238.97
30	07/24/17	2.00%	1,472.39	14,073.41	133,165.56
31	01/24/18	2.00%	1,331.66	14,214.14	118,951.42
32	07/24/18	2.00%	1,189.51	14,356.28	104,595.14
33	01/24/19	2.00%	1,045.95	14,499.85	90,095.29
34	07/24/19	2.00%	900.95	14,644.84	75,450.45
35	01/24/20	2.00%	754.50	14,791.29	60,659.16
36	07/24/20	2.00%	606.59	14,939.21	45,719.95
37	01/24/21	2.00%	457.20	15,088.60	30,631.35
38	07/24/21	2.00%	306.31	15,239.48	15,391.87
39	01/24/22	2.00%	153.92	15,391.87	-0-
			<u>\$ 22,350.94</u>	<u>\$ 241,927.60</u>	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2012	2013 Improvement Authorizations	Notes Paid by Budget Appropriation	Notes Paid by Open Space Trust Fund	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Improvement Authorizations Cancelled	Balance Dec. 31, 2013
01-99/ 16-02	Various Capital Improvements	\$ 21,839.96							\$ 21,839.96
01-08	Various Capital Improvements	3,250.00				\$ 204,893.42	\$ 204,893.42	\$ 996.00	2,254.00
03-08	Acquisition of Real Property at 22 St. Johns Drive	110,000.00			\$ 139,240.29	835,441.71	974,682.00		110,000.00
03-09	Various Improvements	475.00		\$ 15,153.00		169,801.69	184,954.69		475.00
08-09	Improve Land/Facilities and Acquire Equipment			7,707.00		97,101.48	104,808.48		
13-09	Various Capital Improvements			19,236.00		191,575.97	210,811.97		
15-09	Various Capital Improvements			12,380.00		277,030.79	289,410.79		
20-09	Various Capital Improvements				33,406.71	297,684.29	331,091.00		
01-10	Various Equipment			20,527.00		363,150.19	383,677.19		
07-10	Various Capital Improvements					29,520.46	29,520.46		
02-11	Various Capital Improvements					246,600.00	246,600.00		
03-12; 06-12; 02-13	Various Capital Improvements					755,550.00	755,550.00		
04-13; 11-13	Various Capital Improvements		\$ 748,650.00			748,650.00			
		<u>\$ 135,564.96</u>	<u>\$ 748,650.00</u>	<u>\$ 75,003.00</u>	<u>\$ 172,647.00</u>	<u>\$ 4,217,000.00</u>	<u>\$ 3,716,000.00</u>	<u>\$ 996.00</u>	<u>\$ 134,568.96</u>

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
MENDHAM EAST SEWER UTILITY FUND

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>	
Balance December 31, 2012	D	\$ 87,367.25	\$ -0-	
Increased by Receipts:				
Sewer Rents		\$ 257,729.08		
Interest on Delinquent Sewer Rents		2,023.15		
Prepaid/Overpaid Sewer Rents		18.64		
Interest on Deposits		244.52		
Due Mendham East Sewer Utility Capital Fund:				
Prior Year Interfund Returned			\$ 36,219.21	
Due Mendham East Sewer Utility Operating Fund:				
Interest on Deposits			29.50	
		<u>260,015.39</u>		<u>36,248.71</u>
		347,382.64		36,248.71
Decreased by Disbursements:				
2013 Budget Appropriations		155,573.60		
2012 Appropriation Reserves		16,336.50		
Accrued Interest on Bonds & Loans		49,412.43		
Due Mendham West Sewer Utility Capital Fund:				
Prior Year Interfund Returned		36,219.21	1,756.14	
Due Mendham West Sewer Utility Operating Fund:				
Interfund Advanced		6,124.60		
Due Mendham East Sewer Utility Operating Fund:				
Expenditures Paid on Behalf of Mendham East				
Utility Operating Fund			32,188.00	
		<u>263,666.34</u>		<u>33,944.14</u>
Balance December 31, 2013	D	<u>\$ 83,716.30</u>	<u>\$ 2,304.57</u>	

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
ANALYSIS OF SEWER ASSESSMENT TRUST CASH
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER CAPITAL CASH

	Balance/ (Deficit) Dec. 31, 2012	Receipts Miscellaneous	Disbursements Miscellaneous	Transfers		Balance/ (Deficit) Dec. 31, 2013
				From	To	
Capital Improvement Fund	\$ 34,143.00				\$ 7,000.00	\$ 41,143.00
Fund Balance	320.07					320.07
Due Mendham East Sewer Utility Operating Fund	(36,219.21)	\$ 36,248.71	\$ 32,188.00	\$ 7,000.00		(39,158.50)
Due Mendham West Sewer Utility Capital Fund	1,756.14		1,756.14			
	<u>\$ -0-</u>	<u>\$ 36,248.71</u>	<u>\$ 33,944.14</u>	<u>\$ 7,000.00</u>	<u>\$ 7,000.00</u>	<u>\$ 2,304.57</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE AND LIENS

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 11,421.87
Increased by:		
Sewer Rents		\$ 255,608.00
Interest on Delinquent Sewer Rents		2,023.15
		<u>257,631.15</u>
		269,053.02
Decreased by:		
Collections:		
Sewer Rents		257,729.08
Interest on Delinquent Sewer Rents		2,023.15
Prepaid/Overpaid Sewer Rents Applied		61.05
		<u>259,813.28</u>
Balance December 31, 2013	D	<u>\$ 9,239.74</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY
FOR THE YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF UTILITY SHARE OF SEWER ASSESSMENT BONDS ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF SEWER ASSESSMENTS AND LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2012	Additions by Budget	Balance Dec. 31, 2013
Sewer Plant	\$ 3,491,715.89	\$ 16,277.23	\$ 3,507,993.12
	Ref. D		D
Operating Budget		\$ 13,527.23	
Appropriation Reserves		2,750.00	
		\$ 16,277.23	

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

		Balance Dec. 31, 2012	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:					
Other Expenses		\$ 13,586.50	\$ 13,586.50	\$ 13,586.50	
Capital Improvements:					
Capital Outlay		2,871.24	2,871.24	2,750.00	\$ 121.24
Statutory Expenditures:					
Social Security System (OASI)		3,281.00	3,281.00		3,281.00
		<u>\$ 19,738.74</u>	<u>\$ 19,738.74</u>	<u>\$ 16,336.50</u>	<u>\$ 3,402.24</u>
	<u>Ref.</u>				
<u>Balance December 31, 2012</u>					
Encumbered	D	\$ 16,407.05			
Unencumbered	D	<u>3,331.69</u>			
		<u>\$ 19,738.74</u>			

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 34,143.00
Increased by:		
Budget Appropriation		<u>7,000.00</u>
Balance December 31, 2013	D	<u>\$ 41,143.00</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 2,358,588.57
Increased by:		
Paid by Operating Budget:		
Department of Agriculture Loan	\$	14,963.57
Capital Outlay:		
Operating Budget		13,527.23
Appropriation Reserves		2,750.00
		<u>31,240.80</u>
Balance December 31, 2013	D	<u>\$ 2,389,829.37</u>

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE LOAN PAYABLE

Improvement Description	Balance Dec. 31, 2012	Matured	Balance Dec. 31, 2013
Sewer Plant	\$ 1,133,127.32	\$ 14,963.57	\$ 1,118,163.75

Ref.

D

D

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2013

Maturity Date	Payment of		Balance of Loan
Interest	Principal		
			\$ 1,118,163.75
03/28/14	\$ 24,459.83	\$ 7,728.17	1,110,435.58
09/28/14	24,290.78	7,897.22	1,102,538.36
03/28/15	24,118.03	8,069.97	1,094,468.39
09/28/15	23,941.50	8,246.50	1,086,221.89
03/28/16	23,761.10	8,426.90	1,077,794.99
09/28/16	23,576.77	8,611.24	1,069,183.75
03/28/17	23,388.39	8,799.61	1,060,384.14
09/28/17	23,195.90	8,992.10	1,051,392.04
03/28/18	22,999.20	9,188.80	1,042,203.24
09/28/18	22,798.20	9,389.80	1,032,813.44
03/28/19	22,592.79	9,595.21	1,023,218.23
09/28/19	22,382.90	9,805.10	1,013,413.13
03/28/20	22,168.41	10,019.59	1,003,393.54
09/28/20	21,949.23	10,238.77	993,154.77
03/28/21	21,725.26	10,462.74	982,692.03
09/28/21	21,496.39	10,691.61	972,000.42
03/28/22	21,262.51	10,925.49	961,074.93
09/28/22	21,023.51	11,164.49	949,910.44
03/28/23	20,779.29	11,408.71	938,501.73
09/28/23	20,529.73	11,658.27	926,843.46
03/28/24	20,274.70	11,913.30	914,930.16
09/28/24	20,014.10	12,173.90	902,756.26
03/28/25	19,747.79	12,440.21	890,316.05
09/28/25	19,475.66	12,712.34	877,603.71

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE LOAN PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2013

(Continued)

Maturity Date	Payment of		Balance of Loan
	Interest	Principal	
			\$ 877,603.71
03/28/26	\$ 19,197.58	\$ 12,990.42	864,613.29
09/28/26	18,913.42	13,274.58	851,338.71
03/28/27	18,623.03	13,564.97	837,773.74
09/28/27	18,326.30	13,861.70	823,912.04
03/28/28	18,023.08	14,164.92	809,747.12
09/28/28	17,713.22	14,474.78	795,272.34
03/28/29	17,396.58	14,791.42	780,480.92
09/28/29	17,073.02	15,114.98	765,365.94
03/28/30	16,742.38	15,445.62	749,920.32
09/28/30	16,404.51	15,783.49	734,136.83
03/28/31	16,059.24	16,128.76	718,008.07
09/28/31	15,706.43	16,481.57	701,526.50
03/28/32	15,345.89	16,842.11	684,684.39
09/28/32	14,977.47	17,210.53	667,473.86
03/28/33	14,600.99	17,587.01	649,886.85
09/28/33	14,216.27	17,971.73	631,915.12
03/28/34	13,823.14	18,364.86	613,550.26
09/28/34	13,421.41	18,766.59	594,783.67
03/28/35	13,010.89	19,177.11	575,606.56
09/28/35	12,591.39	19,596.61	556,009.95
03/28/36	12,162.72	20,025.28	535,984.67
09/28/36	11,724.66	20,463.34	515,521.33
03/28/37	11,277.03	20,910.97	494,610.36
09/28/37	10,819.60	21,368.40	473,241.96
03/28/38	10,352.17	21,835.83	451,406.13
09/28/38	9,874.51	22,313.49	429,092.64
03/28/39	9,386.40	22,801.60	406,291.04
09/28/39	8,887.62	23,300.38	382,990.66
03/28/40	8,377.92	23,810.08	359,180.58
09/28/40	7,857.07	24,330.93	334,849.65
03/28/41	7,324.84	24,863.16	309,986.49
09/28/41	6,780.95	25,407.05	284,579.44

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE LOAN PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS

OUTSTANDING DECEMBER 31, 2013

(Continued)

Maturity Date	Payment of		Balance of Loan
	Interest	Principal	
			\$ 284,579.44
03/28/42	\$ 6,225.18	\$ 25,962.82	258,616.62
09/28/42	5,657.24	26,530.76	232,085.86
03/28/43	5,076.88	27,111.12	204,974.74
09/28/43	4,483.82	27,704.18	177,270.56
03/28/44	3,877.79	28,310.21	148,960.35
09/28/44	3,258.51	28,929.49	120,030.86
03/28/45	2,625.67	29,562.33	90,468.53
09/28/45	1,979.00	30,209.00	60,259.53
03/28/46	1,318.18	30,869.82	29,389.71
09/28/46	642.90	29,389.71	-0-
	<u>\$ 1,004,088.87</u>	<u>\$ 1,118,163.75</u>	

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER CAPITAL SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM EAST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
MENDHAM WEST SEWER UTILITY FUND

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	E	\$ 3,793.86	\$ 38,743.86
Increased by Receipts:			
Sewer Rents		\$ 102,504.02	
Interest on Delinquent Sewer Rents		548.60	
Prepaid/Overpaid Sewer Rents		11.32	
Due Mendham West Sewer Utility Capital Fund:			
Prior Year Interfund Returned		16,000.00	
Due Mendham East Sewer Utility Capital Fund:			
Prior Year Interfund Returned			\$ 1,756.14
Due Mendham East Sewer Utility Operating Fund:			
Interfund Advanced		6,124.60	
		<u>125,188.54</u>	<u>1,756.14</u>
		128,982.40	40,500.00
Decreased by Disbursements:			
2013 Budget Appropriations		120,356.57	
2012 Appropriation Reserves		8,625.83	
Due Mendham West Sewer Utility Operating Fund:			
Prior Year Interfund Returned			16,000.00
		<u>128,982.40</u>	<u>16,000.00</u>
Balance December 31, 2013	E	\$ -0-	\$ 24,500.00

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
ANALYSIS OF SEWER ASSESSMENT TRUST CASH
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER CAPITAL CASH

	Balance (Deficit) Dec. 31, 2012	Cash Receipts Miscellaneous	Cash Disbursements Miscellaneous	Transfers		Balance Dec. 31, 2013
				From	To	
Due to Mendham West Sewer Utility Operating Fund	\$ 16,000.00		\$ 16,000.00		\$ 24,500.00	\$ 24,500.00
Due to Mendham East Sewer Utility Capital Fund	(1,756.14)	\$ 1,756.14				
Reserve for Future Sewer Improvements	24,500.00			\$ 24,500.00		
	<u>\$ 38,743.86</u>	<u>\$ 1,756.14</u>	<u>\$ 16,000.00</u>	<u>\$ 24,500.00</u>	<u>\$ 24,500.00</u>	<u>\$ 24,500.00</u>

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE AND LIENS

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 3,161.60
Increased by:		
Sewer Rents		\$ 102,834.93
Interest on Delinquent Sewer Rents		548.60
		<u>103,383.53</u>
		106,545.13
Decreased by:		
Collections:		
Sewer Rents		102,504.02
Interest on Delinquent Sewer Rents		548.60
Prepaid/Overpaid Sewer Rents Applied		2.44
		<u>103,055.06</u>
Balance December 31, 2013	E	<u>\$ 3,490.07</u>

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TOWNSHIP OF MENDHAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF UTILITY SHARE OF SEWER ASSESSMENT BONDS ISSUED
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF SEWER ASSESSMENTS AND LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u> <u>by Budget</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Sewer Plant	<u>\$ 2,024,995.59</u>	<u>\$ 25,730.73</u>	<u>\$ 2,050,726.32</u>
<u>Ref.</u>	E		E

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Other Expenses	\$ 9,629.68	\$ 9,629.68	\$ 8,625.83	\$ 1,003.85
Capital Improvements:				
Capital Outlay	<u>500.00</u>	<u>500.00</u>		<u>500.00</u>
	<u>\$ 10,129.68</u>	<u>\$ 10,129.68</u>	<u>\$ 8,625.83</u>	<u>\$ 1,503.85</u>

	<u>Ref.</u>	
<u>Balance December 31, 2012:</u>		
Encumbered	E	\$ 8,625.83
Unencumbered	E	<u>1,503.85</u>
		<u>\$ 10,129.68</u>

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 2,024,995.59
Increased by:		
Capital Outlay:		
2013 Budget Appropriations		<u>25,730.73</u>
Balance December 31, 2013	E	<u>\$ 2,050,726.32</u>

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF SEWER ASSESSMENT SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER CAPITAL SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
MENDHAM WEST
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS
2013
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF MENDHAM

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF MENDHAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

Federal Department	Federal Program	C.F.D.A. Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO
				From	To			Cumulative Total Expenditures
U.S. Department of Transportation: (Passed through NJ Department of Law and Public Safety)	Over the Limit Under Arrest: 2013	20.605	\$ 4,400.00	01/01/13	12/31/13	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00
	Drive Sober or Get Pulled Over: 2013	20.601	4,371.32	01/01/12	12/31/13	4,371.32		
Total U.S. Department of Transportation						8,771.32	4,400.00	4,400.00
U.S. Department of Homeland Security: (Passed through N.J. Department of Law and Public Safety)	Disaster Grants - Public Assistance - FEMA:							
	October 2011 Snowstorm	97.036	190,509.24	01/01/11	12/31/11	190,509.24	190,509.24 *	190,509.24
	Hurricane Irene	97.036	6,656.46	01/01/11	12/31/12	6,656.46	6,656.46 *	6,656.46
	Super Storm Sandy	97.036	248,194.13	01/01/12	12/31/13	248,194.13	248,194.13 *	248,194.13
Total U.S. Department of Homeland Security						445,359.83	445,359.83	445,359.83
TOTAL FEDERAL AWARDS						\$ 454,131.15	\$ 449,759.83	\$ 449,759.83

* Includes 2011 and 2012 expenditures.

TOWNSHIP OF MENDHAM
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO
				From	To			Cumulative Total Expenditures
Department of Environmental Protection	Clean Communities Grant	452-042-4900 001-V427Y	\$ 19,391.87	01/01/13	12/31/13	\$ 19,391.87	\$ 19,391.87	\$ 19,391.87
	Recycling Tonnage Grant	452-042-4900 001-V427Y	5,417.32	01/01/12	12/31/14		750.00	1,280.54
Total Department of Environmental Protection						19,391.87	20,141.87	20,672.41
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund	760-046-4240- 040000	1,618.04	01/01/11	12/31/14			264.08
			3,958.10	01/01/13	12/31/14	3,958.10	3,600.00	3,600.00
Total Department of Health and Senior Services						3,958.10	3,600.00	3,864.08
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-066-1110- 260-YYYY	10,057.36	01/01/13	12/31/14	10,057.36	4,657.17	4,657.17
	Body Armor Replacement Fund	718-066-1020- 001-6120	1,607.70	01/01/11	12/31/13		597.12	1,607.70
			1,725.92	01/01/12	12/31/14		1,190.58	1,190.58
			2,992.16	01/01/13	12/31/14	2,992.16	893.85	893.85
						2,992.16	2,681.55	3,692.13
Total Department of Law and Public Safety						13,049.52	7,338.72	8,349.30
TOTAL STATE AWARDS						\$ 36,399.49	\$ 31,080.59	\$ 32,885.79

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

TOWNSHIP OF MENDHAM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Note 1. 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 Mendham under programs of the federal and state governments for the year ended December 31, 2013. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 4. STATE LOANS OUTSTANDING

The Township of Mendham has the following loans outstanding in the General Capital Fund and Sewer East Capital Fund as of December 31, 2013:

Green Acres Loan Payable #1	\$ 105,252.63
Green Acres Loan Payable #2	578,151.76
Green Acres Loan Payable #3	362,891.42
Green Acres Loan Payable #4	241,927.60
	<u>\$ 1,288,223.41</u>
United States Department of Agriculture Loan	<u>\$ 1,118,163.75</u>

The projects which relate to these loans are complete, and the Township is repaying the loan balances. There were no loan receipts or expenditures in the current year.



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

Independent Auditor's Report

The Honorable Mayor and Members
of the Township Committee
Township of Mendham
Mendham, 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 Mendham, in the County of Morris (the "Township") as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated April 30, 2014. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 2013-01, that we consider to be a significant deficiency.

The Honorable Mayor and Members
of the Township Committee
Township of Mendham
Page 2

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
April 30, 2014

Nisivoccia, LLP

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell

Certified Public Accountant

Registered Municipal Accountant No. 447

TOWNSHIP OF MENDHAM
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2013

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 disclosed during the audit of the financial statements is 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's OMB Circular 04-04 for the year ended December 31, 2013 as both state and federal grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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

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

Finding 2013-01: Segregation of Duties

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The various departments of the Township are responsible for the issuance and collection of permits, licenses and court fines and costs; and recording of collections. The reconciliation of certain bank accounts, the preparation of the general ledger for the various funds as well as the preparation of certain aspects of payroll are performed by the Chief Financial Officer. Also, the Tax/Utilities Rent Collector is responsible for the reconciliations of certain bank accounts as well as the cash collections and posting process. 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. Administration has taken several measures in recent years to improve internal controls. Collection duties are shared among three employees in the Finance Department and prenumbered documents and monthly reports to the Chief Financial Officer are required by the other departments. Because the Municipal Court is governed by the Administrative Office of the Courts ("AOC"), the Township has little control over its control policies and procedures.

Management's Response

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

TOWNSHIP OF MENDHAM
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2013

Findings and Responses for Federal Awards:

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

Findings and Responses for State Awards:

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

TOWNSHIP OF MENDHAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2013-01.

TOWNSHIP OF MENDHAM

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF MENDHAM
OTHER COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S. 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:1-4 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

The governing body of the Township of Mendham has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney'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 authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S.A. 40A:11-5.

TOWNSHIP OF MENDHAM
OTHER COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S. 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, Assessments and Utility Charges

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

On January 2, 2013, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

Interest to be charged at the rate of 18% on all delinquent taxes and utility charges in excess of \$1,500 as per N.J.S. 54:4-67 and Chap. 435-1979 and at the rate of 8% on all delinquent taxes and utility charges under \$1,500. Interest to be waived on current taxes paid within the first 10 days after due dates. An additional penalty of 6% will be assessed on delinquencies in excess of \$10,000 at year end.

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

Delinquent Taxes and Tax Title Liens

A tax sale was held in October 24, 2013 and included all items which were eligible for sale.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2013	5
2012	3
2011	3

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 2013 Taxes	20
Payment of 2014 Taxes	20
Delinquent Taxes	20
Payment of 2013 Sewer Charges	10
Delinquent Sewer Charges	10

Verification notices were mailed to confirm balances as of December 31, 2013. The items that were returned were compared to and are in agreement with the Borough's records. For receivable items not returned, the receivable balance was agreed to the subsequent receipt. For other items not returned, alternative procedures were performed.

TOWNSHIP OF MENDHAM
COMMENTS AND RECOMMENDATIONS
(Continued)

N.J.A.C. Accounting Requirements

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

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

The Township is currently in compliance with all of these technical accounting directives.

Municipal Court

The financial records of the Municipal Court were tested and a summary of the transactions for the year 2013 are as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance Dec. 31, 2012	Receipts	Disbursements	Balance Dec. 31, 2013
State of New Jersey	\$ 8,918.12	\$ 118,892.21	\$ 113,478.41	\$ 14,331.92
County of Morris	4,321.00	52,704.00	51,601.50	5,423.50
Municipality	9,781.88	114,564.34	112,268.64	12,077.58
Public Defender	490.00	11,065.00	10,855.00	700.00
Conditional Discharge	165.00		165.00	
	<u>\$ 23,676.00</u>	<u>\$ 297,225.55</u>	<u>\$ 288,368.55</u>	<u>\$ 32,533.00</u>

Animal Control

The animal control licenses reports were prepared and submitted to the State sporadically. They were not prepared and submitted on a regular basis. As a result, the State portion of animal control licenses was not turned over to the State of New Jersey in a timely manner.

It is recommended that the animal control licenses report be prepared and submitted to the State on a monthly basis in order to ensure that the State portion of animal control licenses is turned over to the State of New Jersey in a timely manner.

Management's Response

This situation has occurred due to repeated turnover in the staff assigned responsibility for these reports. Every effort will be made to ensure that the animal control licenses reports and the related fees are prepared and submitted to the State of New Jersey on a monthly basis.

TOWNSHIP OF MENDHAM
COMMENTS AND RECOMMENDATIONS
(Continued)

Finance Department

Our audit revealed that:

- a.) Monthly bank reconciliations for the Current Fund and the Payroll Agency account were not prepared on a monthly basis, contained many reconciling items and were not in proof with the supporting cash records.
- b.) Reconciled cash balances for the various funds were not proven with the general ledger. Therefore, the cash balances and other related account balances per the general ledger were not completely accurate.
- c.) The general ledgers for the various funds of the Township were not properly maintained during the year. The balances in the subsidiary ledgers were not completely reconciled with the balances in the general ledger.
- d.) Not all cash receipts and disbursements were posted to the cash logs and the general ledger. We reviewed bank statements and other information in order to identify unrecorded transactions and ensure that all transactions were properly reflected in the Township's financial statements. The classification of cash receipts and disbursements in the cash logs was not in complete agreement with the general ledger postings. The cash logs are the original source records, and any adjustments are identified when posting to the general ledger at month-end. Therefore, it is necessary to update the cash logs for any adjustments.
- e.) There were several interfund balances as of December 31, particularly between the Current Fund and Other Trust and General Capital Funds.
- f.) There are older receivables in the General Capital Fund for the Homeland Security Grant, the New Jersey Department of Transportation Grants and the Mendham Soccer & Lacrosse Clubs which need to be investigated and resolved.
- g.) The prior year unexpended budget balances did not properly roll forward in the computer system and required correcting entries to several line items.

It is recommended that:

- a.) Monthly bank reconciliations be prepared for all accounts in a timely manner and any reconciling differences be investigated and resolved on a monthly basis.
- b.) Reconciled cash balances for all accounts be proven to the general ledger on a monthly basis.
- c.) The general ledgers and subsidiary ledgers for all funds be properly maintained and in agreement and all necessary journal entries be posted in a timely manner.
- d.) All cash activities be recorded in the cash logs and that the classification of cash receipts and disbursements in the cash logs is consistent with the general ledger postings on a monthly basis.
- e.) Interfund balances are liquidated by December 31.
- f.) Older capital grants and other receivables are collected or canceled.
- g.) The carryover of prior year unexpended budget balances are verified in order to avoid correcting entries.

TOWNSHIP OF MENDHAM
COMMENTS AND RECOMMENDATIONS
 (Continued)

Finance Department (Cont'd)

Management's Response

- a.) Monthly bank reconciliations will be prepared in a timely manner and any reconciling differences will be investigated and resolved.
- b.) Every effort will be made to ensure that reconciled cash balances are reconciled with the general ledger.
- c.) The general ledgers and subsidiary ledgers will be properly maintained.
- d.) The Finance Department will review the classification of cash receipts and disbursements in the cash logs and ensure their consistency with general ledger postings and ensure that all cash activities are recorded in the cash logs on a monthly basis.
- e.) Interfund balances will be liquidated.
- f.) Older capital grants and receivables will be investigated and cancelled if necessary.
- g.) The carryover of prior year unexpended budget balances will be verified to the audit balances.

Payroll

An analysis of balance for the payroll agency account was not prepared. It is recommended that an analysis of balance for the payroll agency account be prepared on a monthly basis.

Management's Response

Monthly analysis of balance will be prepared for the payroll agency account.

General Capital Fund

Several ordinances, which are more than five years old, have deficit cash balances at December 31, 2013. This situation arises when expenditures are made from an ordinance without the respective debt being issued. Management is aware of this situation. These ordinances are expected to be funded by grant funds or bonds or raised in succeeding year budgets. No formal recommendation is judged to be necessary.

Management Suggestion

The Mendham East and West Sewer Utility operating funds have not been able to generate any significant fund balance due to very tight budgets. Consequently, there is no flexibility should unexpected circumstances arise. We suggest that management consider taking measures to ensure that the sewer utility operating funds begin to generate some resources that can be accessed if an emergency or unexpected cost occurs.

Status of Prior Year Recommendations

The prior year recommendations regarding the adoption of resolutions for additional revenue and timely deposits of police department receipts have been resolved during 2013. The prior year recommendations regarding segregation of duties, timely turn-over of the state share of animal license fees, classification of cash activities, interfund balances, capital grants and other receivables, and the carryover of prior year unexpended budget balances have not been resolved and are included in the current year report.

TOWNSHIP OF MENDHAM
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties is maintained with respect to the recording and treasury functions.
2. The animal control licenses report be prepared and submitted to the State on a monthly basis in order to ensure that the State portion of animal control licenses are turned over to the State of New Jersey in a timely manner.
3. Finance Department:
 - a.) Monthly bank reconciliations be prepared for all accounts in a timely manner and any reconciling differences be investigated and resolved on a monthly basis.
 - b.) Reconciled cash balances for all accounts be proven to the general ledger on a monthly basis.
 - c.) The general ledgers and subsidiary ledgers for all funds be properly maintained and in agreement and all necessary journal entries be posted in a timely manner.
 - d.) All cash activities be recorded in the cash logs and that the classification of cash receipts and disbursements in the cash logs is consistent with the general ledger postings.
 - e.) Interfund balances are liquidated by December 31.
 - f.) Older capital grants and other receivables are collected or canceled.
 - g.) The carryover of prior year unexpended budget balances are verified in order to avoid correcting entries.
4. An analysis of balance for the payroll agency account be prepared on a monthly basis.
