

**TOWNSHIP OF NORTH HANOVER**

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



**TOWNSHIP OF NORTH HANOVER  
COUNTY OF BURLINGTON**

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**TOWNSHIP OF NORTH HANOVER  
COUNTY OF BURLINGTON**

**PART I**

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

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Committee  
Township of North Hanover, New Jersey  
Wrightstown, New Jersey 08562

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

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

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

### **Unmodified Opinion on Regulatory Basis of Accounting**

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

### **Other Matters**

### **Report on Supplementary Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2015, on our consideration of the Township of North Hanover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of North Hanover's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
CR #473

June 4, 2015  
Medford, New Jersey

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members  
of the Township Committee  
Township of North Hanover  
County of Burlington  
Wrightstown, New Jersey 08562

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of North Hanover (herein referred to as “the Municipality”), as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 4, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United State, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Comments & Recommendations we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely

basis. We consider the deficiencies described in the accompanying Comments & Recommendations to be material weaknesses as Finding No. 2014-001.

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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding No. 2014-001.

### **Response to Findings**

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

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
No. CR473

June 4, 2015  
Medford, New Jersey

**BASIC FINANCIAL STATEMENTS**

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

ASSETS	REFERENCE	2014	2013
<b>Regular Fund:</b>			
Cash - Treasurer	A-4	\$ 1,006,599	\$ 1,045,275
Petty Cash	A	100	-
Change Funds	A-6	450	455
Due from State of New Jersey - Senior Citizen & Veteran Deductions	A-7	549	185
<b>Total</b>		<b>1,007,698</b>	<b>1,045,915</b>
<b>Receivables &amp; Other Assets With Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-8	129,291	184,029
Tax Title Liens Receivable	A-9	66,173	69,009
Property Acquired for Taxes - (Assessed Valuation)	A	3,410	3,410
Revenue Accounts Receivable	A-10	6,379	10,037
Due from Bank	A	-	9,910
Due from State & Federal Grant Fund	A	21,625	13,868
Due from Trust Other Fund	B	45,971	40,089
<b>Total Receivable &amp; Other Assets With Full Reserves</b>		<b>272,849</b>	<b>330,352</b>
<b>Deferred Charges To Future Taxation:</b>			
Special Emergency Authorizations	A	-	23,400
<b>Total</b>		<b>-</b>	<b>23,400</b>
<b>Total Regular Fund</b>		<b>1,280,547</b>	<b>1,399,667</b>
<b>Federal &amp; State Grant Fund:</b>			
Due from Trust Other Fund	B	6,541	6,541
Federal & State Grants Receivable	A-19	290,318	586,358
<b>Total Federal &amp; State Grants</b>		<b>296,859</b>	<b>592,899</b>
		<b>\$ 1,577,406</b>	<b>\$ 1,992,566</b>

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

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

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2014	2013
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 63,165	\$ 122,758
Accounts Payable	A	4,475	4,475
Reserve for Encumbrances	A-3	20,913	19,192
Prepaid Taxes	A-12	73,938	66,842
Tax Overpayments	A-13	18,020	31,639
Due County for Added & Omitted Taxes	A-15	36,859	5,699
Regional School Tax Payable	A-17	79,374	76,065
Municipal Open Space Tax Payable	A-18, B	31,356	216,439
Special Emergency Note Payable	A	-	23,400
Reserve for Preparation of Master Plan	A	810	810
Reserve for Revaluation	A	8,471	9,770
Due to Trust Other - Snow Removal	B	14,353	-
Due to Trust Other - Outside Police	B	-	4,846
Due to Animal Control Trust	B	109	849
		<u>351,843</u>	<u>582,784</u>
Total Liabilities		<u>351,843</u>	<u>582,784</u>
Reserve for Receivables & Other Assets	A	272,849	330,352
Fund Balance	A-1	<u>655,855</u>	<u>486,531</u>
Total Regular Fund		<u>1,280,547</u>	<u>1,399,667</u>
State & Federal Grants:			
Due to Current Fund	A	21,625	13,868
Encumbrance Payable	A-21	1,505	-
Reserve for Federal & State Grants:			
Unappropriated	A-20	19,462	26,230
Appropriated	A-21	<u>254,267</u>	<u>552,801</u>
Total State & Federal Grants		<u>296,859</u>	<u>592,899</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 1,577,406</u>	<u>\$ 1,992,566</u>

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

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

	2014	2013
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 462,750	\$ 404,200
Miscellaneous Revenue Anticipated	1,786,923	1,710,101
Receipts From Delinquent Taxes	201,082	169,672
Receipts from Current Taxes	8,227,574	7,681,550
Nonbudget Revenues	104,872	75,255
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	58,031	84,233
Cancellation of Reserve for Tax Appeals	-	25,750
Interfunds Liquidated	23,846	4,313
	<u>10,865,078</u>	<u>10,155,074</u>
Total Income		
Expenditures:		
Budget Appropriations:		
Within "CAPS":		
Operations Within "CAPS":		
Salaries and Wages	1,112,161	1,078,943
Other Expenses	1,062,134	1,042,274
Deferred Charges & Statutory Expenditures - Municipal	262,504	271,126
Excluded from "CAPS":		
Operations Excluded from "CAPS":		
Salaries and Wages	144,992	145,786
Other Expenses	355,098	119,471
Municipal Debt Service	269,355	315,554
Capital Improvements	10,000	18,400
Deferred Charges & Statutory Expenditures - Municipal	23,400	67,400
County Taxes	1,530,197	1,593,995
Due County for Added and Omitted Taxes	36,859	5,699
Local District School Taxes	2,406,412	2,247,971
Regional School Taxes	2,780,951	2,692,492
Municipal Open Space Tax	214,917	210,665
Creation of Other Receivable	10,385	9,910
Interfunds - Advanced	13,639	5,916
	<u>10,233,004</u>	<u>9,825,602</u>
Total Expenditures		
Excess in Revenue	<u>632,074</u>	<u>329,472</u>
Fund Balance January 1	<u>486,531</u>	<u>561,259</u>
Total	1,118,605	890,731
Decreased by:		
Utilized as Anticipated Revenue	462,750	404,200
Fund Balance December 31	<u>\$ 655,855</u>	<u>\$ 486,531</u>

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

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

	ADOPTED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS (DEFICIT)
Surplus Anticipated	\$ 462,750	\$ -	\$ 462,750	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	4,450	-	4,452	2
Other	15,000	-	19,446	4,446
Fees & Permits	192,000	-	191,081	(919)
Fines & Costs:				
Municipal Court	110,000	-	114,187	4,187
Interest on Costs & Taxes	45,000	-	40,431	(4,569)
Interest on Investments & Deposits	500	-	1,525	1,025
Summer Recreation Program - North Hanover				
Board of Education	12,000	-	12,000	-
Communication Leases - Cable/Tower	54,000	-	37,765	(16,235)
Energy Tax Receipts	765,714	-	765,714	-
Uniform Construction Code Fees	50,000	-	72,384	22,384
Wrightstown Court Fees	8,000	-	21,275	13,275
Transfer of Reserves from Municipal Open				
Space Trust for Debt Service	91,084	-	91,084	-
Interlocal Service Agreement:				
Chesterfield Court Fees	100,000	-	134,066	34,066
School Resource Officer - BOE Reimbursement	30,400	-	30,400	-
Public & Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	10,269	-	10,269	-
Clean Communities Program	14,316	-	14,316	-
Municipal Alliance on Alcoholism & Drug Abuse	-	-	-	-
Safe & Secure Communities Program	30,000	-	30,000	-
Body Armor Replacement Grant Fund- State	1,528	-	1,528	-
NJ DOT - Jacobstown/Amestown Rd. - Phase II	-	195,000	195,000	-
<b>Total Revenues</b>	<b>1,534,261</b>	<b>195,000</b>	<b>1,786,923</b>	<b>57,662</b>
Receipts from Delinquent Taxes	180,000	-	201,082	21,082
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,117,880	-	1,345,745	227,865
<b>Budget Totals</b>	<b>3,294,891</b>	<b>195,000</b>	<b>3,796,500</b>	<b>306,609</b>
Nonbudget Revenues	-	-	104,872	104,872
<b>Total</b>	<b>\$ 3,294,891</b>	<b>\$ 195,000</b>	<b>\$ 3,901,372</b>	<b>\$ 411,481</b>

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

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

**ANALYSIS OF REALIZED REVENUE**

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 8,227,574
Allocated to School, County & Local Open Space Taxes	<u>7,124,431</u>
Balance of Support of Municipal Budget Appropriations	1,103,143
Add: Appropriation "Reserve for Uncollected Taxes"	<u>242,602</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 1,345,745</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 201,082</u>
Fees & Permits - Other:	
Fees & Permits	\$ 4,982
Community Center	200
Dump Fees	45,770
Gun Permit	348
Land Use Application	2,200
Zoning Permits	1,078
Mobile Home Fees	<u>136,503</u>
Total	<u>\$ 191,081</u>

**ANALYSIS OF NONBUDGET REVENUE**

Miscellaneous Revenue Not Anticipated:	
Treasurer:	
Miscellaneous Fees	\$ 17,857
Inspection of Motor Vehicles	16,698
Administrative Fee for Senior Citizens & Veterans	943
Sale of Assets	24,627
Cable Franchise Fee	22,368
Outside Police	7,205
Hotel/Motel Licenses	2,601
Sale of Solar Renewable Energy Credits	<u>12,573</u>
Total	<u>\$ 104,872</u>

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

	APPROPRIATIONS				EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR		ENCUMBERED	RESERVED	CANCELLED
			CHARGED				
<b>OPERATIONS - WITHIN "CAPS"</b>							
<b>GENERAL GOVERNMENT:</b>							
Mayor & Township Committee:							
Salaries and Wages	\$ 16,000	\$ 20,000	\$ 19,227	\$ -	\$ -	773	\$ -
Other Expenses	4,325	4,325	1,711	-	-	2,614	-
Municipal Clerk:							
Salaries and Wages	52,020	52,171	52,170	-	-	1	-
Other Expenses	7,045	7,745	7,493	248	-	4	-
Financial Administration:							
Salaries and Wages	62,091	62,193	62,192	-	-	1	-
Other Expenses	13,305	9,505	8,477	48	-	980	-
Audit Services:							
Other Expenses	29,000	29,000	29,000	-	-	-	-
Collection of Taxes:							
Salaries and Wages	17,225	17,925	17,921	-	-	4	-
Other Expenses	9,500	6,248	5,458	162	-	628	-
Assessment of Taxes:							
Salaries and Wages	23,871	23,871	23,871	-	-	-	-
Other Expenses	3,900	4,500	4,419	-	-	81	-
Legal Services & Costs:							
Other Expenses	28,500	13,500	11,719	-	-	1,781	-
Engineering Services & Costs:							
Other Expenses	3,500	15,500	15,218	-	-	282	-
Municipal Land Use Law (N.J.S. 40:55D-1):							
Planning & Zoning Board:							
Salaries and Wages	625	625	310	-	-	315	-
Other Expenses	3,350	2,850	1,912	-	-	938	-
Zoning Officer:							
Other Expenses	275	775	726	-	-	49	-
Mobile Home Inspector:							
Other Expenses	200	200	18	-	-	182	-
<b>INSURANCE:</b>							
Other Insurance Premiums	53,500	53,500	52,844	-	-	656	-
Worker's Compensation Insurance	110,000	108,500	108,455	-	-	45	-
Group Insurance Plan for Employees	213,200	198,049	198,049	-	-	-	-
Medical Option Out Payments	20,000	20,000	19,583	-	-	417	-
<b>PUBLIC SAFETY:</b>							
Police:							
Salaries and Wages	698,805	701,805	701,371	-	-	434	-
Other Expenses	63,100	63,100	59,732	1,327	-	2,041	-

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

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

	APPROPRIATIONS			EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>OPERATIONS - WITHIN "CAPS"</b>						
Emergency Management Service:						
Other Expenses	800	1,250	1,225	-	25	-
Aid to Volunteer Fire Company:						
Jacobstown Volunteer Fire Company	54,600	54,100	49,071	1,262	3,767	-
Municipal Prosecutor:						
Salaries and Wages	2,600	2,600	2,574	-	26	-
Other Expenses	5,000	5,000	5,000	-	-	-
<b>PUBLIC WORKS FUNCTIONS</b>						
Public Works:						
Other Expenses	142,146	137,896	129,328	8,533	35	-
Sanitation:						
Waste Facility:						
Salaries and Wages	26,710	26,960	26,957	-	3	-
Other Expenses	27,200	27,200	26,946	90	164	-
Recycling:						
Other Expenses	100	100	7	-	93	-
Public Buildings & Grounds:						
Salaries and Wages	19,310	19,310	16,131	-	3,179	-
Other Expenses	49,050	49,050	46,000	2,825	225	-
Vehicle Maintenance:						
Other Expense	16,000	30,000	29,906	-	94	-
<b>HEALTH &amp; HUMAN SERVICES</b>						
Board of Health:						
Other Expenses	50	50	-	-	50	-
Dog Regulation:						
Salaries and Wages	250	250	-	-	250	-
Other Expenses	1,000	1,000	187	-	813	-
<b>PARKS &amp; RECREATION FUNCTIONS:</b>						
Parks & Playgrounds:						
Salaries and Wages	27,500	27,500	27,027	-	473	-
Other Expenses	26,871	26,871	22,658	400	3,813	-
Celebration of Public Events:						
Other Expenses	8,670	8,670	7,220	66	1,384	-
<b>UTILITY EXPENSES &amp; BULK PURCHASES:</b>						
Electricity	22,800	22,800	20,502	-	2,298	-
Street Lighting	27,000	27,000	23,395	-	3,605	-
Telephone	15,900	17,400	17,071	329	-	-
Gas	8,500	8,500	5,727	-	2,773	-
Fuel Oil	1,700	1,700	1,387	-	313	-
Gasoline	51,000	51,000	48,399	-	2,601	-

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>OPERATIONS - WITHIN "CAPS"</b>						
Municipal Court:						
Salaries and Wages	78,319	84,319	83,573	46	700	-
Other Expenses	9,300	7,300	5,737	651	912	-
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS:</b>						
Landfill Tipping Fees						
Other Expenses	50,000	46,000	39,887	4,026	2,087	-
<b>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C.5:23-4.17):</b>						
State Uniform Construction Code:						
Construction Official:						
Salaries and Wages	72,632	72,632	72,265	-	367	-
Other Expenses	1,950	1,950	1,488	-	462	-
<b>Total Operations Within "CAPS"</b>	<b>2,180,295</b>	<b>2,174,295</b>	<b>2,111,544</b>	<b>20,013</b>	<b>42,738</b>	<b>-</b>
Detail:						
Salaries and Wages	1,097,958	1,112,161	1,105,589	46	6,526	-
Other Expenses	1,082,337	1,062,134	1,005,955	19,967	36,212	-
<b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES</b>						
<b>MUNICIPAL - WITHIN "CAPS"</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	43,717	43,717	43,717	-	-	-
Social Security System (O.A.S.I)	92,000	92,000	89,478	-	2,522	-
Police & Fireman's Retirement System	114,987	114,987	114,987	-	-	-
Unemployment Compensation Insurance	7,800	7,800	6,781	-	1,019	-
Defined Contribution Retirement Program	4,000	4,000	949	-	3,051	-
<b>Total Statutory Expenditures</b>	<b>262,504</b>	<b>262,504</b>	<b>255,912</b>	<b>-</b>	<b>6,592</b>	<b>-</b>
<b>Total General Appropriations Within "CAPS"</b>	<b>2,442,799</b>	<b>2,436,799</b>	<b>2,367,456</b>	<b>20,013</b>	<b>49,330</b>	<b>-</b>
<b>OPERATIONS EXCLUDED FROM "CAPS":</b>						
Public Assistance	100	100	-	-	100	-
Recycling Tax Appropriations:						
Recycling Tax	4,800	4,800	4,336	464	-	-
Declared State of Emergency Costs for Snow Removal	71,282	71,282	71,282	-	-	-
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:</b>						
Municipal Court:						
Salaries and Wages	73,747	79,747	79,208	53	486	-
Other Expenses	12,900	12,900	6,178	383	6,339	-

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



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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Statutory Expenditures:						
Social Security System (O.A.S.I)	7,500	7,500	7,500	-	-	-
Contributions to Employees Retirement System	2,303	2,303	2,303	-	-	-
Unemployment Compensation Insurance	600	600	-	-	600	-
Group Insurance Plan for Employees	20,000	20,000	13,690	-	6,310	-
Municipal Prosecutor:						
Other Expenses	14,500	14,500	14,500	-	-	-
<b>PUBLIC &amp; PRIVATE REVENUES OFF-SET WITH APPROPRIATIONS:</b>						
Clean Communities Program	14,316	14,316	14,316	-	-	-
Recycling Grant- State Share	10,269	10,269	10,269	-	-	-
Safe & Secure Communities Program:						
State Share	30,000	30,000	30,000	-	-	-
Township Share	35,245	35,245	35,245	-	-	-
Body Armor Replacement Grant- State	1,528	1,528	1,528	-	-	-
NJ DOT - Jacobstown/Amestown Rd. - Phase II	-	195,000	195,000	-	-	-
<b>Total Operations</b>	<b>299,090</b>	<b>500,090</b>	<b>485,355</b>	<b>900</b>	<b>13,835</b>	<b>-</b>
<b>Total Operations Including Contingent</b>	<b>299,090</b>	<b>500,090</b>	<b>485,355</b>	<b>900</b>	<b>13,835</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	138,992	144,992	144,453	53	486	-
Other Expenses	160,098	355,098	340,902	847	13,349	-
<b>Capital Improvements:</b>						
Capital Improvement Fund	10,000	10,000	10,000	-	-	-
<b>Total Capital Improvements</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Municipal Debt Service:</b>						
Payment of Bond Principal	145,000	145,000	145,000	-	-	-
Payment of Bond Anticipation & Capital Notes	70,000	70,000	67,000	-	-	3,000
Interest on Bonds	50,000	50,000	46,930	-	-	3,070

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

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

OPERATIONS - EXCLUDED FROM "CAPS"	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Interest on Notes	11,000	11,000	9,550	-	-	1,450
Special Emergency Notes: Interest	1,000	1,000	875	-	-	125
Total Municipal Debt Service	277,000	277,000	269,355	-	-	7,645
 <b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES</b>						
<b>MUNICIPAL - EXCLUDED FROM "CAPS"</b>						
Special Emergency Authorizations - 5 Years	23,400	23,400	23,400	-	-	-
Total Deferred Charges & Statutory Expenditures	23,400	23,400	23,400	-	-	-
 Total General Appropriations for Municipal Services Excluded from "CAPS"						
	609,490	810,490	788,110	900	13,835	7,645
Subtotal General Appropriations	3,052,289	3,247,289	3,155,566	20,913	63,165	7,645
Reserve for Uncollected Taxes	242,602	242,602	242,602	-	-	-
Total General Appropriations	\$ 3,294,891	\$ 3,489,891	\$ 3,398,168	\$ 20,913	\$ 63,165	\$ 7,645
 Appropriation by 40A:4-87 Original Budget						
	\$ 195,000					
	\$ 3,294,891					
Total	\$ 3,489,891					
 Reserve for State & Federal Grants Appropriated						
Deferred Charges			\$ 286,358			
Reserve for Uncollected Taxes			23,400			
Reimbursements			242,602			
Cash Disbursed			(21,389)			
			2,867,197			
Total			\$ 3,398,168			

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

ASSETS	REFERENCE	2014	2013
Animal Control Trust Fund:			
Cash	B-1	\$ 5,694	\$ 3,736
Due from Current Fund	A	109	849
Total Animal Control Trust Fund		<u>5,803</u>	<u>4,585</u>
Other Funds:			
Cash - Treasurer	B-1	1,281,623	944,580
Cash - Collector	B-2	104,100	26,300
Due from Bank	B	235	235
Due from Municipal Court	B	7,579	7,579
Due from Current Fund - Outside Police	A	-	4,846
Due from Current Fund - Snow Removal	A	14,353	-
Municipal Open Space Receivable	A	31,356	216,439
Total Other Funds		<u>1,439,246</u>	<u>1,199,979</u>
Total Assets		<u>\$ 1,445,049</u>	<u>\$ 1,204,564</u>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
Animal Control Trust Fund:			
Reserve for Dog Fund Expenditures	B-4	\$ 5,798	\$ 4,580
Due to State	B	5	5
Total Animal Control Trust Fund		<u>5,803</u>	<u>4,585</u>
Other Funds:			
Due to Current Fund	B-3,A	45,971	40,089
Due to State & Federal Grant Fund	A	6,541	6,541
Reserve for Escrow Deposits	B-6	129,584	128,149
Reserve for Affordable Housing	B-7	143,234	145,941
Reserve for Payroll Deductions	B-8	26,452	21,862
Reserve for Recreation	B-9	99,230	88,377
Reserve for Public Defender Fee	B-11	8,351	5,585
Reserve for Fire Prevention Fines	B-13	350	350
Reserve for Citizens' Contributions for Future Municipal Purposes	B-14	2,606	2,606
Reserve for Tax Premiums	B-2	104,100	26,300
Reserve for Tax Title Liens	B	-	-
Reserve for Ambulance Fund Contributions	B-12	465	465
Reserve for Municipal Open Space	B-5	840,906	716,631
Reserve for Outside Police	B	6,875	6,875
Reserve for County Fair	B-10	7,545	7,525
Reserve for POAA	B	26	26
Reserve for Program Income - Municipal Alliance	B	682	682
Reserve for Unallocated Receipts	B	1,025	1,025
Reserve for Police	B-15	950	950
Reserve for Snow Removal	B-16	14,353	-
Total Other Funds		<u>1,439,246</u>	<u>1,199,979</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 1,445,049</u>	<u>\$ 1,204,564</u>

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

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

ASSETS	REFERENCE	2014	2013
Cash	C-1	\$ 99,592	\$ 278,747
Accounts Receivable	C-2	2,306	2,306
DOT Grant Receivable	C-2	18,811	18,811
Deferred Charges to Future Taxation - Funded	C-3	830,000	975,000
Deferred Charges to Future Taxation - Unfunded	C-4	891,670	1,208,170
		<u>1,842,379</u>	<u>2,483,034</u>
Total Assets		<u>\$ 1,842,379</u>	<u>\$ 2,483,034</u>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
General Serial Bonds	C-8	\$ 830,000	\$ 975,000
Bond Anticipation Notes	C-7	858,850	1,174,850
Capital Improvement Fund	C-6	10,061	61
Improvement Authorizations:			
Funded	C-5	54,976	56,287
Unfunded	C-5	36,320	226,104
Reserve for:			
Capital Surplus	C-2	592	592
Encumbrances Payable	C-2	1,440	-
Payment of Debt Service (BAN's)	C-2	270	270
Fire Equipment	C-2	49,370	49,370
Acquisition of Land	C-2	500	500
		<u>1,842,379</u>	<u>2,483,034</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 1,842,379</u>	<u>\$ 2,483,034</u>

There were bonds and notes authorized but not issued on December 31, 2014 of \$32,820 and on December 31, 2013 was \$33,320.

**TOWNSHIP OF NORTH HANOVER  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE STATEMENT OF ASSETS AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	2014	2013
Land & Land Improvements	\$ 2,422,656	\$ 2,244,452
Buildings	1,017,099	1,017,099
Vehicles	1,959,890	1,982,902
Machinery & Equipment	885,113	873,837
Total	\$ 6,284,758	\$ 6,118,290
FUND BALANCE		
Investment in General Fixed Assets	\$ 6,284,758	\$ 6,118,290

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

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**TOWNSHIP OF NORTH HANOVER  
COUNTY OF BURLINGTON**

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

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# TOWNSHIP OF NORTH HANOVER

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

### Note 1. Summary of Significant Accounting Policies

#### Description of Financial Reporting Entity

The Township of North Hanover was incorporated in 1905 and is located in the County of Burlington, New Jersey. The population according to the 2010 census was 7,678.

The form of Government is known as a Township pursuant to N.J.S.A.40A:63-1 et seq. The government consists of five (5) Committee Members who are elected at large to three (3) year staggered terms. The Mayor is elected from and by the Members of the Committee and serves a one (1) year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

#### Component Units

The Township of North Hanover had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Township of North Hanover contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Township of North Hanover accounts for its financial transactions through the use of separate funds, which are described as follows:

**Current Fund** – The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

**Trust Fund** – The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

## TOWNSHIP OF NORTH HANOVER

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

*N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

**TOWNSHIP OF NORTH HANOVER**

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

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

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

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Inventories and Supplies** - The cost 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 of assets, liabilities, reserves and fund balance.

**General Fixed Assets** – Property and equipment purchased by the Current and General Capital Fund are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from accounting principles generally accepted in the United States of America. The following is a brief description of the provisions of the Directive:

Fixed assets used in governmental operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation has been provided for in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

**Foreclosed property** - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

## TOWNSHIP OF NORTH HANOVER

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

**Fund Balance** – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

**Revenues** – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

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

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Township of North Hanover School District and its share of the Northern Burlington County Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the Township's share of the regional school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2013 and decreased by the amount deferred at December 31, 2014.

**County Taxes** – The municipality is responsible for levying, collecting and remitting County taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

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

**TOWNSHIP OF NORTH HANOVER**

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

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

**Expenditures** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**Appropriation Reserves** – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be 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.

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

**Subsequent Events** - The Township of North Hanover has evaluated subsequent events occurring after December 31, 2014 through the date of June 04, 2015, which is the date the financial statements were available to be issued.

**Note 2. Cash and Cash Equivalents**

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

**TOWNSHIP OF NORTH HANOVER**

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

**Note 2. Cash and Cash Equivalents (continued):**

<b>Type</b>	<b>Carrying Value</b>
<b>Deposits</b>	
Demand Deposits	\$ 2,498,158
Total Deposits	\$ 2,498,158
 <b>The Township's Cash and Cash Equivalents are Reported as Follows:</b>	
Current Fund	\$ 1,007,149
Trust Other Fund	1,385,723
Animal Control Fund	5,694
Capital Fund	99,592
Total Cash and Cash Equivalents	\$ 2,498,158

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2014, the Township's bank balance of \$2,494,884 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and uncollateralized	424,668
Collateralized in the District's Name Under GUDPA	<u>1,820,216</u>
Total	<u>\$2,494,884</u>

**TOWNSHIP OF NORTH HANOVER**

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

**Note 3. Property Taxes**

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

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Total Tax Rate	\$ 1.952	\$ 1.873	\$ 1.796
Apportionment of Tax Rate:			
Municipal	0.266	0.244	0.228
Municipal Open Space	0.049	0.049	0.049
County	0.321	0.335	0.347
County Library	0.030	0.031	-
County Open Space	0.014	0.015	0.041
Local School	0.600	0.546	0.514
Regional School	0.672	0.653	0.617

**Net Valuation Taxable**

2014	<u>\$ 420,203,797</u>		
2013	<u>\$ 419,877,834</u>		
2012		<u>\$ 428,772,960</u>	

**Comparison of Tax Levies and Collection Currently**

Year	Tax Levy	Cash Collections	Percentage Of Collection
2014	\$ 8,391,571	\$ 8,227,574	98.04%
2013	7,893,876	7,681,550	97.31%
2012	7,625,093	7,395,314	96.99%

**Delinquent Taxes and Tax Title Liens**

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2014	\$ 66,173	\$ 129,291	\$ 195,464	2.33%
2013	69,009	184,029	253,038	3.21%
2012	54,258	218,598	272,856	2.67%

**TOWNSHIP OF NORTH HANOVER**

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

**Note 4. Property Acquired By Tax Title Lien Liquidation**

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

Year	Amount
2014	\$ 3,410
2013	3,410
2012	3,410

**Note 5. Fund Balances Appropriated**

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

Year	Balance December 31,	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
2014*	\$ 655,855	\$ 515,250	78.56%
2013	486,531	462,750	95.11%
2012	561,259	335,000	59.69%
2011	558,603	336,000	60.15%
2010	344,692	335,000	97.19%
2009	651,593	626,000	96.07%

\*As introduced on April 16, 2015.

**Note 6. Interfund Receivables and Payables**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2014:

Current Fund	\$ 67,596	\$	14,462
State & Federal Grant Fund	6,541		21,625
Trust Other Fund	14,353		52,512
Animal Control Fund	109		-
Total	\$ 88,599	\$	88,599

The purpose of these interfunds was short-term borrowings.



## TOWNSHIP OF NORTH HANOVER

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2014

#### Note 7. Pension

##### A. Plan Description

The Township of North Hanover contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of N.J.S.A.43:15A and the Public Fireman's Retirement System (P.F.R.S.) was established as of July 1, 1944 under the provisions of N.J.S.A.43:16A. Both plans were set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

The State of New Jersey P.F.R.S. program as established as of July 1, 1944. The program was established under the provisions of N.J.S.A.43:16A, which assigns authority to establish and amend, benefit provisions to the plans' board of trustees. P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

##### B. Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A.43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2012 changed this for employees enrolled after June 28, 2012. See Note 7C on the following page.

## TOWNSHIP OF NORTH HANOVER

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2014

#### Note 7. Pension (continued):

#### C. Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for PERS were reduced. New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the PFRS and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2012, Chapter 78, P.L. 2012 reformed various pension and health benefits provisions. Employees hired after June 28, 2012 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service. Tier 3 was added to PFRS for enrollees after June 28, 2012. Tier 3 retirees will have a maximum retirement benefit of 65% of final compensation after 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

#### D. Contribution Requirements

The contribution policy is set by N.J.S.A.43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A.18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 6.5%, effective October 1, 2012, of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both PFRS and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

Plan members are required to contribute 10%, effective October 1, 2012, of their annual covered salary for P.F.R.S. and North Hanover Township is required to contribute at an actuarially determined rate. The contribution requirements of plan members and are established and may be amended by the plan's board of trustees. The Township's contributions to P.E.R.S. for the years ending December

**TOWNSHIP OF NORTH HANOVER**

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

**Note 7. Pension (continued):**

31, 2014, 2013 and 2012 were \$46,020, \$41,405 and \$48,227, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$114,987, \$127,676 and \$112,912, respectively, equal to the required contributions for each year.

**Note 8. Capital Debt**

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

	December 31, 2013	Accrued/ Increases	Retired/ Decreases	December 31, 2014	Due Within One Year
General Obligation Bonds	\$ 975,000	\$ -	\$ (145,000)	\$ 830,000	\$ 150,000
Bond Anticipation Notes	1,174,850	858,850	(1,174,850)	858,850	858,850
Authorized but Not Issued	33,320	-	(500)	32,820	-
<b>Total</b>	<b>\$ 2,183,170</b>	<b>\$ 858,850</b>	<b>\$ (1,320,350)</b>	<b>\$ 1,721,670</b>	<b>\$ 1,008,850</b>

**Summary of Statutory Debt Condition – Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of .416%:

	Gross Debt	Deductions	Net Debt
Regional School Debt	\$ 2,818,208	\$ 2,818,208	-
General	1,721,670	-	\$ 1,721,670
<b>Total</b>	<b>\$ 4,539,878</b>	<b>\$ 2,818,208</b>	<b>\$ 1,721,670</b>

Net Debt \$1,721,670 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$414,092,511 equals .416%.

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

3½% of Equalized Valuation Basis (Municipal)	\$14,493,238
Net Debt	<u>1,721,670</u>
Remaining Borrowing Power	<u>\$12,771,568</u>

**TOWNSHIP OF NORTH HANOVER**

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

**Note 8. Capital Debt (continued):**

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (See Exhibit C-8)**

Year	General		Total
	Principal	Interest	
2015	150,000	39,260	189,260
2016	155,000	31,330	186,330
2017	170,000	22,880	192,880
2018	175,000	13,910	188,910
2019	180,000	4,680	184,680
Total	\$ 830,000	\$ 112,060	\$ 942,060

**Bond Anticipation Notes (See Exhibit C-7) – Notes mature April 30, 2015 @ 1.25% & 1.50%.**

<u>December 31,</u> <u>2013</u>	<u>Issued</u>	<u>Retired</u>	<u>December 31,</u> <u>2014</u>
\$ 1,174,850	\$ 858,850	\$ 1,174,850	\$ 858,850

**Note 9. Deferred School District Taxes**

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

	Balance Decemeber 2014	Balance Decemeber 2013
Local School Taxes:		
Balance of Tax	\$ 1,260,367	\$ 1,146,003
Deferred	1,260,367	1,146,003
	\$ -	\$ -
Regional School Taxes:		
Balance of Tax	\$ 1,490,215	\$ 1,446,175
Deferred	1,410,841	1,370,110
	\$ 79,374	\$ 76,065

**TOWNSHIP OF NORTH HANOVER**

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

**Note 10. Accounts Receivable**

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

	<b>Current Fund</b>	<b>State &amp; Federal Grant Fund</b>	<b>General Capital Fund</b>	<b>Total</b>
State Aid	\$ 549	\$ 287,674	\$ 18,811	\$ 307,034
Federal Aid	-	2,544	-	2,544
Taxes	198,874	-	-	198,874
Other	6,379	100	2,306	8,785
Total	<u>\$ 205,802</u>	<u>\$ 290,318</u>	<u>\$ 21,117</u>	<u>\$ 517,237</u>

**Note 11. 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. It is the policy of the Township to purchase commercial insurance for the risks of loss to which it is exposed. Settlements in each of the past three years have not exceeded the insurance coverage.

**Note 12. Municipal Open Space**

The Township of North Hanover is strongly committed to preserving, to the extent possible, farmland within the Township for the benefit of the citizens of the Township of North Hanover and the State of New Jersey. At the general election in 2000 the voters approved a tax rate of two cents (.02) per \$100. This rate was in effect for 2001, 2002 and 2003. Voters approved a four cent (.04) tax rate for calendar year 2004. At the general election in 2004, the voters approved a tax rate of eleven cents (.11) per \$100 for 2005, 2006 and 2007, and for 2008, 2009 and 2010 a rate of nine cents (.09), and for 2012, 2013 and 2014 a rate of five cents (.049) per \$100 of the assessed value of real property in order to raise revenue for the acquisition, development, maintenance and conservation of farmland, open space recreation and historic properties.

The following is a summary of activity since the inception of the Municipal Open Space Trust Tax:

Municipal Open Space Tax Revenue	\$	2,474,881
Interest Earned		40,832
Debt Paid To-Date		(1,394,653)
Paid Fees for Professional Services		(49,891)
Open Space Purchases		(230,263)
Total	<u>\$</u>	<u>840,906</u>

## TOWNSHIP OF NORTH HANOVER

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2014

#### **Note 13. Other Post Retirement Benefits – GASB 45**

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

#### **Plan Description**

The Township contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. was established in 1961 under *N.J.S.A.52:14-17.25 et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The Township's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. The Township will cover the entire cost of post-retirement health benefits for the retirees and his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the Township of North Hanover. Post-retirement benefits included Medicare reimbursement.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the S.H.B.P. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the S.H.B.P. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).

#### **Funding Policy**

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

Contributions to pay for the health premiums of participating retirees in the S.H.B.P. are billed to the Township on a monthly basis.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. The Township's contributions for related health care premiums for the years ended December 31, 2014 and 2013 were \$211,739 and \$239,531 respectively.

#### **Note 14. Self-Insurance**

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disaster. The Township is a member of the Burlington County Municipal Joint Insurance Fund ("JIF"). The Joint Insurance pool is a public entity risk pool currently operating as a common risk management and insurance program for municipalities established for the purpose of insuring against property damage, general liability, motor vehicle and

**TOWNSHIP OF NORTH HANOVER**

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

**Note 14. Self-Insurance (continued):**

equipment liability and workers' compensation. While additional assessments on premiums can be levied by the JIF to assure payments of the Fund's obligations, no such additional premiums have been necessary as of December 31, 2014. The JIF is expected to be self-sustaining through member premiums, reported as expenditures in the Township's financial statements and liabilities are based on the estimated ultimate cost of settling the claims. The JIF participates in the Municipal Excess Liability Program which has a contract for excess liability for property. The Township is not aware of any claims pending that have a demand in excess of this coverage.

**Note 15. Compensated Absences**

The Township of North Hanover does not compensate all employees for unused sick leave upon termination or retirement. Only Township police officers are compensated. The current policy provides for one week of sick and vacation time to be carried over into the new year by police officers. Per the police contract, any days carried over must be used by July 1<sup>st</sup> of that year.

At December 31, 2014, accrued benefits for compensated absences are valued at \$10,754.49.

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**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**TOWNSHIP OF NORTH HANOVER  
CURRENT FUND  
SCHEDULE OF CURRENT CASH  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>CURRENT</u>	<u>FEDERAL &amp; STATE GRANT FUNDS</u>
Balance December 31, 2013	\$ 1,045,275	\$ -
Increased by Receipts:		
Tax Collector	\$ 8,402,284	\$ -
Due from State of New Jersey - Senior Citizens' & Veterans' Deductions	47,136	-
Due from Interfunds		24,742
Miscellaneous Revenue Not Anticipated	104,872	-
Revenue Accounts Receivable	1,495,380	-
Unappropriated Grants	-	19,345
Federal & State Grants Receivable	-	496,908
	<u>10,049,672</u>	<u>540,995</u>
Total Increases		
Total Receipts	<u>11,094,947</u>	<u>540,995</u>
Decreased by Disbursements:		
2014 Budget Appropriations	2,867,197	-
2013 Appropriation Reserves	81,385	-
Prior Year Encumbrances	2,534	-
Reserve For Tax Appeals		-
Reserve For Revaluation	1,300	-
Reserve For Summer Rec. Flooring		-
Bank Fees		-
Tax Overpayments - Refunds	5,091	-
County Taxes	1,530,197	-
County Share of Added & Omitted Taxes	5,699	-
Local District School Tax	2,406,412	-
Regional School Taxes	2,777,642	-
Special Emergency Note Payable	23,400	-
Due to Interfunds	387,491	-
Reserve for Federal & State Grant Funds - Appropriated	-	540,995
	<u>10,088,348</u>	<u>540,995</u>
Total Disbursements		
Balance December 31, 2014	<u>\$ 1,006,599</u>	<u>\$ -</u>

**TOWNSHIP OF NORTH HANOVER  
CURRENT FUND  
SCHEDULE OF CASH AND RECONCILIATION  
PER N.J.S.40A:5-5--COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ -
Increased by:		
Taxes Receivable	\$ 8,287,915	
Interest & Costs on Taxes	40,431	
Prepaid Taxes	73,938	8,402,284
Subtotal		8,402,284
Decreased by Disbursements:		
Deposits Directly to Treasurer Bank Account		8,402,284
Balance December 31, 2014		<u><u>\$ -</u></u>

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

OFFICE	AMOUNT
Tax Collector	\$ 50
Municipal Court	300
Township Clerk	100
Total	<u><u>\$ 450</u></u>

**TOWNSHIP OF NORTH HANOVER  
CURRENT FUND  
SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
CHAPTER 20, P.L. 1971  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	185
Increased by:		
Senior Citizen & Veteran Deductions per Tax Billing	\$	46,000
Deductions Allowed by Tax Collector - 2014 Taxes		1,750
Deductions Disallowed by Tax Collector - Prior Year Taxes		(250)
		<u>47,500</u>
Subtotal		47,685
Decreased by:		
Collections		<u>47,136</u>
Balance December 31, 2014	<u>\$</u>	<u>549</u>

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

YEAR	BALANCE DECEMBER 31, 2013	2014 LEVY	ADDED TAXES	COLLECTIONS		DUE FROM STATE OF NEW JERSEY	CANCELLED	OVERPAYMENT APPLIED/(CREATED)	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31 2014
				2013	2014					
Arrears 2013	\$ 249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249
	183,780	-	-	183,461	(250)	(250)	48	-	459	62
Total 2014	184,029	8,202,378	189,193	183,461	(250)	(250)	48	-	459	311
	-	-	-	8,104,454	47,750	25,122	8,528	8,528	9,895	128,980
Balance	\$ 184,029	\$ 8,202,378	\$ 189,193	\$ 8,287,915	\$ 47,500	\$ 25,170	\$ 8,528	\$ 8,528	\$ 10,354	\$ 129,291

**ANALYSIS OF 2014 PROPERTY TAX LEVY**

<b>Tax Yield:</b>		
General Purpose Tax	\$ 8,202,378	
Added & Omitted Taxes (54:4-63.1 et seq.)	189,193	
Total	<u>\$ 8,391,571</u>	
<b>Tax Levy:</b>		
Regional School Tax	\$ 2,821,682	
Local District School Tax	2,520,776	
County Taxes:		
County Tax	\$ 1,348,389	
County Library Tax	123,707	
Open Space	58,101	
Due County:		
Added & Omitted Taxes (R.S. 54,4-63.1 et seq.)	<u>36,859</u>	
Total County Taxes	<u>1,567,056</u>	
Local Tax for Municipal Purpose	1,117,880	
Local Open Space Tax	214,917	
Add: Additional Tax Levied	<u>149,260</u>	
Local Tax for Municipal Purposes Levied	<u>1,482,057</u>	
Total	<u>\$ 8,391,571</u>	



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

Balance December 31, 2013	\$	69,009
Increased by:		
Interest & Costs on Taxes		4,431
Transfer from Taxes Receivable		10,354
		83,794
Decreased by:		
Liens Redeemed		17,621
		66,173
Balance December 31, 2014	\$	66,173

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ACCRUED	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2014
Licenses:				
Alcoholic Beverages	\$ -	\$ 4,452	\$ 4,452	\$ -
Other	-	19,446	19,446	-
Fees & Permits	-	191,081	191,081	-
School Resource Officer - BOE				
Reimbursement	-	30,400	30,400	-
State of New Jersey:				
Energy Receipt Taxes	-	765,714	765,714	-
Transfer From Open Space for				
Payment of Debt Service	-	91,084	91,084	-
Interlocal Service Agreement:				
Chesterfield Court Fees	-	134,066	134,066	-
Cablevision Lease/Tower Rental	-	37,765	37,765	-
Summer Recreation Program - Board of				
Education	-	12,000	12,000	-
Interest on Investments	-	1,525	1,525	-
Construction Code Official:				
Fees & Permits	-	72,384	72,384	-
Municipal Court:				
Fines & Costs	9,805	110,470	114,187	6,088
Wrightstown Municipal Court:				
Fines & Costs	232	21,334	21,275	291
Total	\$ 10,037	\$ 1,491,721	\$ 1,495,379	\$ 6,379
			\$ 1,495,379	
			\$ 1,495,379	

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

	BALANCE DECEMBER 31, 2013	BALANCE AFTER MODIFICATION	DISBURSED	BALANCE LAPSED
<b>Salary &amp; Wages:</b>				
Mayor & Township Committee	\$ 234	\$ 234	\$ -	\$ 234
Municipal Clerk	50	50	-	50
Financial Administration	177	177	-	177
Tax Collector	169	169	-	169
Tax Assessor	42	42	-	42
Planning & Zoning Board	101	101	-	101
Police	3,032	3,032	2,500	532
Municipal Prosecutor	32	32	-	32
Sanitation Waste Facility	9	9	-	9
Police Buildings & Grounds	1,150	1,150	-	1,150
Dog Regulation	237	237	-	237
Parks & Playgrounds	400	400	-	400
Construction Official	4,757	4,757	-	4,757
Municipal Court - North Hanover	45	45	-	45
Municipal Court - Wrightstown	92	92	-	92
Municipal Court - Chesterfield	26	26	-	26
<b>Other Expenses:</b>				
Mayor & Township Committee	2,565	2,565	-	2,565
Municipal Clerk	38	188	158	30
Financial Administration	46	1,146	1,055	91
Collection of Taxes	10	10	-	10
Assessment of Taxes	24	324	303	21
Legal	2,014	2,014	1,632	382
Engineering Services & Costs	1,190	1,190	505	685
Planning & Zoning Board	13	1,013	934	79
Zoning Officer	200	200	-	200
Mobile Home Inspector	142	142	-	142
Other Insurance Premiums	172	172	-	172
Worker's Compensation Insurance	250	250	-	250
Group Insurance Plan for Employees	18,469	869	-	869
Police	647	3,647	3,341	306
Emergency Management Service	395	395	150	245
Aid to Volunteer Fire Company	21,575	21,575	21,194	381
Municipal Prosecutor	2,783	2,783	1,625	1,158
Streets & Roads	8,881	18,581	18,577	4
Waste Facility	4,696	5,796	5,794	2
Recycling	800	800	800	-
Public Buildings & Grounds	4,274	4,274	1,563	2,711
Vehicle Maintenance	2,562	2,562	2,020	542
Board of Health	50	50	-	50
Dog Regulation	220	320	220	100
Parks & Playgrounds	19,565	19,565	2,069	17,496
Celebration of Public Events	6,833	6,833	476	6,357
Electric	3,136	3,136	1,701	1,435
Street Lighting	3,346	2,646	2,145	501
Telephone	153	1,353	1,316	37
Natural Gas	2,277	2,277	736	1,541
Fuel Oil	52	52	-	52
Gasoline	8,646	8,646	8,247	399
Landfill Tipping Fees	2,133	3,633	3,559	74
Construction Official	336	336	312	24
Municipal Court - North Hanover	1,793	1,793	280	1,513
Municipal Court - Wrightstown	1,330	1,330	54	1,276
Municipal Court - Chesterfield	4,367	4,367	235	4,132
All Other Accounts - No Changes	5,414	4,564	418	4,146
<b>Total</b>	<b>\$ 141,950</b>	<b>\$ 141,950</b>	<b>\$ 83,919</b>	<b>\$ 58,031</b>
2013 Appropriation Reserves	\$ 122,758		\$ 81,385	
2013 Encumbrances	19,192		2,534	
<b>Total</b>	<b>\$ 141,950</b>		<b>\$ 83,919</b>	

**TOWNSHIP OF NORTH HANOVER  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013 (2014 Taxes)	\$	66,842
Increased by:		
Collection - 2014 Taxes		73,938
Subtotal		140,780
Decreased by:		
Apply to 2014 Taxes Receivable		66,842
Balance December 31, 2014 (2014 Taxes)	\$	73,938

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

Balance December 31, 2013	\$	31,639
Decreased by:		
Applied to Taxes Receivable	\$	8,528
Refunded		5,091
		13,619
Balance December 31, 2014	\$	18,020

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

Balance December 31, 2013	\$	-
Increased by:		
2014 Levy:		
County Tax	\$ 1,348,389	
County Library Tax	123,707	
County Open Space Tax	58,101	1,530,197
		1,530,197
Subtotal		1,530,197
Decreased by:		
Payments		1,530,197
		1,530,197
Balance December 31, 2014	\$	-

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

Balance December 31, 2013		
Added Taxes (2013)	\$	5,699
Increase by County Share of 2014 Levy:		
Added (R.S. 54:4-63.1 et seq.)		36,859
		36,859
Subtotal		42,558
Decreased by:		
Payments:		
Added Taxes (2013)		5,699
		5,699
Balance December 31, 2014		
Added Taxes (2014)	\$	36,859

**TOWNSHIP OF NORTH HANOVER  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		
School Tax Payable	\$ -	
School Tax Deferred	<u>1,146,003</u>	\$ 1,146,003
Increased by Local District School's Share of 2013 Levy:		
Levy - School Year July 1, 2013 to June 30, 2013		<u>2,520,776</u>
Subtotal		3,666,779
Decreased by Payments:		
Payments		<u>2,406,412</u>
Balance December 31, 2014		
School Tax Payable	\$ -	
School Tax Deferred	<u>1,260,367</u>	<u>1,260,367</u>
Total		<u><u>\$ 1,260,367</u></u>
2014 Liability for Local District School Tax:		
Tax Paid	\$ 2,406,412	
Tax Payable December 31, 2014		<u>-</u>
Subtotal		2,406,412
Less: Tax Payable December 31, 2013		<u>-</u>
Amount Charged to 2014 Operations		<u><u>\$ 2,406,412</u></u>

**TOWNSHIP OF NORTH HANOVER  
CURRENT FUND  
SCHEDULE OF REGIONAL SCHOOL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		
School Tax Payable	\$ 76,065	
School Tax Deferred	<u>1,370,110</u>	\$ 1,446,175
Increased by Regional School's Share of 2013 Levy:		
Levy - School Year July 1, 2013 to June 30, 2014		<u>2,821,682</u>
Subtotal		4,267,857
Decreased by Payments:		
Payments		<u>2,777,642</u>
Balance December 31, 2014		
School Tax Payable	\$ 79,374	
School Tax Deferred	<u>1,410,841</u>	
Total		<u><u>\$ 1,490,215</u></u>
2014 Liability for Regional School Tax:		
Tax Paid	\$ 2,777,642	
Tax Payable December 31, 2014		<u>79,374</u>
Subtotal		2,857,016
Less: Tax Payable December 31, 2013		<u>76,065</u>
Amount Charged to 2014 Operations		<u><u>\$ 2,780,951</u></u>

**TOWNSHIP OF NORTH HANOVER  
CURRENT FUND  
SCHEDULE OF DUE TRUST OTHER FUND FOR RESERVE FOR OPEN SPACE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 216,439
Increased by:		
2014 Tax Levy	\$ 210,063	
2014 Added & Omitted Taxes	4,854	
Overpayment of Budgeted Revenue	-	214,917
Subtotal		431,356
Decreased by:		
Disbursement - Trust Other Fund		400,000
Balance December 31, 2014		<u>\$ 31,356</u>

**FEDERAL AND STATE GRANT FUND  
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLES  
FEDERAL AND STATE GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

PROGRAM	BALANCE DECEMBER 31, 2013	ACCRUED	RECEIVED	CANCELLED	FROM UNAPPROPRIATED RESERVES	BALANCE DECEMBER 31, 2014
Federal Grants:						
Body Armor Replacement Fund	\$ 2,544	\$ -	\$ -	\$ -	\$ -	\$ 2,544
Total	<u>2,544</u>	-	-	-	-	<u>2,544</u>
State Grants:						
Transportation Trust Fund						
Discretionary Aid Program	2,419	-	-	-	-	2,419
DOT Grant	48,457	-	-	-	-	48,457
DOT Grant - Stewart Road	17,451	-	-	-	-	17,451
Stop Violence Against Women	777	-	-	-	-	777
Safe & Secure Communities	77,637	30,000	77,637	-	-	30,000
Smart Growth Planning Grant	15,000	-	-	-	-	15,000
Municipal Alliance on Alcoholism & Drug Abuse	27,144	-	252	24,132	-	2,760
DVRPC Zoning Implementation Grant	48,000	-	-	-	-	48,000
Project Graduation	238	-	-	-	-	238
"55 Alive" DEDR Program	500	-	-	-	-	500
NJ Economic Development:						
Program - Hazardous Discharge	500	-	-	-	-	500
Recycling Tonnage Grant	-	10,269	-	-	10,269	-
SLAHEOP Grant	2,406	-	-	-	-	2,406
Stormwater Regulation Program	3,750	-	-	-	-	3,750
State Agriculture Development Committee (SADC) Planning Assistance Grant	20,000	-	-	-	-	20,000
Polling Place Grant	3,841	-	-	-	-	3,841
Body Armor Fund	-	1,528	-	-	1,528	-
Clean Communities Grant	-	14,316	-	-	14,316	-
NJ DOT - Jacobstown/Amestown Rd - Phase II	-	195,000	103,425	-	-	91,575
Total State Grants	<u>268,120</u>	<u>251,113</u>	<u>181,314</u>	<u>24,132</u>	<u>26,113</u>	<u>287,674</u>
Other Grants:						
Burlington County Parks Grant - Phase II	315,694	-	315,594	-	-	100
Total Other Grants	<u>315,694</u>	<u>-</u>	<u>315,594</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total	<u>\$ 586,358</u>	<u>\$ 251,113</u>	<u>\$ 496,908</u>	<u>\$ 24,132</u>	<u>\$ 26,113</u>	<u>\$ 290,318</u>
Cash Receipts			<u>\$ 496,908</u>			
Total			<u>\$ 496,908</u>			

**TOWNSHIP OF NORTH HANOVER  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF STATE AND FEDERAL AND STATE GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

PROGRAM	BALANCE DECEMBER 31, 2013	GRANT RECEIPTS	REALIZED AS MISCELLANEOUS REVENUE IN 2014 BUDGET	BALANCE DECEMBER 31, 2014
Federal Grants:				
COPS Universal Program	\$ 2	\$ -	\$ -	\$ 2
Body Armor Replacement Program	2	-	-	2
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>
State Grants:				
Body Armor Replacement Grant	1,528	1,259	1,528	1,259
Clean Communities Grant	14,316	13,425	14,316	13,425
Supplemental Fire Services	113	-	-	113
Recycling Tonnage Grant	10,269	4,661	10,269	4,661
<b>Total State Grants</b>	<b>26,226</b>	<b>19,345</b>	<b>26,113</b>	<b>19,458</b>
<b>Total All Grants</b>	<b>\$ 26,230</b>	<b>\$ 19,345</b>	<b>\$ 26,113</b>	<b>\$ 19,462</b>



**TOWNSHIP OF NORTH HANOVER  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

PROGRAM	BALANCE DECEMBER 31, 2013 APPROPRIATED	TRANSFERRED FROM 2014 BUDGET APPROPRIATION	DISBURSED	CANCELLED	BALANCE DECEMBER 31, 2014 APPROPRIATED
Federal Grants:					
COPS Universal Program	\$ 11,131	\$ -	\$ -	\$ -	11,131
Small Cities Block Grant	27	-	-	-	27
Body Armor Replacement Program	554	-	-	-	554
<b>Total Federal Grants</b>	<b>11,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,712</b>
State Grants:					
DOT Grant	64,217	-	-	-	64,217
Transportation Trust Fund - Stewart Road	6,676	-	-	-	6,676
State Agriculture Development Committee (SADC) Planning Assistance Grant	929	-	-	-	929
Municipal Alliance on Alcoholism & Drug Abuse	39,235	-	-	35,485	3,750
NJ Economic Development Authority Municipal Grant Program	6,510	-	-	-	6,510
Buckle Up New Jersey Grant	1,932	-	-	-	1,932
Special Legislative Grant - Purchase of Emergency Generators	916	-	-	-	916
Recycling Tonnage Grant	18,117	10,269	1,845	-	26,541
SLAHEOP Grant	2,406	-	-	-	2,406
DDEF	6,978	-	-	-	6,978
Smart Growth Grant	15,000	-	-	-	15,000
Body Armor Replacement Program Safe & Secure Communities Program	3,837	1,528	(2,361)	-	7,726
	10,588	30,000	40,588	-	-
Polling Place Grant	3,841	-	-	-	3,841
Clean Communities Grant	36,351	14,316	6,141	-	44,526
NJ DOT - Jacobstown/Ameystown Rd - Phase II	-	195,000	145,448	-	49,552
<b>Total State Grants</b>	<b>217,533</b>	<b>251,113</b>	<b>191,661</b>	<b>35,485</b>	<b>241,500</b>
Municipal Share/ Local:					
Safe & Secure Communities Program	-	35,245	35,245	-	-
Aid to Volunteer Fire Company: Jacobstown Volunteer Fire Company	555	-	-	-	555
Municipal Alliance on Alcoholism & Drug Abuse	7,407	-	-	6,907	500
Burlington County Parks Grant - Phase I	-	-	-	-	-
Burlington County Parks Grant - Phase II	315,594	-	315,594	-	-
<b>Total Local Grants</b>	<b>323,556</b>	<b>35,245</b>	<b>350,839</b>	<b>6,907</b>	<b>1,055</b>
<b>Total All Grants</b>	<b>\$ 552,801</b>	<b>\$ 286,358</b>	<b>\$ 542,500</b>	<b>\$ 42,392</b>	<b>\$ 254,267</b>
Original Appropriations		\$ 286,358			
Cash Disbursements			\$ 540,995		
Encumbrances			1,505		
<b>Total</b>		<b>\$ 286,358</b>	<b>\$ 542,500</b>		

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**TRUST FUND**

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**TOWNSHIP OF NORTH HANOVER  
TRUST FUND  
STATEMENT OF TRUST CASH  
PER N.J.S.40A:5-5-TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	ANIMAL CONTROL TRUST FUND	OTHER FUNDS
Balance December 31, 2013	\$ 3,736	\$ 944,580
Increased by Receipts:		
Reserve for Dog Fund Expenditures	\$ 3,118	
Reserve for Escrow Deposits		\$ 125,435
Reserve for Affordable Housing		66
Reserve for Payroll		1,385,566
Reserve for Recreation		42,362
Reserve for County Fair		20
Reserve for Public Defender Fee		21,147
Reserve for Municipal Open Space		215,359
Municipal Open Space Receivable		185,083
Due to Current Fund		24,123
Due from Current Fund - Outside Police		4,846
	3,118	2,004,007
Total Increase	3,118	2,004,007
Total Receipts	6,854	2,948,587
Decreased by Disbursements:		
Reserve for Dog Fund Expenditures	1,160	
Due to Current Fund		18,241
Reserve for Escrow Deposits		124,000
Reserve for Affordable Housing		2,773
Reserve for Payroll		1,380,976
Reserve for Public Defender Fee		18,381
Reserve for Recreation		31,509
Reserve for Municipal Open Space		91,084
	1,160	1,666,964
Total Disbursements	1,160	1,666,964
Balance December 31, 2014	\$ 5,694	\$ 1,281,623

**TOWNSHIP OF NORTH HANOVER  
TRUST OTHER FUNDS  
SCHEDULE OF CURRENT CASH  
PER N.J.S. 40A:5-5--COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 26,300
Increased by:		
Interest	\$ 30	
Reserve for Tax Title Lien Redemption	28,651	
Reserve for Tax Premium Redemption	105,200	133,881
Subtotal		160,181
Decreased by:		
Refund Lien Redemption	28,651	
Refund Premium	27,400	
Interest to Current	30	56,081
Subtotal		56,081
Balance December 31, 2014		\$ 104,100
	Tax Premiums	\$ 104,100
	Tax Title Liens	-
		\$ 104,100

**TRUST OTHER FUND  
SCHEDULE OF DUE FROM/TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 40,089
Increase by:		
Receipts		24,123
		64,212
Decreased by:		
Disbursements		18,241
Balance December 31, 2014		\$ 45,971

**TOWNSHIP OF NORTH HANOVER  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	4,580
Increased by:		
Collections:		
Dog License Fees Collected by Clerk		3,118
Subtotal		7,698
Decreased by:		
Expenditures Under R.S.4:19-15.11--Cash	1,160	
Transfer to Current Fund	740	1,900
Balance December 31, 2014	\$	5,798

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2013	\$ 2,944
2012	2,854
Total	\$ 5,798

**TRUST OTHER FUNDS  
SCHEDULE OF RESERVE FOR OPEN SPACE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	716,631
Increased by:		
Revenues - Tax Levy from Current Fund	\$ 210,063	
Added Taxes	4,854	
Interest	442	215,359
Subtotal		931,990
Decreased by:		
Anticipated Revenue Current Fund - Debt Service		91,084
Balance December 31, 2014	\$	840,906

**TOWNSHIP OF NORTH HANOVER  
TRUST OTHER FUNDS  
SCHEDULE OF RESERVE FOR ESCROW DEPOSITS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 128,149
Increased by:	
Interest Earned & Escrow Deposits	<u>125,435</u>
Subtotal	253,584
Decreased by:	
Refunds or Payments	<u>124,000</u>
Balance December 31, 2014	<u><u>\$ 129,584</u></u>

**SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 145,941
Increased by:	
Receipts:	
Affordable Housing Fees	<u>66</u>
Subtotal	146,007
Decreased by:	
Disbursement	<u>2,773</u>
Balance December 31, 2014	<u><u>\$ 143,234</u></u>



## EXHIBIT B-8

**TOWNSHIP OF NORTH HANOVER  
TRUST OTHER FUNDS  
SCHEDULE OF RESERVE FOR PAYROLL  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 21,862
Increased by:	
Payroll	<u>1,385,566</u>
Subtotal	1,407,428
Decreased by:	
Payroll Expenditures	<u>1,380,976</u>
Balance December 31, 2014	<u><u>\$ 26,452</u></u>

**ANALYSIS OF BALANCE**

Dental/Health	\$ 9,168
PERS	2,032
PFRS	8,122
DCRP Retirement	718
Unallocated Reserve	<u>6,412</u>
Total	<u><u>\$ 26,452</u></u>

## EXHIBIT B-9

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

Balance December 31, 2013	\$ 88,377
Increased by:	
Receipts	<u>42,362</u>
Subtotal	130,739
Decreased by:	
Disbursements	<u>31,509</u>
Balance December 31, 2014	<u><u>\$ 99,230</u></u>

**TOWNSHIP OF NORTH HANOVER  
TRUST OTHER FUNDS  
SCHEDULE OF RESERVE FOR COUNTY FAIR  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	7,525
Increased by:		
Receipts		20
Balance December 31, 2014	\$	7,545

**SCHEDULE OF RESERVE FOR PUBLIC DEFENDER FEE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	5,585
Increased by:		
Receipts - Fees Collected by Court		21,147
Subtotal		26,732
Decreased by:		
Disbursements - Expenditures		18,381
Balance December 31, 2014	\$	8,351

**SCHEDULE OF RESERVE FOR AMBULANCE CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013	\$	465
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**TOWNSHIP OF NORTH HANOVER  
TRUST OTHER FUNDS  
SCHEDULE OF RESERVE FOR FIRE PREVENTION FINES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013

\$ 350

**SCHEDULE OF RESERVE CITIZENS' CONTRIBUTIONS FOR FUTURE MUNICIPAL PURPOSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013

\$ 2,606

**SCHEDULE OF RESERVE FOR POLICE CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance, December 31, 2014 and 2013

\$ 950

**TOWNSHIP OF NORTH HANOVER  
TRUST OTHER FUNDS  
SCHEDULE OF RESERVE FOR SNOW REMOVAL  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased by:	
Transfer from Current Fund Budget	<u>14,353</u>
Balance, December 31, 2014	<u>\$ 14,353</u>

**GENERAL CAPITAL FUND**

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**TOWNSHIP OF NORTH HANOVER  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL CASH AND RECONCILIATION  
PER N.J.S.40A:5-5-TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	278,747
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	\$	10,000	
Prior Year Refunds		39,556	
Premium on BANs		2,141	
Due From Interfund		362,749	
Note Proceeds		858,850	1,273,296
			<hr/>
Subtotal			1,552,043
Decreased by Disbursements:			
Improvement Authorizations		277,601	
Miscellaneous Payment on BANs		2,141	
Payment on BANs		1,172,709	1,452,451
			<hr/>
Balance December 31, 2014		\$	<u>99,592</u>

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

ORDINANCE NUMBER	BALANCE DECEMBER 31, 2013	BOND ANTICIPATION NOTES	RECEIPTS MISCELLANEOUS		IMPROVEMENT AUTHORIZATIONS	DISBURSEMENTS MISCELLANEOUS		TRANSFERS		BALANCE DECEMBER 31, 2014
				10,000 \$				FROM	TO	
Capital Improvement Fund	\$ 61	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	10,061
1997-16 Feasibility Study for Improvement to Municipal Building and Replacement of Heating System	1,862	-	-	-	-	-	-	-	-	1,862
1999-04 Various Capital Improvements	24,559	-	-	6,981	-	-	-	-	-	17,578
2001-03 Capital Improvements & Purchase Equipment	6,889	-	-	2,855	-	1,440	-	-	-	2,594
2003-06 Purchase of Public Safety Equipment	4,126	-	-	-	-	-	-	-	-	4,126
2003-08 Acquisition of Farms for Farmland Preservation	13,890	-	-	-	-	-	-	-	-	13,890
2006-06 Acquisition of Farms for Farmland Preservation & Various Capital Improvements	(19,214)	-	-	-	-	-	-	-	-	(19,214)
2006-10 Purchase of Validator/Postage Machine	3,200	-	-	-	-	-	-	-	-	3,200
2009-21 Acquisition & Installation of Solar Panels	16,344	-	-	-	-	-	-	-	-	16,344
2009-22 Reconstruction of Schoolhouse Road Phase II	7,938	-	-	-	-	-	-	-	-	7,938
2011-05 Acquisition of Certain Real Property	3,202	-	-	1,635	-	-	-	-	-	1,567
2012-01 Acquisition of a Fire Vehicle & Installation of Equipment	2,210	-	-	-	-	-	-	-	-	2,210
2012-06 Acquisition & Installation of a Trash Compactor	1,049	-	-	-	-	-	-	-	-	1,049
2012-08 Resurfacing of Jacobstown-Amytown Roads	18,728	-	-	14,940	-	-	-	-	-	3,788
2013-05 Acquisition of a Tanker Truck	3,159	-	-	1,615	-	-	-	-	-	1,544
2013-09 Improvements to Schoolhouse Road Park	161,129	-	-	88,446	249,575	-	-	-	-	-
Premiums on Notes Issued - Reserve for Debt Service	270	-	-	2,141	2,141	-	-	-	-	270
Reserve for Acquisition of Land	500	-	-	-	-	-	-	-	-	500
Reserve for Fire Equipment	49,370	-	-	-	-	-	-	-	-	49,370
Capital Surplus	592	-	-	-	-	-	-	-	-	592
Due Current Fund	-	-	-	-	-	-	-	-	-	-
DOT Grant Receivable	(18,811)	-	-	-	-	-	-	-	-	(18,811)
Reserve for Encumbrance	-	-	-	-	-	-	-	-	1,440	1,440
Accounts Receivable	(2,306)	-	-	-	-	-	-	-	-	(2,306)
<b>Total</b>	<b>\$ 278,747</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,587</b>	<b>\$ 279,742</b>	<b>\$ 1,440</b>	<b>\$ -</b>	<b>\$ 1,440</b>	<b>\$ -</b>	<b>\$ 99,592</b>



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

Balance December 31, 2013	\$ 975,000
Decreased by:	
2014 Budget Appropriation to Pay Debt:	
General Serial Bonds	<u>145,000</u>
Balance December 31, 2014	<u><u>\$ 830,000</u></u>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	NOTES PAID BY PREMIUM	NOTES PAID BY GRANT	NOTES PAID BY BUDGET AUTHORIZATIONS	BALANCE DECEMBER 31, 2014	ANALYSIS OF BALANCE		
							BOND ANTICIPATION NOTES	EXPENDED	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
2006-06	Acquisition of Farms for Farmland Preservation & Various Capital Improvements	\$ 143,320	\$ -	\$ -	40,000	\$ 103,320	\$ 80,000	\$ 19,214	\$ 4,106
2009-21	Acquisition & Installation of Solar Panels	190,000	-	-	-	190,000	190,000	-	-
2011-05	Acquisition of Certain Real Property	216,600	-	-	27,000	189,600	189,600	-	-
2012-01	Acquisition of a Fire Vehicle & Installation of Equipment	71,250	-	-	-	71,250	71,250	-	-
2012-06	Acquisition & Installation of a Trash Compactor	19,000	-	-	-	19,000	19,000	-	-
2012-08	Resurfacing of Jacobstown-Armytown Roads	9,500	-	-	-	9,500	-	-	9,500
2013-05	Acquisition of Tanker Truck	273,000	-	-	-	273,000	273,000	-	-
2013-09	Improvements to Schoolhouse Road Park	285,500	2,141	247,359	-	36,000	36,000	-	-
Total		\$ 1,208,170	\$ 2,141	\$ 247,359	\$ 67,000	\$ 891,670	\$ 858,850	\$ 19,214	\$ 13,606

<b>Improvement Authorizations Unfunded:</b>		<b>ORD. NO.</b>	<b>\$</b>
Unexpended Proceeds of Bond Anticipation Notes	2009-21		\$ 16,344
Unexpended Proceeds of Bond Anticipation Notes	2011-05		1,567
Unexpended Proceeds of Bond Anticipation Notes	2012-01		2,210
Unexpended Proceeds of Bond Anticipation Notes	2012-06		1,049
Unexpended Proceeds of Bond Anticipation Notes	2013-05		1,544
			\$ 36,320
			\$ 13,606

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

IMPROVEMENT DESCRIPTION	ORDINANCE NUMBER	DATE	AMOUNT	BALANCE DECEMBER 31, 2013		DOWN PAYMENTS	CHARGES TO FUTURE TAXATION- UNFUNDED	PRIOR YEAR REFUND	PAID OR CHARGED		BALANCE DECEMBER 31, 2014	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED	FUNDED	UNFUNDED
General Improvements: Feasibility Study for Improvement to Municipal & Replacement of Heating System	1997-16	8/28/1997	\$ 35,000	\$ 1,862	\$ -	\$ -	\$ -	-	\$ -	\$ 1,862	\$ -	-
Various Capital Improvements	1999-04	3/20/1999	1,590,000	24,559	-	-	-	-	6,981	17,578	-	-
Capital Improvements & Purchase Equipment	2001-03	5/10/2001	120,000	-	6,889	-	-	-	4,295	2,594	-	-
Purchase of Public Safety Equipment	2003-06	9/18/2003	147,500	-	4,126	-	-	-	-	4,126	-	-
Acquisition of Farms for Farmland Preservation	2003-08	11/13/2003	320,000	-	13,890	-	-	-	-	13,890	-	-
Acquisition of Farms for Farmland Preservation & Various Capital Improvements	2006-06	5/28/2006	445,600	-	4,106	-	-	-	-	-	-	4,106
Purchase of Validator/Postage Machine	2006-10	8/24/2006	3,200	3,200	-	-	-	-	-	3,200	-	-
Acquisition & Installation of Solar Panels	2009-21	12/17/2009	200,000	-	16,344	-	-	-	-	-	-	16,344
Reconstruction of Schoolhouse Road Phase III	2009-22	12/17/2009	17,000	7,938	-	-	-	-	-	7,938	-	-
Acquisition of Certain Real Property	2011-05	11/15/2011	285,000	-	3,202	-	-	-	1,635	-	-	1,567
Acquisition of a Fire Vehicle & Installation of Equipment	2012-01	3/1/2012	75,000	-	2,210	-	-	-	-	-	-	2,210
Acquisition & Installation of a Trash Compactor	2012-06	7/16/2012	20,000	-	1,049	-	-	-	-	-	-	1,049
Resurfacing of Jacobstown-Armytown Roads	2012-08	12/6/2012	210,000	18,728	9,500	-	-	-	14,940	3,788	-	9,500
Acquisition of Fire Tanker Truck	2013-05	7/18/2013	287,500	-	3,159	-	-	-	1,615	-	-	1,544
Improvements to Schoolhouse Road Park	2013-09	12/5/2013	300,000	-	161,629	-	-	87,946	249,575	-	-	-
<b>Total</b>			<b>\$ 56,287</b>	<b>\$ 226,104</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,946</b>	<b>\$ 279,041</b>	<b>\$ 54,976</b>	<b>\$ 36,320</b>	

Encumbrances Payable \$ 1,440  
Cash Disbursements 277,601  
\$ 279,041

**TOWNSHIP OF NORTH HANOVER  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	61
Increased by:		
Capital Improvement Fund - Current Fund Budget		<u>10,000</u>
Balance December 31, 2014	\$	<u><u>10,061</u></u>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE NOTES	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2013	INCREASE	DECREASE	BALANCE DECEMBER 31, 2014
2006-06	Acquisition of Farms for Farmland Preservation Program/Various Improvements	12/29/2006	5/2/2013 5/1/2014	5/2/2014 4/30/2015	0.85% 1.25%	\$ 120,000 -	- 80,000	\$ 120,000 -	- 80,000
2011-05	Acquisition of Certain Real Property	12/15/2011	5/2/2013 5/1/2014	5/3/2012 4/30/2015	0.85% 1.25%	216,600 -	- 189,600	216,600 -	- 189,600
2009-21	Acquisition & Installation of Solar Panels	5/3/2012	5/2/2013 5/1/2014	5/2/2014 4/30/2015	0.85% 1.25%	190,000 -	- 190,000	190,000 -	- 190,000
2012-01	Acquisition of a Fire Vehicle & Installation of Equipment	5/3/2012	5/2/2013 5/1/2014	5/2/2014 4/30/2015	0.85% 1.25%	71,250 -	- 71,250	71,250 -	- 71,250
2012-06	Acquisition & Installation of a Trash Compactor	12/15/2012	5/2/2013 5/1/2014	5/2/2014 4/30/2015	0.85% 1.25%	19,000 -	- 19,000	19,000 -	- 19,000
2013-05	Acquisition of a Tanker Truck	9/4/2013	9/4/2013 5/1/2014	5/2/2014 4/30/2015	1.20% 1.25%	273,000 -	- 273,000	273,000 -	- 273,000
2013-09	Improvements to Schoolhouse Road Park	12/30/2013	12/30/2013 6/27/2014	6/30/2014 4/30/2015	1.50%	285,000 -	- 36,000	285,000 -	- 36,000
Total						\$ 1,174,850	\$ 858,850	\$ 1,174,850	\$ 858,850
						Renewals	\$ 858,350	\$ 858,350	
						Issued for Cash	500	-	
						Paid by Grant	-	249,500	
						Paid by Budget	-	67,000	
						\$ 858,850	\$ 1,174,850	\$ 1,174,850	

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2013	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2014
			DATE	AMOUNT				
General Bonds of 1999	6/15/99	\$ 2,520,000	6/15/15	150,000	5.20%	\$ 975,000	\$ 145,000	\$ 830,000
			6/15/16	155,000				
			6/15/17	170,000				
			6/15/18	175,000				
			6/15/19	180,000				
Total						\$ 975,000	\$ 145,000	\$ 830,000

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	IMPROVEMENT AUTHORIZATIONS	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2014
2006-06	Various Capital Improvements	\$ 23,320	\$ -	-	\$ 23,320
2012-08	Resurfacing of Jacobstown-Armytown Roads	9,500	-	-	9,500
2013-05	Acquisition of a Tanker Truck	-	-	-	-
2013-09	Improvements to Schoolhouse Road Park	500	-	500	-
Total		\$ 33,320	\$ -	500	\$ 32,820

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**FIXED ASSETS**

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**TOWNSHIP OF NORTH HANOVER  
GENERAL FIXED ASSETS GROUP OF ACCOUNTS  
STATEMENT OF GENERAL FIXED ASSET GROUP OF ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2014
General Fixed Assets:				
Land & Land Improvements	\$ 2,244,452	\$ 178,204	\$ -	\$ 2,422,656
Buildings	1,017,099	-	-	1,017,099
Vehicles	1,982,902	1,615	24,627	1,959,890
Machinery & Equipment	873,837	11,276	-	885,113
	<hr/>			
Total General Fixed Assets	\$ 6,118,290	\$ 191,095	\$ 24,627	\$ 6,284,758
	<hr/> <hr/>			
 Total Investments in General Fixed Assets	 \$ 6,118,290	 \$ 191,095	 \$ 24,627	 \$ 6,284,758
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**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<b>NAME</b>	<b>TITLE</b>	<b>AMOUNT OF BOND</b>	<b>NAME OF CORPORATE SURETY</b>
William Quackenboss	Mayor	\$ 15,000.00	A
James Durr	Deputy Mayor	\$ 15,000.00	A
Michael Moscatiello	Committeeman	\$ 15,000.00	A
Deborah Butler	Committeeman	\$ 15,000.00	A
Louis DeLorenzo	Committeeman	\$ 15,000.00	A
Cindy Dye	Township Clerk, Registrar of Vital Statistics & Improvement Search Clerk, Deputy Tax Collector	\$ 20,000.00	A
John A. Bruno, Jr	Treasurer & Chief Financial Officer	\$ 85,000.00	A
Maryalice Picariello	Tax Collector	\$100,000.00	A
Lois F. Downey	Judge of Municipal Court	\$ 15,000.00	A
Rita Williams	Court Administrator	\$ 15,000.00	A
Susan Lee Lyon	Deputy Court Administrator	\$ 15,000.00	A
Christine Case-Edwards	Deputy Court Administrator	\$ 15,000.00	A
Mark Keubler	Police Chief	\$ 15,000.00	A
Donald Kosul	Tax Assessor	\$ 15,000.00	A
Remington Vernick & Arango	Engineer		
Mark Roselli, Esq.	Solicitor		

(A) Selective Insurance Company

All of the Bonds were examined and were properly executed.

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**TOWNSHIP OF NORTH HANOVER  
COUNTY OF BURLINGTON**

**PART II**

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

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HOLMAN | FRENIA  
ALLISON, P.C.

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To the Honorable Mayor and  
Members of the Township Committee  
Township of North Hanover  
North Hanover, New Jersey 08060

We have audited the financial statements and transactions of the Township of North Hanover in the County of Burlington for the year ended December 31, 2014. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

### GENERAL COMMENTS

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

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

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

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

#### **Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 thereafter "for the performance of any work or the furnishing or hiring of any materials

**Contracts and Agreements Requiring Solicitation of Quotations (continued):**

or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (N.J.S.A.40A:11-6.1).

**Collection of Interest on Delinquent Taxes**

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

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

“**BE IT RESOLVED** by the Township Committee of the Township of North Hanover, County of Burlington, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

**BE IT FURTHER RESOLVED**, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

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

**Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2014 included 2014 and 2013 real estate taxes and the amounts included in the arrears register.

There was a tax sale held on October 17, 2014 and was complete.

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

YEAR	NUMBER OF LIENS
2014	14
2013	12
2012	12

**Deductions From Taxes**

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

## **Payroll Fund**

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of the Township employees.

## **Examination of Bills**

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate. The following deficiencies were noted in the current year audit:

## **Municipal Court**

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

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

## **Fixed Assets**

### **\*Finding 2014-001:**

An analysis of fixed assets, additions and deletions, is not being maintained and updated on a yearly basis as required by Technical Accounting Directive 85-2.

### **Recommendation:**

That an analysis of fixed assets be maintained and updated on a yearly basis.

### **Management's Response:**

This will be corrected in 2015.

\*Prior Year Findings

### **Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year findings. The previous year's audit findings have been corrected with the exception of the ones marked above with an asterisk (\*).

### **Acknowledgment**

We received the complete cooperation of all the staff of the Township and we greatly appreciate the courtesies extended to the members of the audit team.

The problems and weaknesses noted in our review were of such magnitude that they did affect our ability to express an unqualified opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P. C.**

Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
No. CR473

June 4, 2015  
Medford, New Jersey