

REPORT OF AUDIT
BOROUGH OF LINCOLN PARK
COUNTY OF MORRIS
DECEMBER 31, 2014

BOROUGH OF LINCOLN PARK, N.J.

TABLE OF CONTENTS

PART I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	9
A-3	Statement of Expenditures - Regulatory Basis	11
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	19
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	21
C-1	Statement of Fund Balance - Regulatory Basis	22
	<u>WATER UTILITY FUND</u>	
D	Comparative Balance Sheet - Regulatory Basis	23
D-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	25
D-2	Statement of Fund Balance - Regulatory Basis	26
D-3	Statement of Revenues - Regulatory Basis	27
D-4	Statement of Expenditures - Regulatory Basis	28
	<u>PUBLIC ASSISTANCE FUND</u>	
E	Comparative Balance Sheet - Regulatory Basis	29
	<u>GENERAL FIXED ASSETS</u>	
G	Statement of General Fixed Assets - Regulatory Basis	30
	Notes to Financial Statements Year Ended December 31, 2014	31
	Supplementary Data and Schedules	56

BOROUGH OF LINCOLN PARK, N.J.
TABLE OF CONTENTS
(continued)

<u>Exhibit</u>		<u>Page</u>
<u>SUPPLEMENTARY SCHEDULES</u>		
<u>CURRENT FUND</u>		
A-4	Schedule of Cash - Collector - Treasurer - Current Fund	59
A-5	Schedule of Cash - Change Fund	60
A-6	Schedule of Cash - Petty Cash	60
A-7	Schedule of Amount Due from State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 73, P.L. 1976	61
A-8	Schedule of Taxes Receivable and Analysis of Property Tax Levy	62
A-9	Schedule of Tax Title Liens	63
A-10	Schedule of Property Acquired for Taxes Assessed Valuation	63
A-11	Schedule of Revenue Accounts Receivable	64
A-12	Schedule of Sewer Rents Receivable	65
A-13	Schedule of Interfunds	66
A-14	Schedule of Deferred Charges - Special Emergency Authorization	67
A-15	Schedule of Appropriation Reserves	68
A-16	Schedule of Encumbrances Payable	71
A-17	Schedule of Accounts Payable	71
A-18	Schedule of Prepaid Taxes	72
A-19	Schedule of Local District School Tax Payable	73
A-20	Schedule of County Taxes Payable	73
A-21	Schedule of Various Cash Liabilities and Reserves	74
A-22	Schedule of Grants Receivable - Federal and State Grant Fund	75
A-23	Schedule of Appropriated Reserves for Grants - Federal and State Grant Fund	76
A-24	Schedule of Unappropriated Reserves for Grants - Federal and State Grant Fund	77
A-25	Schedule of Due to Current Fund - Federal and State Grant Fund	78
A-26	Schedule of Due from Other Trust Fund - Federal and State Grant Fund	78
<u>TRUST FUND</u>		
B-1	Schedule of Cash	79
B-2	Schedule of Interfund - Current Fund	80
B-3	Schedule of Interfunds	81
B-4	Reserve for Dog Fund Expenditures	82
B-5	Schedule of Due to State Department of Health	83
B-6	Schedule of Various Reserves and Other Trust Funds	84
B-7	Reserve for Municipal Open Space	85
B-8	Schedule of Payroll Deductions Payable	86
B-9	Schedule of Net Payroll	86
B-10	Statement of Contributions Receivable	87
B-11	Statement of Net Assets Available for Benefits	88

BOROUGH OF LINCOLN PARK, N.J.
TABLE OF CONTENTS
(continued)

<u>Exhibit</u>		<u>Page</u>
	<u>GENERAL CAPITAL FUND</u>	
C-2	Schedule of General Capital Cash - Treasurer	89
C-3	Analysis of Cash	90
C-4	Schedule of Deferred Charges to Future Taxation - Funded	91
C-5	Schedule of Deferred Charges to Future Taxation - Unfunded	92
C-6	Schedule of General Serial Bonds Payable	93
C-7	Schedule of Loan Program Bonds Payable	94
C-8	Schedule of Bond Anticipation Notes Payable	95
C-9	Schedule of Improvement Authorizations	96
C-10	Schedule of Capital Improvement Fund	98
C-11	Schedule of Interfunds	99
C-12	Schedule of Reserve for Debt Service	100
C-13	Schedule of Bonds and Notes Authorized But Not Issued	101
	<u>WATER UTILITY FUND</u>	
D-5	Schedule of Cash	102
D-6	Schedule of Change Funds	103
D-7	Schedule of Water Utility Capital Cash	103
D-8	Schedule of Consumer Accounts Receivable	104
D-9	Schedule of Fixed Capital	105
D-10	Schedule of Fixed Capital Authorized and Uncompleted	106
D-11	Schedule of Interfunds	107
D-12	Schedule of 2013 Appropriation Reserves	108
D-13	Schedule of Reserve for Encumbrances	109
D-14	Schedule of Water Rent Overpayments	110
D-15	Schedule of Interfunds - Water Utility Operating Fund	111
D-16	Schedule of Accrued Interest on Bonds	11
D-17	Schedule of Accrued Interest	112
D-18	Schedule of Bond Anticipation Notes Payable	113
D-19	Schedule of Loan Program Bonds Payable	114
D-20	Schedule of Improvement Authorizations	115
D-21	Schedule of Capital Improvement Fund	116
D-22	Schedule of Reserve for Amortization	116
D-23	Schedule of Deferred Reserve for Amortization	117
D-24	Schedule of Bonds and Notes Authorized but not Issued	118
	<u>PUBLIC ASSISTANCE FUND</u>	
E-1	Schedule of Cash - Treasurer	119
E-2	Schedule of Cash - Treasurer	120
E-3	Schedule of Cash - Treasurer	121
E-4	Schedule of Revenues - Cash Basis	122
E-5	Schedule of Expenditures - Cash Basis	122

BOROUGH OF LINCOLN PARK, N.J.
TABLE OF CONTENTS
(continued)

<u>Exhibit</u>	<u>Page</u>
<u>PART II</u>	
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal and State Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular 04-04 as Amended	123
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	125
Schedule of Expenditures of Federal Awards	128
Schedule of Expenditures of State Awards	130
Notes to the Schedules of Expenditures of Federal and State Awards	133
Schedule of Findings and Questioned Costs	134
General Comments	137
Recommendations	140
Status of Prior Year Audit Findings/Recommendations	140

BOROUGH OF LINCOLN PARK

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Lincoln Park
Lincoln Park, New Jersey 07035

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Lincoln Park in the County of Morris, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



The Honorable Mayor and
Members of the Borough Council
Page 2.

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.

The Length of Service Awards Program of the Borough of Lincoln Park has not been audited, and we were not engaged to audit the Length of Service Awards Program financial statements as part of our audit of the Borough's financial statements.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Lincoln Park on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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



Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 16 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,211,223.57 and \$1,159,138.64 for 2014 and 2013, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Lincoln Park’s basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of federal financial awards and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

The Honorable Mayor and
Members of the Borough Council
Page 4.

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2015 on our consideration of the Borough of Lincoln Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Lincoln Park's internal control over financial reporting and compliance.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

May 3, 2015



Borough of Lincoln Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Current Fund:			
Cash	A-4	4,796,547.78	3,952,509.84
Change Fund	A-5	1,050.00	1,150.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	11,973.30	14,187.00
		<u>4,809,571.08</u>	<u>3,967,846.84</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	320,724.94	360,454.16
Tax Title Liens	A-9	58,481.33	47,031.36
Property Acquired for Taxes -			
Assessed Valuation	A-10	835,965.00	1,123,165.00
Revenue Accounts Receivable	A-11	8,304.48	9,341.09
Sewer Rents Receivable	A-12	310,232.06	287,005.97
Due from:			
General Capital Fund	A-13	418.97	486.23
Federal and State Grant Fund	A-13	53.27	41.90
Other Trust Fund	A-13	6,544.15	9,104.20
Water Operating Fund	A-13	443.39	
Animal Control Trust Fund	A-13	10,075.99	11,163.83
Payroll Fund	A-13	2,630.65	1,655.96
Public Assistance Trust Fund	A-13	1.57	1.52
Library Payroll Reimbursement	A-13	18,343.94	21,602.21
		<u>1,572,219.74</u>	<u>1,871,053.43</u>
Deferred Charges:			
Special Emergency Authorizations	A-14	160,000.00	240,000.00
		<u>160,000.00</u>	<u>240,000.00</u>
		<u>6,541,790.82</u>	<u>6,078,900.27</u>
Federal and State Grant Fund:			
Cash	A-4	236,442.53	222,294.67
Grants Receivable	A-22	775,811.28	360,216.03
		<u>1,012,253.81</u>	<u>582,510.70</u>
		<u>7,554,044.63</u>	<u>6,661,410.97</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Lincoln Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-15	732,073.57	884,101.76
Encumbrances Payable	A-16	314,574.33	309,022.65
Accounts Payable	A-17	774.10	10,500.00
Prepaid Taxes	A-18	218,757.28	178,870.61
Local School Tax Payable	A-19	116,881.39	163,350.39
Tax Overpayments	A-21	250.00	250.00
Sewer Rent Overpayments	A-21	5,078.42	4,023.89
Due to State of New Jersey:			
Construction Code Surcharge	A-21	1,230.00	967.00
Marriage License Surcharge	A-21	225.00	350.00
Reserve for:			
Sale of Borough Property	A-21	400,706.59	285,502.16
Revaluation	A-21	17,149.81	17,149.81
Flood Related Costs	A-21	231,370.59	149,040.53
Flood Buy Outs	A-21	4,344.34	87,625.95
		<u>2,043,415.42</u>	<u>2,090,754.75</u>
Reserve for Receivables	Contra	1,572,219.74	1,871,053.43
Fund Balance	A-1	<u>2,926,155.66</u>	<u>2,117,092.09</u>
		<u>6,541,790.82</u>	<u>6,078,900.27</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-23	965,620.31	530,205.19
Unappropriated Reserve for Grants	A-24	43,953.64	49,959.61
Interfund - Current Fund	A-25	53.27	41.90
Interfund - Other Trust Fund	A-26	2,626.59	2,304.00
		<u>1,012,253.81</u>	<u>582,510.70</u>
		<u>7,554,044.63</u>	<u>6,661,410.97</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Lincoln Park, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	727,500.00	700,000.00
Miscellaneous Revenue Anticipated	A-2	4,722,429.78	4,449,230.95
Receipts from Delinquent Taxes	A-2	359,333.50	355,082.26
Receipts from Current Taxes	A-2	33,791,306.85	33,775,562.98
Non-Budget Revenue	A-2	250,298.51	39,409.80
Other Credits to Income:			
Statutory Excess in Animal Control Trust	A-13	9,977.98	11,057.40
Interfunds Returned	A-13	44,055.85	35,595.78
Canceled Grant Reserves	A-23	19,999.93	2,684.94
Unexpended Balance of Appropriation Reserves	A-15	629,534.55	316,221.21
Canceled Accounts Payable	A-17	8,200.00	813.30
		<hr/>	<hr/>
Total Revenues and Other Income		<u>40,562,636.95</u>	<u>39,685,658.62</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	5,641,535.08	5,399,376.55
Other Expenses	A-3	7,932,867.26	8,048,106.73
Capital Improvement Fund	A-3	258,260.00	214,200.00
Municipal Debt Service	A-3	2,073,125.02	2,066,770.63
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,558,712.00	1,554,132.00
Refund of Prior Year's Revenue	A-4	111,015.42	30,918.72
Interfund Advances	A-13	38,511.93	44,055.85
Canceled Grants Receivable	A-22	19,999.93	2,684.94
Municipal Open Space	A-13	68,623.40	68,808.98
Local District School Tax	A-19	17,906,385.00	17,709,401.00
County Taxes including Added Taxes	A-20	3,417,038.34	3,518,778.48
		<hr/>	<hr/>
Total Expenditures		<u>39,026,073.38</u>	<u>38,657,233.88</u>

Borough of Lincoln Park, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Excess (Deficit) Revenue Over Expenditures		1,536,563.57	1,028,424.74
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year		<hr/>	<hr/>
Statutory Excess to Fund Balance		1,536,563.57	1,028,424.74
Fund Balance, January 1,	A	<u>2,117,092.09</u>	<u>1,788,667.35</u>
		3,653,655.66	2,817,092.09
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>727,500.00</u>	<u>700,000.00</u>
Fund Balance, December 31,	A	<u><u>2,926,155.66</u></u>	<u><u>2,117,092.09</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Lincoln Park, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>727,500.00</u>	<u>727,500.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	17,500.00	17,600.00	100.00
Other	A-2	6,000.00	7,473.00	1,473.00
Fees and Permits	A-2	35,000.00	46,656.60	11,656.60
Fines and Costs:				
Municipal Court	A-11	107,000.00	134,827.06	27,827.06
Interest and Costs on Taxes	A-4	65,000.00	86,502.83	21,502.83
Interest on Investments and Deposits	A-11	16,000.00	17,053.56	1,053.56
Sewer Rents	A-12	2,008,615.00	2,484,519.90	475,904.90
Recreation Fees	A-11	130,000.00	149,370.22	19,370.22
Energy Receipts Tax	A-11	798,969.00	798,969.00	
Consolidated Municipal Property Tax Relief Aid	A-11	81,182.00	81,182.00	
Garden State Trust Pilot Funds	A-11	28,287.00	28,287.00	
Uniform Construction Code Fees	A-11	95,000.00	112,925.00	17,925.00
Public and Private Revenues:				
Drunk Driving Enforcement Fund	A-22	3,262.73	3,262.73	
Body Armor Grant	A-22	3,125.80	3,125.80	
Clean Communities	A-22	20,144.72	20,144.72	
Alcohol Education and Rehab Grant	A-22	1,319.37	1,319.37	
Recycling Tonnage Grant	A-22	22,106.99	22,106.99	
NJ Transportation Trust	A-22	340,000.00	340,000.00	
Hazard Mitigation Grant Program	A-22	50,000.00	50,000.00	
NJDEP Flood Control Project	A-22	150,000.00	150,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-22	5,588.00	5,588.00	
Other Special Items:				
Reserve for Debt Service	A-11	20,000.00	20,000.00	
Sale of Municipal Assets	A-21	50,000.00	50,000.00	
General Capital Fund Balance	A-11	40,000.00	40,000.00	
Cable Television Franchise Fees	A-11	46,509.00	51,516.00	5,007.00
Total Miscellaneous Revenues	A-1	<u>4,140,609.61</u>	<u>4,722,429.78</u>	<u>581,820.17</u>
Receipts from Delinquent Taxes	A-1/A-2	<u>300,000.00</u>	<u>359,333.50</u>	<u>59,333.50</u>
Subtotal General Revenues		<u>5,168,109.61</u>	<u>5,809,263.28</u>	<u>641,153.67</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>12,895,593.25</u>	<u>12,998,019.11</u>	<u>102,425.86</u>
Budget Totals		18,063,702.86	18,807,282.39	743,579.53
Non-Budget Revenue	A-1/A-2		<u>250,298.51</u>	<u>250,298.51</u>
		<u>18,063,702.86</u>	<u>19,057,580.90</u>	<u>993,878.04</u>
		A-3		
Adopted Budget	A-3	17,523,702.86		
Appropriated by (N.J.S. 40A:4-87)	A-3	<u>540,000.00</u>		
		<u>18,063,702.86</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Lincoln Park, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2014

<u>Analysis of Realized Revenues</u>		
	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	33,791,306.85
Allocated to School and County Taxes	A-8	<u>21,392,046.74</u>
Balance for Support of Municipal Budget Appropriations		12,399,260.11
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>598,759.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>12,998,019.11</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-8	<u>359,333.50</u>
Licenses - Other:		
Clerk	A-11	320.00
Registrar	A-11	198.00
Board of Health	A-11	<u>6,955.00</u>
	A-2	<u>7,473.00</u>
Fees and Permits - Other:		
Clerk	A-11	17,031.00
Board of Health	A-11	4,597.00
Police	A-11	6,448.60
Fire Prevention	A-11	10,820.00
Registrar	A-11	<u>7,760.00</u>
	A-2	<u>46,656.60</u>
<u>Analysis of Non-budget Revenues</u>		
	<u>Ref.</u>	
Return Check Fee		450.00
Rental of Borough Property		4,951.00
Tax Miscellaneous		412.00
Interest on Sewer Rents		20,055.95
Senior Citizens & Veterans Administration Fee		2,138.25
Photo Copies		1,029.94
Postage		98.06
Canceled Tax Sale Premium		1,000.00
Insurance Dividend		187,469.94
Uniformed Fire Safety		24,284.23
Void Checks		18.00
Miscellaneous		3,111.14
State DMV		<u>5,280.00</u>
	A-4	<u>250,298.51</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Lincoln Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance</u>
<u>General Appropriations</u>						<u>Cancelled</u>
Operations - within "CAPS"						
Administrative and Executive						
Salaries and Wages		153,965.00	153,965.00	127,119.57	26,845.43	
Other Expenses		98,056.00	98,056.00	96,074.60	1,981.40	
Clerk						
Salaries and Wages		107,566.30	107,566.30	100,955.18	6,611.12	
Other Expenses		37,214.00	37,214.00	32,223.26	4,990.74	
Financial Administration						
Salaries and Wages		74,615.00	73,615.00	72,828.60	786.40	
Other Expenses		19,870.00	19,870.00	11,267.68	8,602.32	
Audit Services						
Other Expenses		26,000.00	26,000.00	2,350.00	23,650.00	
Collection of Taxes						
Salaries and Wages		70,647.06	70,647.06	70,647.04	0.02	
Other Expenses		5,622.00	5,622.00	2,663.21	2,958.79	
Assessment of Taxes						
Salaries and Wages		61,087.09	61,087.09	61,086.92	0.17	
Other Expenses		4,675.00	4,675.00	3,106.92	1,568.08	
Legal Services and Costs						
Other Expenses		175,000.00	188,000.00	176,563.74	11,436.26	
Engineering Services and Costs						
Other Expenses		47,370.00	51,370.00	40,257.25	11,112.75	

Borough of Lincoln Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Planning Board						
Salaries and Wages		7,000.00	7,000.00	6,999.98	0.02	
Other Expenses		17,080.00	17,080.00	7,918.77	9,161.23	
Planning Department						
Salaries and Wages		73,840.80	77,840.80	77,653.10	187.70	
Other Expenses		4,835.00	4,835.00	4,370.34	464.66	
Board of Adjustment						
Salaries and Wages		6,500.00	6,500.00	6,500.00		
Other Expenses		12,505.00	12,505.00	7,327.60	5,177.40	
Fair Housing Committee						
Other Expenses		300.00	300.00	78.72	221.28	
Insurance:						
Other Insurance Premiums		395,650.00	395,650.00	392,499.36	3,150.64	
Group Insurance Plan for Employees		1,634,359.00	1,605,359.00	1,460,651.65	144,707.35	
Health Benefit Waiver		25,641.00	27,641.00	27,321.84	319.16	
Police						
Salaries and Wages		3,364,676.30	3,364,676.30	3,317,229.92	47,446.38	
Other Expenses		120,764.00	120,764.00	120,645.20	118.80	
Police Radio and Communications						
Other Expenses		43,424.00	48,424.00	47,541.94	882.06	
Emergency Management Services						
Other Expenses		24,120.00	24,120.00	11,287.89	12,832.11	
First Aid Squad Contribution		37,750.00	37,750.00	25,001.56	12,748.44	

Borough of Lincoln Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Fire						
Other Expenses		126,199.00	126,199.00	124,919.68	1,279.32	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Salaries and Wages		16,935.00	16,935.00	13,098.49	3,836.51	
Other Expenses		2,500.00	2,500.00	665.00	1,835.00	
Municipal Court:						
Salaries and Wages		114,972.62	114,972.62	113,844.53	1,128.09	
Other Expenses		12,555.00	12,555.00	6,779.86	5,775.14	
Public Defender						
Salaries and Wages		4,315.00	4,315.00		4,315.00	
Road Repairs and Maintenance						
Salaries and Wages		923,902.87	923,902.87	922,051.00	1,851.87	
Other Expenses		199,399.00	199,399.00	184,472.45	14,926.55	
Sewer System						
Other Expenses		28,400.00	30,400.00	28,332.09	2,067.91	
Garbage and Trash Removal						
Salaries and Wages		74,692.61	74,692.61	74,312.33	380.28	
Other Expenses		744,110.00	744,110.00	676,246.96	67,863.04	
Public Buildings and Grounds						
Other Expenses		393,272.00	393,272.00	344,006.57	49,265.43	
Condominium Reimbursement		20,000.00	20,000.00	16,620.28	3,379.72	
Board of Health						
Salaries and Wages		210,390.00	210,390.00	198,584.14	11,805.86	
Other Expenses		33,575.00	33,575.00	31,862.26	1,712.74	

Borough of Lincoln Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance
Dog Regulation		30,000.00	30,000.00	25,700.68	4,299.32	
Other Expenses						
Administration of Public Assistance		1,100.00	1,100.00	1,000.00	100.00	
Other Expenses						
Senior Citizens Transportation		86,022.72	86,022.72	86,000.00	22.72	
Other Expenses						
Parks and Playgrounds		176,616.54	188,616.54	187,894.93	721.61	
Salaries and Wages		107,930.00	107,930.00	99,730.53	8,199.47	
Other Expenses						
Municipal Lake		54,590.00	52,590.00	52,254.24	335.76	
Salaries and Wages		37,500.00	27,500.00	27,470.97	29.03	
Other Expenses						
Building Inspector		132,222.89	132,222.89	132,222.27	0.62	
Salaries and Wages		4,007.00	4,007.00	2,491.80	1,515.20	
Other Expenses						
Plumbing Inspector		600.00	600.00	99.00	501.00	
Other Expenses						
Electric Inspector		600.00	600.00		600.00	
Other Expenses						
Celebration of Public Events		6,500.00	6,500.00	6,500.00		
Other Expenses		1,600.00	1,600.00	1,600.00		
Aid to Museum		90,000.00	90,000.00	71,417.82	18,582.18	
Street Lighting		3,000.00	3,000.00	2,721.70	278.30	
Street Signs						

Borough of Lincoln Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Gasoline		165,000.00	165,000.00	150,387.20	14,612.80	
Contingent		1,000.00	1,000.00		1,000.00	
Total Operations within "CAPS"		10,453,639.80	10,453,639.80	9,893,458.62	560,181.18	
Detail:						
Salaries and Wages	A-1	5,628,535.08	5,641,535.08	5,535,282.24	106,252.84	
Other Expenses	A-1	4,825,104.72	4,812,104.72	4,358,176.38	453,928.34	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges						
Prior Year Bills - Cain & Sons 2011		522.00	522.00	522.00		
Prior Year Bills - William Morere 2009		2,653.00	2,653.00	2,653.00		
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		259,092.00	259,092.00	259,092.00		
Social Security System (O.A.S.I.)		465,000.00	465,000.00	398,208.50	66,791.50	
Police and Firemen's Retirement System of N.J.		588,445.00	588,445.00	588,445.00		
Defined Contribution Retirement Plan		5,000.00	5,000.00	2,084.15	2,915.85	
Unemployment Compensation		10,000.00	10,000.00	10,000.00		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,330,712.00	1,330,712.00	1,261,004.65	69,707.35	

Borough of Lincoln Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Total General Appropriations for Municipal Purposes within "CAPS"		11,784,351.80	11,784,351.80	11,154,463.27	629,888.53	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		445,750.93	445,750.93	445,750.93		
Pequannock, Lincoln Park, and Fairfield Regional Sewerage Authority Share of Costs		1,937,067.00	1,937,067.00	1,937,067.00	98,000.00	4,185.04
Emergency Services Volunteer Length of Service Award Program		98,000.00	98,000.00			
Recycling Tax		13,000.00	13,000.00	8,814.96		
Reserve for Tax Appeals		30,000.00	30,000.00	30,000.00		
Public and Private Programs Offset by Revenues						
Body Armor Grant		3,125.80	3,125.80	3,125.80		
Clean Communities		20,144.72	20,144.72	20,144.72		
Alcohol Education and Rehab Grant		1,319.37	1,319.37	1,319.37		
Recycling Tonnage Grant		22,106.99	22,106.99	22,106.99		
NJ Transportation Trust		3,262.73	3,262.73	3,262.73		
Drunk Driving Enforcement Fund		150,000.00	150,000.00	150,000.00		
NJDEP Flood Control		50,000.00	50,000.00	50,000.00		
NJ Hazard Mitigation		115,000.00	115,000.00	115,000.00		
NJDOT		225,000.00	225,000.00	225,000.00		
Municipal Alliance on Alcoholism and Drug Abuse		5,588.00	5,588.00	5,588.00		
Municipal Alliance on Alcoholism and Drug Abuse - Local Share		1,397.00	1,397.00	1,397.00		
Total Operations - Excluded from "CAPS"		3,120,762.54	3,120,762.54	3,018,577.50	102,185.04	

Borough of Lincoln Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Detail:						
Other Expenses	A-1	3,120,762.54	3,120,762.54	3,018,577.50	102,185.04	
Capital Improvements:						
Capital Improvement Fund		258,260.00	258,260.00	258,260.00		
Total Capital Improvements Excluded from "CAPS"	A-1	258,260.00	258,260.00	258,260.00		
Municipal Debt Service:						
Payment of Bond Principal		967,000.00	967,000.00	967,000.00		
Payment of Bond Anticipation Notes and Capital Notes		100,000.00	100,000.00	100,000.00		
Interest on Bonds		133,154.00	133,154.00	133,153.76		0.24
Interest on Notes		14,342.52	14,342.52	13,902.50		440.02
Morris County Improvement Authority						
Loan Repayments for Principal and Interest		859,073.00	859,073.00	859,068.76		4.24
Total Municipal Debt Service-Excluded from "CAPS"	A-1	2,073,569.52	2,073,569.52	2,073,125.02		444.50
Deferred Charges:						
Special Emergency Authorizations		80,000.00	80,000.00	80,000.00		
Deferred Charges to Future Taxation - Ord #1485						
Refunding Tax Appeals		148,000.00	148,000.00	148,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	228,000.00	228,000.00	228,000.00		

Borough of Lincoln Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>5,680,592.06</u>	<u>5,680,592.06</u>	<u>5,577,962.52</u>	<u>102,185.04</u>	<u>444.50</u>
Subtotal General Appropriations		<u>17,464,943.86</u>	<u>17,464,943.86</u>	<u>16,732,425.79</u>	<u>732,073.57</u>	<u>444.50</u>
Reserve for Uncollected Taxes		<u>598,759.00</u>	<u>598,759.00</u>	<u>598,759.00</u>		
Total General Appropriations		<u>18,063,702.86</u>	<u>18,063,702.86</u>	<u>17,331,184.79</u>	<u>732,073.57</u>	<u>444.50</u>
					A	
	Adopted Budget		<u>17,523,702.86</u>			
	Appropriated by (N.J.S.A. 40A:4-87)		<u>540,000.00</u>			
			<u>18,063,702.86</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			<u>598,759.00</u>		
Cash Disbursed	A-4			<u>15,710,906.85</u>		
Encumbrances Payable	A-16			<u>314,574.33</u>		
Deferred Charges						
Special Emergency Authorization	A-14			<u>80,000.00</u>		
Reserve for Tax Appeals	A-21			<u>30,000.00</u>		
Reserve for Federal and State Grants	A-23			<u>595,547.61</u>		
Matching Funds for Federal and State Grants	A-4, A-23			<u>1,397.00</u>		
				<u>17,331,184.79</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Lincoln Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Animal Control Trust:			
Cash - Treasurer	B-1	34,460.59	35,562.83
		34,460.59	35,562.83
Other Trust Funds:			
Cash - Treasurer	B-1	1,667,054.16	1,717,774.94
Interfund - Grant Fund	B-3	2,626.59	2,304.00
		1,669,680.75	1,720,078.94
Payroll Fund:			
Cash	B-1	8,006.83	7,596.83
		8,006.83	7,596.83
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-1	1,130,723.57	1,067,138.64
Contributions Receivable	B-10	80,500.00	92,000.00
		1,211,223.57	1,159,138.64
		2,923,371.74	2,922,377.24

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statement

Borough of Lincoln Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Control Trust:			
Interfund - Current Fund	B-2	10,075.99	11,163.83
Reserve for Dog Fund Expenditures	B-4	24,360.00	24,393.60
Due to State Department of Health	B-5	24.60	5.40
		<u>34,460.59</u>	<u>35,562.83</u>
Other Trust Fund:			
Interfund - Current Fund	B-2	6,544.15	9,104.20
Various Reserves	B-6	1,203,636.83	1,163,721.91
Open Space	B-7	459,499.77	547,252.83
		<u>1,669,680.75</u>	<u>1,720,078.94</u>
Payroll Fund:			
Interfund - Current Fund	B-2	2,630.65	1,655.96
Payroll Deductions Payable	B-8	5,376.18	5,940.87
		<u>8,006.83</u>	<u>7,596.83</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-11	1,211,223.57	1,159,138.64
		<u>1,211,223.57</u>	<u>1,159,138.64</u>
		<u>2,923,371.74</u>	<u>2,922,377.24</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statement

Borough of Lincoln Park, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	C-2/C-3	2,037,483.13	2,246,094.82
Deferred Charges to Future Taxation:			
Funded	C-4	23,009,250.00	23,976,250.00
Deferred Charges to Future Taxation:			
Unfunded	C-5	<u>1,788,619.00</u>	<u>1,542,123.00</u>
		<u>26,835,352.13</u>	<u>27,764,467.82</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	2,675,000.00	3,522,000.00
Loan Program Bonds	C-7	20,334,250.00	20,454,250.00
Bond Anticipation Notes	C-8	1,294,123.00	1,394,123.00
Improvement Authorizations:			
Funded	C-9	578,510.89	787,984.36
Unfunded	C-9	739,494.50	632,026.61
Capital Improvement Fund	C-10	655,696.00	550,700.00
Interfund - Current Fund	C-11	418.97	486.23
Reserve for:			
Debt Service	C-12	23,145.24	43,145.24
Fund Balance	C-1	<u>534,713.53</u>	<u>379,752.38</u>
		<u>26,835,352.13</u>	<u>27,764,467.82</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2014 of \$494,496.00 as shown on Exhibit C-13.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Lincoln Park, N.J.

Comparative Statement of Fund Balance - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance - January 1,	C	379,752.38	416,298.10
Increased by:			
Premium on Sale of Bond Anticipation Notes	C-2	7,857.15	3,454.28
Funded Improvement Authorizations Canceled	C-9	<u>187,104.00</u>	<u>3,454.28</u>
		194,961.15	3,454.28
Decreased by:			
Anticipated as 2014 Revenue	C-2	<u>40,000.00</u>	<u>40,000.00</u>
Balance - December 31,	C,C-3	<u>534,713.53</u>	<u>379,752.38</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Lincoln Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

	<u>Ref</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	1,117,348.04	959,453.28
Change Fund	D-6	250.00	250.00
Interfund - Water Capital	D-15	<u>155.16</u>	<u>122.45</u>
		<u>1,117,753.20</u>	<u>959,825.73</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-8	<u>339,113.39</u>	<u>365,840.84</u>
		<u>339,113.39</u>	<u>365,840.84</u>
Total Operating Fund		<u>1,456,866.59</u>	<u>1,325,666.57</u>
Capital Fund:			
Cash	D-5, D-7	710,334.99	572,217.48
Fixed Capital	D-9	4,250,461.40	4,140,461.40
Fixed Capital Authorized and Uncompleted	D-10	<u>1,791,735.00</u>	<u>1,434,235.00</u>
Total Capital Fund		<u>6,752,531.39</u>	<u>6,146,913.88</u>
Total Assets		<u>8,209,397.98</u>	<u>7,472,580.45</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Lincoln Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

	<u>Ref</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve	D-4, D-12	328,807.13	471,725.31
Encumbrances Payable	D-13	87,804.29	85,635.57
Water Rent Overpayments	D-14	7,059.46	8,258.23
Interfund - Current Fund	D-15	443.39	
Accrued Interest on Bonds	D-16	4,568.89	4,937.39
Accrued Interest on Notes	D-17	1,929.26	1,625.42
		<u>430,612.42</u>	<u>572,181.92</u>
Reserve for Receivables	Contra	339,113.39	365,840.84
Fund Balance	D-1	<u>687,140.78</u>	<u>387,643.81</u>
Total Operating Fund		<u>1,456,866.59</u>	<u>1,325,666.57</u>
Capital Fund:			
Interfund - Water Operating	D-11	155.16	122.45
Bond Anticipation Notes	D-18	1,338,580.00	1,174,880.00
Loan Program Bonds Payable	D-19	400,750.00	450,750.00
Improvement Authorizations:			
Funded	D-20	152,080.14	127,988.99
Unfunded	D-20	953,827.26	630,511.46
Capital Improvement Fund	D-21	154,709.29	151,459.29
Reserve for Amortization	D-22	3,628,576.40	3,536,776.40
Reserve for Deferred Amortization	D-23	107,040.00	65,790.00
Fund Balance	D-2	<u>16,813.14</u>	<u>8,635.29</u>
Total Capital Fund		<u>6,752,531.39</u>	<u>6,146,913.88</u>
Total Liabilities, Reserves and Fund Balances		<u>8,209,397.98</u>	<u>7,472,580.45</u>

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

Footnote: There were \$567,250.00 of Bonds and Notes Authorized But Not Issued on December 31, 2014 per Exhibit D-24

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Lincoln Park, N.J.

Statement of Operations and Changes in Fund Balance - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2014

With comparative figures for 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	191,000.00	198,000.00
Rents	D-3	2,185,834.59	2,075,020.52
Fire Hydrant Service	D-3	6,030.00	5,259.60
Miscellaneous	D-3	92,731.29	92,189.07
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-12	<u>361,638.36</u>	<u>238,474.75</u>
Total Income		<u>2,837,234.24</u>	<u>2,608,943.94</u>
Expenditures:			
Operating	D-4	2,113,825.27	2,164,753.19
Capital Improvements	D-4	50,000.00	45,000.00
Debt Service	D-4	114,239.00	42,101.00
Deferred Charges and Statutory Expenditures	D-4	<u>68,673.00</u>	<u>66,663.00</u>
Total Expenditures		<u>2,346,737.27</u>	<u>2,318,517.19</u>
Excess/(Deficit) in Revenue over Expenditures		490,496.97	290,426.75
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years		<u> </u>	<u> </u>
Statutory Excess to Surplus		490,496.97	290,426.75
Fund Balance - January 1,	D	<u>387,643.81</u>	<u>295,217.06</u>
		878,140.78	585,643.81
Decreased by:			
Utilized as Anticipated Revenue		<u>191,000.00</u>	<u>198,000.00</u>
Fund Balance - December 31,	D	<u><u>687,140.78</u></u>	<u><u>387,643.81</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Lincoln Park, N.J.
Statement of Fund Balance - Regulatory Basis
Water Utility Capital Fund
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	8,635.29
Increased by:		
Premium on Sale of Bond Anticipation Notes	D-5	<u>8,177.85</u>
Balance - December 31, 2014	D/D-7	<u><u>16,813.14</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Lincoln Park, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	191,000.00	191,000.00	
Rents	D-8	2,075,000.00	2,185,834.59	110,834.59
Fire Hydrant Service	D-8	5,000.00	6,030.00	1,030.00
Miscellaneous	D-1	<u>75,737.27</u>	<u>92,731.29</u>	<u>16,994.02</u>
Budget Totals	D-4	<u><u>2,346,737.27</u></u>	<u><u>2,475,595.88</u></u>	<u><u>128,858.61</u></u>

Analysis Realized Revenues

Miscellaneous:

Interest on Investments	D-5		4,623.88	
Sprinkler Use	D-8		58,811.22	
Other Miscellaneous	D-5		10,923.47	
Late Payment Penalties	D-5		<u>18,372.72</u>	
			<u><u>92,731.29</u></u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Lincoln Park, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2014

	Ref.	Appropriated		Expended	Reserved
		Budget	Budget After Modification	Paid or Charged	
Operating:					
Salaries and Wages		482,636.27	482,636.27	451,008.10	31,628.17
Other Expenses		1,631,189.00	1,631,189.00	1,340,814.70	290,374.30
Total Operating	D-1	<u>2,113,825.27</u>	<u>2,113,825.27</u>	<u>1,791,822.80</u>	<u>322,002.47</u>
Capital Improvements:					
Capital Improvement Fund		50,000.00	50,000.00	50,000.00	
Total Capital Improvements	D-1	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>	
Debt Service:					
Payment of Bond Principal		50,000.00	50,000.00	50,000.00	
Payment of Bond Anticipation Notes		36,300.00	36,300.00	36,300.00	
Interest on Bonds		15,919.00	15,919.00	15,919.00	
Interest on Notes		12,020.00	12,020.00	12,020.00	
Total Debt Service	D-1	<u>114,239.00</u>	<u>114,239.00</u>	<u>114,239.00</u>	
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		28,673.00	28,673.00	28,673.00	
Social Security System (O.A.S.I.)		40,000.00	40,000.00	33,195.34	6,804.66
Total Deferred Charges and Statutory Expenditure	D-1	<u>68,673.00</u>	<u>68,673.00</u>	<u>61,868.34</u>	<u>6,804.66</u>
		<u>2,346,737.27</u>	<u>2,346,737.27</u>	<u>2,017,930.14</u>	<u>328,807.13</u>
			D-3		D
Cash Disbursed	D-5			1,902,186.85	
Encumbrances Payable	D-13			87,804.29	
Accrued Interest on Bonds	D-16			15,919.00	
Accrued Interest on Notes	D-17			12,020.00	
				<u>2,017,930.14</u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Lincoln Park, N.J.

Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31, 2014

With Comparative Figures for 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash - Public Assistance	E-1	<u>6,842.20</u>	<u>6,842.15</u>
		<u><u>6,842.20</u></u>	<u><u>6,842.15</u></u>
<u>Liabilities</u>			
Interfund - Current Fund		1.57	1.52
Reserve for Public Assistance		<u>6,840.63</u>	<u>6,840.63</u>
		<u><u>6,842.20</u></u>	<u><u>6,842.15</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Exhibit G

Borough of Lincoln Park, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2014

With Comparative Figures for 2013

	<u>2014</u>	<u>2013</u>
<u>General Fixed Assets:</u>		
Land	4,468,000.00	3,343,900.00
Buildings	23,256,919.65	23,256,919.65
Improvements Other Than Buildings	880,579.63	766,579.63
Machinery and Equipment	<u>5,778,807.46</u>	<u>6,201,933.14</u>
	<u>34,384,306.74</u>	<u>33,569,332.42</u>
Investment in Fixed Assets	<u>34,384,306.74</u>	<u>33,569,332.42</u>

See accompanying notes to financial statements.

BOROUGH OF LINCOLN PARK, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Lincoln Park have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Lincoln Park (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Free Public Library, Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Operating and Water Capital Funds - Account for the operations and acquisition of capital facilities of the municipality-owned water utility.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective January 1, 2001, the Borough transferred administration of the General Assistance Program to the Morris County Board of Social Services. The funds remaining in the Public Assistance Fund are to be used to assist certain residents who do not qualify for the general assistance program.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

General Fixed Asset Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Lincoln Park. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Water Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund and water operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Public Assistance Fund
- Water Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. Several budget transfers were approved by the Governing Body. During 2014, the Borough Council increased the original budget by \$540,000.00. This increase was funded by additional aid allotted the Borough.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Lincoln Park has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year have been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

In January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term “government combinations” includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement, which is effective for financial statements beginning after December 15, 2013, will not have any effect on the entity’s financial reporting.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity’s financial statement disclosures.

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity’s proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2014, \$-0- of the Borough's bank balance of \$10,502,851.41 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limit the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are: Bonds of the United States of America, bonds or other obligations of the towns or, bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 14, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2014 and 2013 amounted to \$1,130,723.57 and \$1,067,138.64, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Index	\$169,068.68	\$145,576.74
Fixed Income	847,698.10	824,639.96
Growth	52,371.96	42,667.11
All Others	<u>61,584.83</u>	<u>54,254.83</u>
Total	<u>\$1,130,723.57</u>	<u>\$1,067,138.64</u>

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2014 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$23,976,250.00	\$	\$967,000.00	\$23,009,250.00	\$1,015,000.00
Water Utility Debt	450,750.00		50,000.00	400,750.00	50,000.00
Accrued Sick and Vacation Benefits	<u>923,637.70</u>	<u>152,701.08</u>	<u>162,155.46</u>	<u>914,183.32</u>	<u> </u>
	<u>\$25,350,637.70</u>	<u>\$152,701.08</u>	<u>\$1,179,155.46</u>	<u>\$24,324,183.32</u>	<u>\$1,065,000.00</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Issued			
General Bonds and Notes	\$24,303,373.00	\$25,370,373.00	\$25,006,250.00
Water Utility - Bonds and Notes	<u>1,739,330.00</u>	<u>1,625,630.00</u>	<u>1,440,630.00</u>
Total Issued	<u>26,042,703.00</u>	<u>26,996,003.00</u>	<u>26,446,880.00</u>
Less: Funds Temporarily Held to Pay			
Bonds and Notes:			
Reserve for Debt Service	<u>23,145.24</u>	<u>43,145.24</u>	<u>63,145.24</u>
Total Deductions	<u>23,145.24</u>	<u>43,145.24</u>	<u>63,145.24</u>
Net Debt Issued	<u>26,019,557.76</u>	<u>26,952,857.76</u>	<u>26,383,734.76</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	494,496.00	148,000.00	1,168,258.00
Water Utility Bonds and Notes	<u>567,250.00</u>	<u>346,500.00</u>	<u>200,000.00</u>
Total Authorized But Not Issued	<u>1,061,746.00</u>	<u>494,500.00</u>	<u>1,368,258.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$27,081,303.76</u>	<u>\$27,447,357.76</u>	<u>\$27,751,992.76</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.821%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$2,265,000.00	\$2,265,000.00	\$0.00
Water Utility Debt	2,306,580.00	2,306,580.00	0.00
General Debt	<u>24,797,869.00</u>	<u>23,145.24</u>	<u>24,774,723.76</u>
	<u>\$29,369,449.00</u>	<u>\$4,594,725.24</u>	<u>\$24,774,723.76</u>

Net Debt \$24,774,723.76 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,360,712,832.33 equals 1.821%.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3-1/2% of equalized valuation basis (municipal)	\$47,624,949.13
Net debt	<u>24,774,723.76</u>
	<u>\$22,850,225.37</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE", WATER UTILITY
PER N.J.S.A. 40A:2-45**

Cash receipts from fees, rents or other charges for year	\$2,475,595.88
Deductions:	
Operating and Maintenance Cost	\$2,182,498.27
Debt Service	<u>114,239.00</u>
	<u>2,296,737.27</u>
Excess in Revenue	<u>\$178,858.61</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

The Borough's long term debt consisted of the following at December 31, 2014:

	<u>Debt Outstanding</u>
<u>Paid by Current Fund:</u>	
General Bonds - General Bonds of 2005 with an interest rate of 2.25%-4.00% issued February 1, 2005, due through February 1, 2024	\$2,675,000.00
Loan Program Bonds - Loan Program Bonds of 2009 with an interest rate of 2.00%-5.00% issued March 15, 2009, due through March 15, 2030	<u>20,334,250.00</u>
	<u>\$23,009,250.00</u>

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Paid by Water Utility Operating Fund:

Loan Program Bonds - Loan Program Bonds of 2009 with an interest rate of 2.00%-5.00% issued March 15, 2009, due through March 15, 2021	<u>400,750.00</u>
	<u>\$400,750.00</u>

General Capital, Assessment Trust and Water Capital Serial Bonds are direct obligations of the Borough, for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or Water Utility Revenues.

In addition to the above, the Borough had authorized but not issued debt as follows:

General Capital	<u>\$494,496.00</u>
Water Capital	<u>\$567,250.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

Calendar <u>Year</u>	General		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$1,015,000.00	\$946,310.00	\$1,961,310.00
2016	1,050,000.00	912,203.75	1,962,203.75
2017	1,090,000.00	875,041.25	1,965,041.25
2018	1,130,000.00	835,341.25	1,965,341.25
2019	1,175,000.00	789,241.25	1,964,241.25
2020-2024	6,865,000.00	3,095,678.13	9,960,678.13
2025-2029	8,705,000.00	1,417,671.88	10,122,671.88
2030	<u>1,979,250.00</u>	<u>44,533.13</u>	<u>2,023,783.13</u>
	<u>\$23,009,250.00</u>	<u>\$8,916,020.64</u>	<u>\$31,925,270.64</u>

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Calendar Year	Water Utility		
	Principal	Interest	Total
2015	\$50,000.00	\$15,100.00	\$65,100.00
2016	50,000.00	13,537.50	63,537.50
2017	50,000.00	11,787.50	61,787.50
2018	50,000.00	10,037.50	60,037.50
2019	50,000.00	8,037.50	58,037.50
2020-2021	<u>150,750.00</u>	<u>8,556.25</u>	<u>159,306.25</u>
	<u>\$400,750.00</u>	<u>\$67,056.25</u>	<u>\$467,806.25</u>

NOTE 4. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2014, the Borough had \$1,294,123.00 in outstanding general capital bond anticipation notes maturing on October 27, 2015 at an interest rate of 1.25% and \$1,338,580.00 in outstanding water capital bond anticipation notes, maturing on October 27, 2015 at an interest rate of 1.25%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2014.

	Beginning Balance	Additions	Reductions	Ending Balance
Notes Payable:				
Jefferies	<u>\$2,569,003.00</u>	<u>\$2,632,703.00</u>	<u>\$2,569,003.00</u>	<u>\$2,632,703.00</u>

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2014	2015 Budget <u>Appropriation</u>
Current Fund Special Emergency Authorization	<u>\$160,000.00</u>	<u>\$80,000.00</u>

NOTE 6. LOCAL DISTRICT SCHOOL TAXES

Local district school taxes have been raised on a calendar year basis.

NOTE 7. PENSION PLANS

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State 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. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS), (continued)

years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. 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 contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS), (continued)

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

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

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 7. PENSION PLANS, (continued)

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Lincoln Park did not opt for this deferral.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2014	\$287,765.00	\$588,445.00
2013	318,477.00	632,318.00
2012	313,413.00	603,933.00

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 7. PENSION PLANS, (continued)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 7, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost, to all Borough retirees who (1) have retired on disability pension, and (2) employees who have retired after twenty-five (25) years or more of service in a State or locally administered retirement system.

Health insurance, dental coverage, prescription coverage, and reimbursement of Federal Part B medicare premiums are provided for retirees and their dependents.

The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During 2014, there were thirty-seven (37) retired employees who received this benefit at a cost of \$606,632.50.

Annual OPEB Cost

For 2014, the Borough's annual OPEB cost (expense) of \$2,180,210.00 (based on actuarial valuation as of December 31, 2014) was equal to the ARC (Annual Required Contribution). The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013 and 2012 are as follows:

<u>Year</u>	<u>Actual OPEB Payments</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	612,048.00	2,492,800.00	24.55%	10,148,648.00
2013	575,904.00	2,492,800.00	23.10%	12,065,544.00
2014	606,632.50	2,180,210.00	27.82%	13,639,121.50

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2014 (based on actuarial valuation as of December 31, 2014) was as follows:

Actuarial Accrued Liability (AAL)	\$25,753,232.00
Actuarial Value of Plan Assets	<u>-0-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$25,753,232.00</u>
Funded Ratio (Actuarial Value of Plan Assets (AAL))	0.00%
Cover Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A

N/A - Not Available

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

Funding Status and Funding Progress, (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount rate and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage, and the face amount of employer-paid life insurance. Finally, demographic assumptions include probabilities concerning retirement, mortality, termination without receiving benefits; disability; recovery from disability; participation rates and coverage levels. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 9. FUND BALANCES

Fund balances as of December 31, 2014 that have been anticipated as revenue in the 2015 budget is as follows:

Current Fund	\$727,500.00
Water Operating Fund	\$230,000.00

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 10. FIXED ASSETS

The following is a summary of changes in the General Fixed Asset Account Group for the year 2014.

	<u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec. 31, 2013</u>
Land	\$3,343,900.00	\$1,433,400.00	\$309,300.00	\$3,653,200.00
Land Improvements	766,579.63	114,000.00		766,579.63
Buildings	23,256,919.65			23,256,919.65
Machinery & Equipment	<u>6,201,933.14</u>	<u>149,869.58</u>	<u>572,995.26</u>	<u>5,778,807.46</u>
	<u>\$33,569,332.42</u>	<u>\$1,697,269.58</u>	<u>\$882,295.26</u>	<u>\$34,384,306.74</u>

NOTE 11. ACCRUED SICK AND VACATION BENEFITS

The Borough has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. This amounted to \$914,183.32 as of December 31, 2014. It is expected that the payments will be budgeted as the amounts are used.

NOTE 12. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2013</u>	<u>Balance</u> <u>Dec 31, 2012</u>
Prepaid Taxes	<u>\$218,757.28</u>	<u>\$178,870.61</u>
Cash Liability for Taxes Collected in Advance	<u>\$218,757.28</u>	<u>\$178,870.61</u>

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 13. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2014 consist of the following:

\$2,626.59	Due to Other Trust Fund from Federal and State Grant Fund for Grant Fund expenditures paid by Other Trust Fund.
10,075.99	Due to Current Fund from Animal Control Trust Fund for interest earned on investments and statutory excess.
2,630.65	Due to Current Fund from Payroll Fund for interest earned on investments.
1.57	Due to Current Fund from Public Assistance Trust Fund for interest earned on investments.
53.27	Due to Current Fund from Federal and State Grant Fund for interest earned on investments.
418.97	Due to Current Fund from General Capital Fund for interest earned on investments.
6,544.15	Due to Current Fund from Other Trust Fund for interest earned on investments and short-term advance.
443.39	Due to Current Fund from Water Operating Fund for Water Operating expenditure paid by Current Fund.
<u>155.16</u>	Due to Water Operating Fund from Water Capital Fund for interest earned on investments.
<u>\$22,949.74</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 14. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2014 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Lincoln Park 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.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 14. RISK MANAGEMENT, (continued)

The Borough of Lincoln Park is a member of the Morris County Municipal Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund. These funds are both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

- a. Workers' Compensation and Employer's Liability
- b. Liability Other Than Motor Vehicles
- c. Property Damage Other Than Motor Vehicles
- d. Motor Vehicle

The Municipal Excess Liability Joint Insurance Fund also offers Public Officials' Liability Coverage.

Members of the Morris County Municipal Joint Insurance Fund are also members of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance for each of the coverages noted above, except for excess property coverage which is purchased by the Morris County Municipal Joint Insurance Fund from a commercial carrier.

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

These Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On October 15, 2001, the Division of Local Government Services approved the Borough's LOSAP plan, provided by the Lincoln National Life Insurance Company (Lincoln National). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

BOROUGH OF LINCOLN PARK, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)

Lincoln National will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$100 per year of active emergency service the maximum contribution for each active volunteer member shall be one Borough tax point per year of active emergency service, subject to periodic increases as permitted. The Borough's contribution shall be included in the current year's budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2014, in accordance with the American Institute of Certified Public Accounts (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES

During the normal course of operations, lawsuits are occasionally brought against the governmental unit. There are presently no outstanding lawsuits that would result in a material contingent liability to the Borough.

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through 2013, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>2.499</u>	<u>2.486</u>	<u>2.458</u>

Apportionment of Tax Rate:

Municipal	.907	.900	.880
Municipal Library Tax	.032	.034	.036
Municipal Open Space	.005	.005	
County	.250	.257	.263
Local School	1.305	1.29	1.279

Assessed Valuations

2014	\$1,372,185,300.00		
2013		\$1,372,290,200.00	
2012			\$1,379,081.500

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

			<u>Currently</u>	
	<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collection</u>
	2014	\$34,297,936.56	\$33,791,306.85	98.52%
	2013	34,211,810.66	33,775,562.98	98.72
	2012	33,901,813.73	33,462,582.63	98.70

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

		Amount of	Amount of		
	<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
	2014	\$58,481.33	\$320,724.95	\$379,206.28	1.11%
	2013	47,031.36	360,454.16	407,485.52	1.19
	2012	20,367.62	373,900.63	394,268.25	1.16

PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

The value of properties acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2014	\$835,965.00
2013	1,123,165.00
2012	1,123,165.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	Balance <u>December 31,</u>	Utilized in Budget of Succeeding <u>Year</u>
Current Fund	2014	\$2,926,155.66	\$727,500.00
	2013	2,117,092.09	727,500.00
	2012	1,788,667.35	700,000.00
	2011	1,360,027.71	779,000.00
	2010	1,939,468.48	1,120,000.00
Water Utility Operating Fund	2014	\$687,140.78	\$230,000.00
	2013	387,643.81	191,000.00
	2012	295,217.06	198,000.00
	2011	307,426.93	193,200.00
	2010	387,951.81	147,365.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond*</u>
David Runfeldt	Mayor	
Ann Thompson	Council President	
Robert Cardillo	Councilman	
Gary Gemian	Councilman	
Raymond T. Kerwin	Councilman	
Louis J. Pepe	Councilman	
Ellen Ross	Councilwoman	
James A. Wild	Councilman	
Perry Mayers	Borough Administrator	
Cynthia Sloane	Borough Clerk	
Kerry Geisler	Chief Financial Officer	
Kristen Runfeldt	Tax Collector; Tax Search Officer	
Thomas Lenhardt	Tax Assessor	
Christine Scaramelli	Collector of Utility Revenue	
Chris DiLorenzo	Attorney	
Andrew M. Wubbenhorst	Magistrate	
Patricia Fritz	Court Administrator	
Mark West	Chief of Police	
Ferraioli, Wielkotz, Cerullo & Cuva	Auditor	

(A) Selective Insurance Company

* Covered under the Municipal Joint Insurance Fund

Borough of Lincoln Park, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal & State Grant Fund</u>
Balance - December 31, 2013	A	3,952,509.84	222,294.67
Increased by Receipts:			
Interest and Costs on Taxes	A-2	86,502.83	
Miscellaneous Revenue Not Anticipated	A-2	250,298.51	
Change Fund	A-5	100.00	
Petty Cash	A-6	500.00	
Due From State - Senior Citizen and Veteran Deductions	A-7	106,912.33	
Taxes Receivable	A-8	33,867,071.11	
Property Acquired for Taxes	A-10	157,760.00	
Revenue Accounts Receivable	A-11	1,505,859.44	
Sewer Rents Receivable	A-12	2,480,496.01	
Interfunds	A-13	271,114.83	
Prepaid Taxes	A-18	218,757.28	
Various Cash Liabilities and Reserves	A-21	2,609,493.60	
Federal and State Grants Receivable	A-22		109,992.82
Matching Funds for Grants	A-23		1,397.00
Unappropriated Reserves	A-24		43,953.64
Interfund - Current Fund	A-25		514.28
Interfund - Other Trust	A-26		<u>5,778.67</u>
		<u>41,554,865.94</u>	<u>161,636.41</u>
		45,507,375.78	383,931.08
Decreased by Disbursements:			
Refund of Prior Year Revenue	A-1	111,015.42	
Current Year Budget Appropriations	A-3	15,710,906.85	
Matching Funds for Grants	A-3	1,397.00	
Petty Cash	A-6	500.00	
Interfunds	A-13	324,216.33	
Appropriation Reserves	A-15	562,815.76	
Accounts Payable	A-17	2,300.00	
Local District School Taxes	A-19	17,952,854.00	
County Taxes Payable	A-20	3,417,038.34	
Various Cash Liabilities and Reserves	A-21	2,627,784.30	
Federal & State Grant Appropriations	A-23		141,529.56
Interfund - Current Fund	A-25		502.91
Interfund - Other Trust	A-26		<u>5,456.08</u>
		<u>40,710,828.00</u>	<u>147,488.55</u>
Balance - December 31, 2014	A	<u>4,796,547.78</u>	<u>236,442.53</u>

Borough of Lincoln Park, N.J.
Schedule of Cash - Change Fund
Current Fund
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	1,150.00
Decreased by		
Cash Receipts	A-4	<u>100.00</u>
Balance - December 31, 2014	A	<u><u>1,050.00</u></u>
 <u>Analysis of Balance:</u>		
Tax Collector		350.00
Registrar		50.00
Clerk		100.00
Health		50.00
Recreation		100.00
Municipal Court		<u>400.00</u>
		<u><u>1,050.00</u></u>

Schedule of Cash - Petty Cash
Current Fund
Year Ended December 31, 2014

	<u>Ref.</u>	
Increased by:		
Disbursed	A-4	<u><u>500.00</u></u>
Decreased by:		
Returned to Treasurer	A-4	<u><u>500.00</u></u>

Borough of Lincoln Park, N.J.

Schedule of Amount Due From State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	14,187.00
Increased by:		
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector		4,051.37
Decreased by:		
Senior Citizens' and Veterans' Deductions Per Tax Billings		107,000.00
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector		<u>1,750.00</u>
	A-8	<u>104,698.63</u>
		118,885.63
Cash Receipts	A-4	<u>106,912.33</u>
Balance - December 31, 2014	A	<u><u>11,973.30</u></u>

Borough of Lincoln Park, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2014

Year	Balance, Dec. 31, 2013	Levy	Added Taxes	Collected 2014	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2014
prior	360,454.16			361,583.50	(2,250.00)	1,112.46		8.20
2014		34,290,912.93	7,023.63	33,505,487.61	106,948.63	9,791.09	176,121.88	320,716.74
	<u>360,454.16</u>	<u>34,290,912.93</u>	<u>7,023.63</u>	<u>33,867,071.11</u>	<u>104,698.63</u>	<u>10,903.55</u>	<u>176,121.88</u>	<u>320,724.94</u>
	A			A-2/A-4	A-2/A-7	A-9		A

Analysis of Tax Levy

	Ref.
Tax yield:	
General Purpose Tax	34,290,912.93
Added Tax (R.S. 54:4-63.1 et seq.)	<u>7,023.63</u>
	<u>34,297,936.56</u>
Tax Levy:	
Municipal Open Space Tax	68,609.29
Added Municipal Open Space Tax	<u>14.11</u>
	68,623.40
Local District School Tax	17,906,385.00
County Tax	3,416,335.70
Added County Taxes	<u>702.64</u>
	3,417,038.34
	<u>21,392,046.74</u>
Local Tax for Municipal Purposes	12,895,593.25
Additional Taxes	<u>10,296.57</u>
	12,905,889.82
	<u>34,297,936.56</u>

Borough of Lincoln Park, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	<u>Ref.</u> A		47,031.36
Increased by:			
Interest and Costs Accrued by Sale		546.42	
Transfers from Taxes Receivable	A-8	<u>10,903.55</u>	
			<u>11,449.97</u>
Balance - December 31, 2014	A		<u><u>58,481.33</u></u>

**Schedule of Property Acquired for
Taxes Assessed Valuation**

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	<u>Ref.</u> A		1,123,165.00
Decreased by:			
Sales of Property:			
Cash	A-4,A-21	157,760.00	
Plus: Loss on Sales		<u>129,440.00</u>	
			<u>287,200.00</u>
Balance - December 31, 2014	A		<u><u>835,965.00</u></u>

Borough of Lincoln Park, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2014</u>
Clerk:					
Licenses:					
Alcoholic beverages	A-2		17,600.00	17,600.00	
Other	A-2		320.00	320.00	
Fees and Permits	A-2		17,031.00	17,031.00	
Police					
Fees and Permits	A-2		6,448.60	6,448.60	
Fire Prevention					
Fees and Permits	A-2		10,820.00	10,820.00	
Registrar					
Other Licenses	A-2		198.00	198.00	
Fees and Permits	A-2		7,760.00	7,760.00	
Board of Health					
Other Licenses	A-2		6,955.00	6,955.00	
Fees and Permits	A-2		4,597.00	4,597.00	
Municipal Court :					
Fines and Costs	A-2	9,336.46	133,790.21	134,827.06	8,299.61
Uniform Construction Code Fees					
Construction Fees	A-2		112,925.00	112,925.00	
Energy Receipts Taxes	A-2		798,969.00	798,969.00	
Consolidated Municipal Property Tax					
Relief Aid	A-2		81,182.00	81,182.00	
Garden State Trust Pilot Funds	A-2		28,287.00	28,287.00	
Interest on Investments and Deposits	A-2	4.63	17,053.80	17,053.56	4.87
Reserve for Debt Service	A-2		20,000.00	20,000.00	
General Capital Fund Balance	A-2		40,000.00	40,000.00	
Cable TV Franchise Fee	A-2		51,516.00	51,516.00	
Recreation Fees	A-2		149,370.22	149,370.22	
		<u>9,341.09</u>	<u>1,504,822.83</u>	<u>1,505,859.44</u>	<u>8,304.48</u>
		A		A-4	A

Borough of Lincoln Park, N.J.

Schedule of Sewer Rents Receivable

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	287,005.97
Increased by:		
Sewer Rents Levied		<u>2,507,745.99</u>
		2,794,751.96
Decreased by:		
Collections	A-4	2,480,496.01
Overpayments Applied	A-21	<u>4,023.89</u>
	A-2	<u>2,484,519.90</u>
Balance - December 31, 2014	A	<u><u>310,232.06</u></u>

Borough of Lincoln Park, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2014

<u>Fund</u>	<u>Ref.</u>	<u>Due From/(To)</u> <u>Balance</u>			<u>Due From/(To)</u> <u>Balance</u>
		<u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2014</u>
Other Trust Fund	A	9,104.20	75,153.44	77,713.49	6,544.15
General Capital Fund	A	486.23	418.97	486.23	418.97
Federal and State Grant Fund	A	41.90	53.27	41.90	53.27
Animal Control Trust	A	11,163.83	10,075.99	11,163.83	10,075.99
Water Operating Fund	A		443.39		443.39
Payroll Fund	A	1,655.96	1,154.56	179.87	2,630.65
Public Assistance Trust Fund	A	1.52	1.57	1.52	1.57
Library Payroll	A	21,602.21	246,893.12	250,151.39	18,343.94
		<u>44,055.85</u>	<u>334,194.31</u>	<u>339,738.23</u>	<u>38,511.93</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	<u>44,055.85</u>			<u>38,511.93</u>
Stat. Excess in Animal Trust	A-1		9,977.98		
Disbursed	A-4		324,216.33		
Received	A-4			271,114.83	
Municipal Open Space	A-1,A-8			68,623.40	
			<u>334,194.31</u>	<u>339,738.23</u>	

Borough of Lincoln Park, N.J.

Schedule of Deferred Charges - Special Emergency Authorization

Current Fund

Year Ended December 31, 2014

Purpose	Amount Authorized	1/5 of Net Amount Authorized	Balance, Dec. 31, 2013	Reduced in 2014	Balance, Dec. 31, 2014
Flood Emergency	400,000.00	80,000.00	240,000.00	80,000.00	160,000.00
	<u>400,000.00</u>	<u>80,000.00</u>	<u>240,000.00</u>	<u>80,000.00</u>	<u>160,000.00</u>
		A		A-3	A

Borough of Lincoln Park, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	28,927.74	18,927.74		18,927.74
Clerk	1,760.44	1,760.44		1,760.44
Collection of Taxes	0.45	0.45		0.45
Assessment of Taxes	27.02	27.02		27.02
Planning Board	0.02	0.02		0.02
Police	106.69	106.69		106.69
Uniform Fire Safety Act	5,297.38	5,297.38		5,297.38
Municipal Court	4,620.07	4,620.07		4,620.07
Public Defender	3,715.00	3,715.00		3,715.00
Road Repairs and Maintenance	8,433.06	3,433.06		3,433.06
Garbage and Trash Removal	809.00	809.00		809.00
Board of Health	9,549.11	9,549.11		9,549.11
Parks and Playgrounds	4,590.73	4,590.73		4,590.73
Municipal Lake	754.13	754.13		754.13
Building Inspector	538.28	538.28		538.28
Total Salaries and Wages Within "CAPS"	<u>69,129.12</u>	<u>54,129.12</u>		<u>54,129.12</u>
Other Expenses Within "CAPS":				
Administrative and Executive	8,191.09	31,908.99	23,922.98	7,986.01
Clerk	9,893.96	14,055.77	3,300.09	10,755.68
Financial Administration	6,844.43	10,476.60	10,476.60	
Audit Services	20,000.00	20,000.00	20,000.00	
Collection of Taxes	2,926.66	3,067.66	141.00	2,926.66
Assessment of Taxes	1,393.05	3,590.36	1,770.44	1,819.92
Legal Services and Costs	14,376.54	36,729.81	30,435.69	6,294.12
Engineering Services and Costs	6,320.50	11,840.50	5,520.00	6,320.50
Planning Board	6,170.28	6,687.04	964.56	5,722.48
Planning Department	870.09	914.98	130.57	784.41
Board of Adjustment	2,240.43	2,388.63	1,625.00	763.63
Fair Housing Committee	300.00	300.00	28.69	271.31
Other Insurance Premiums	1,036.13	1,036.13		1,036.13
Group Insurance for Employees	296,350.42	308,573.76	48,827.46	259,746.30
Health Benefit Waiver	3,503.72	3,503.72		3,503.72
Police	422.75	25,006.21	14,526.63	10,479.58
Police Radio and Communications	2,474.56	14,014.56	11,540.00	2,474.56

Borough of Lincoln Park, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Emergency Management Services	8,229.68	15,899.21	7,721.63	8,177.58
First Aid Organization Contribution	8,403.41	8,573.98	8,118.31	455.67
Fire	10,307.14	17,287.98	10,463.58	6,824.40
Uniform Fire Safety	2,255.00	2,300.00	145.00	2,155.00
Municipal Court	1,726.75	3,541.12	1,624.37	1,916.75
Road Repairs and Maintenance	2,700.95	60,417.41	52,418.21	7,999.20
Sewer System	1,571.34	12,054.54	9,411.67	2,642.87
Garbage and Trash Removal	79,299.30	109,726.37	84,771.41	24,954.96
Public Building and Grounds	63,974.28	104,396.02	68,919.70	35,476.32
Condominium Reimbursement	580.56	580.56		580.56
Board of Health	12,230.30	13,465.73		13,465.73
Dog Regulation	65.48	65.48		65.48
Administration of Public Assistance	100.00	100.00		100.00
Senior Citizen's Transportation	42.00	21,115.50	21,073.50	42.00
Parks and Playgrounds	1,052.24	15,414.51	13,290.33	2,124.18
Municipal Lake	1,505.16	2,262.14	1,508.27	753.87
Building Inspector	1,936.22	2,728.69	792.47	1,936.22
Plumbing Inspector	501.00	501.00		501.00
Electrical Inspector	600.00	600.00	198.00	402.00
Celebration of Public Events	764.17	1,135.00	370.83	764.17
Street Lighting	36,887.01	38,035.38	17,709.23	20,326.15
Street Signs	23.31	23.31		23.31
Gasoline	8,013.49	25,035.78	12,022.29	13,013.49
Contingent	1,000.00	1,000.00		1,000.00
Total Other expenses Within "CAPS"	<u>627,083.40</u>	<u>950,354.43</u>	<u>483,768.51</u>	<u>466,585.92</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	91,579.79	91,579.79		91,579.79
Defined Contribution Retirement Plan	1,369.59	1,369.59		1,369.59
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>92,949.38</u>	<u>92,949.38</u>		<u>92,949.38</u>
Total Reserves Within "CAPS"	<u>789,161.90</u>	<u>1,097,432.93</u>	<u>483,768.51</u>	<u>613,664.42</u>

Borough of Lincoln Park, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Emergency Services Volunteer Length of Service Award Program	92,000.00	92,000.00	78,200.00	13,800.00
Recycling Tax	<u>2,939.86</u>	<u>3,691.48</u>	<u>1,621.35</u>	<u>2,070.13</u>
Total Other Expenses Excluded from "CAPS"	<u>94,939.86</u>	<u>95,691.48</u>	<u>79,821.35</u>	<u>15,870.13</u>
 Total Reserves Excluded from "CAPS"	<u>94,939.86</u>	<u>95,691.48</u>	<u>79,821.35</u>	<u>15,870.13</u>
 Total Reserves	<u>884,101.76</u>	<u>1,193,124.41</u>	<u>563,589.86</u>	<u>629,534.55</u>
	A			A-1
	Ref.			
Appropriation Reserves	above	884,101.76		
Transfer from Reserve for Encumbrances	A-16	<u>309,022.65</u>		
		<u>1,193,124.41</u>		
			562,815.76	
Cash Disbursements	A-4		774.10	
Transfer to Accounts Payable	A-17		<u>563,589.86</u>	

Borough of Lincoln Park, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	309,022.65
Increased by:		
Transfer from Current Appropriations	A-3	<u>314,574.33</u>
		623,596.98
Decreased by:		
Transfer to Appropriation Reserves	A-15	<u>309,022.65</u>
Balance - December 31, 2014	A	<u><u>314,574.33</u></u>

Schedule of Accounts Payable

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	A		10,500.00
Increased by:			
Transfer from Appropriation Reserves	A-15		<u>774.10</u>
			11,274.10
Decreased by:			
Disbursed	A-4	2,300.00	
Canceled	A-1	<u>8,200.00</u>	
			<u>10,500.00</u>
Balance - December 31, 2014	A		<u><u>774.10</u></u>

Borough of Lincoln Park, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	178,870.61
Increased by:		
Receipts - Prepaid 2015 Taxes	A-4	<u>218,757.28</u>
		397,627.89
Decreased by:		
Applied to 2014 Taxes	A-8	<u>178,870.61</u>
Balance - December 31, 2014	A	<u><u>218,757.28</u></u>

Borough of Lincoln Park, N.J.

Schedule of Local District School Tax Payable

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	163,350.39
Increased by:		
Levy Calendar Year , 2014	A-1/A-8	<u>17,906,385.00</u>
		18,069,735.39
Decreased by:		
Payments	A-4	<u>17,952,854.00</u>
Balance - December 31, 2014	A	<u><u>116,881.39</u></u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Increased by:			
Levy	A-1/A-8	3,416,335.70	
Added and Omitted Taxes	A-1/A-8	<u>702.64</u>	
			<u>3,417,038.34</u>
			3,417,038.34
Decreased by:			
Payments	A-4		<u>3,417,038.34</u>
Balance - December 31, 2014	A		<u><u> </u></u>

Borough of Lincoln Park, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2014

<u>Liabilities and Reserves</u>	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2014</u>
<u>Liabilities:</u>				
Tax Overpayments	250.00	250.00	250.00	250.00
Sewer Rent Overpayments	4,023.89	5,078.42	4,023.89	5,078.42
Outside Liens		82,723.30	82,723.30	
Due to State of New Jersey:				
Construction Code Surcharge	967.00	4,537.00	4,274.00	1,230.00
Marriage License Surcharge	350.00	1,650.00	1,775.00	225.00
<u>Reserves for:</u>				
Sale of Borough Property	285,502.16	165,204.43	50,000.00	400,706.59
Revaluation	17,149.81			17,149.81
Flood Related Costs	149,040.53	221,577.20	139,247.14	231,370.59
Flood Buy Outs	87,625.95	2,286,233.25	2,369,514.86	4,344.34
Tax Appeals		30,000.00	30,000.00	
	<u>544,909.34</u>	<u>2,797,253.60</u>	<u>2,681,808.19</u>	<u>660,354.75</u>
	A			A
	<u>Ref.</u>			
2014 Anticipated Revenue	A-2		50,000.00	
2014 Budget Appropriation	A-3	30,000.00		
Receipts	A-4	2,609,493.60		
Disbursed	A-4		2,627,784.30	
Prpoerty Acquired for Taxes	A-10	157,760.00		
Applied to Sewer Receivable	A-12		4,023.89	
		<u>2,797,253.60</u>	<u>2,681,808.19</u>	

Borough of Lincoln Park, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, Dec. 31, <u>2013</u>	Budget Revenue	<u>Received</u>	<u>Canceled</u>	Balance, Dec. 31, <u>2014</u>
Federal Grants:					
Click It or Ticket	3,981.88				3,981.88
Stormwater Management Grant	2,552.00				2,552.00
Pandemic Influenza Phase I - IV	385.58				385.58
CDBG - Water Booster Station	8,000.00				8,000.00
Hazard Mitigation - Energy Allocation Initiative		50,000.00			50,000.00
NJ Transportation Trust - Safe Routes to Schools	200,000.00				200,000.00
NJ Transportation Trust - Safe Streets to Transit		225,000.00			225,000.00
EECBG - 370 George Cobb Lane	8,250.31			8,250.31	
EECBG - 10 Boonton Turnpike	4,053.53			4,053.53	
EECBG - 12 Boonton Turnpike	7,696.09			7,696.09	
	<u>234,919.39</u>	<u>275,000.00</u>		<u>19,999.93</u>	<u>489,919.46</u>
State Grants:					
Alcohol Education & Rehab Grant		1,319.37	1,319.37		
Body Armor Grant		3,125.80	3,125.80		
Municipal Alliance on Alcoholism and Drug Abuse	1,388.86	5,588.00	6,976.86		
Recycling Tonnage Grant		22,106.99	22,106.99		
Clean Communities		20,144.72	20,144.72		
Drunk Driving Enforcement Fund		3,262.73	3,262.73		
NJ Transportation Trust - Two Bridges Rd	62,500.00		58,015.96		4,484.04
NJ Transportation Trust - Ryerson Rd	6,164.50				6,164.50
NJ Transportation Trust - Beaver Brook Rd	5,197.55				5,197.55
NJ Transportation Trust - Two Bridges Rd	45,000.00		45,000.00		
NJ Transportation Trust - Ryerson Rd		115,000.00			115,000.00
NJ Green Communities	3,000.00				3,000.00
NJDEP State Flood Control		150,000.00			150,000.00
PEC Grant	2,045.73				2,045.73
	<u>125,296.64</u>	<u>320,547.61</u>	<u>159,952.43</u>		<u>285,891.82</u>
	<u>360,216.03</u>	<u>595,547.61</u>	<u>159,952.43</u>	<u>19,999.93</u>	<u>775,811.28</u>
	A	A-2		A-23	A
		<u>Ref.</u>			
	Cash Receipts	A-4	109,992.82		
Transferred from Unappropriated Reserves		A-24	<u>49,959.61</u>		
			<u>159,952.43</u>		

Borough of Lincoln Park, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, Dec. 31, <u>2013</u>	Transfer From 2014 <u>Budget</u>	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, <u>2014</u>
Local Grants:					
Pedestrian Safe Route to School	500.00				500.00
Keep Kids Alive Drive 25	19.94				19.94
NJHOA - H1N1	2,814.70				2,814.70
PEC Grant	3,604.46				3,604.46
NJ Green Communities	2,250.00				2,250.00
Municipal Alliance on Alcoholism and Drug Abuse	562.50	1,397.00	1,959.50		2,250.00
	<u>9,751.60</u>	<u>1,397.00</u>	<u>1,959.50</u>		<u>9,189.10</u>
Federal Grants:					
EECBG - 370 Gearge Cobb Lane	8,250.31			8,250.31	
EECBG - 10 Boonton Turnpike	4,053.53			4,053.53	
EECBG - 12 Boonton Turnpike	7,696.09			7,696.09	
CDBG - Water Booster Station	22,757.24		21,079.62		1,677.62
CDBG - Water Booster Station	41,267.32		41,147.32		120.00
CDBG - Jacksonville Rd Water Booster Station II	44,680.00		26,543.25		18,136.75
NJ Transportation Trust - Safe Routes to Schools	198,320.00		3,760.00		194,560.00
NJ Transportation Trust - Safe Streets to Transit		225,000.00			225,000.00
Hazard Mitigation - Energy Allocation Initiative		50,000.00	7,670.00		42,330.00
Click It or Ticket	143.56				143.56
Pandemic Influenza Phase II	11,428.96				11,428.96
Stormwater Management Grant	647.32				647.32
Domestic Violence Grant	641.11				641.11
	<u>339,885.44</u>	<u>275,000.00</u>	<u>100,200.19</u>	<u>19,999.93</u>	<u>494,685.32</u>
State Grants:					
Drunk Driving Enforcement Fund	8,142.35	3,262.73	10,089.74		1,315.34
PEC Grant	3,097.50				3,097.50
Body Armor Replacement Grant	6,188.61	3,125.80	2,099.97		7,214.44
Municipal Alliance on Alcoholism and Drug Abuse	969.76	5,588.00	6,557.76		
NJ Transportation Trust - Two Bridges Rd	17,468.11				17,468.11
NJ Transportation Trust - Beaver Brook Rd	34,082.32				34,082.32
NJ Transportation Trust - Two Bridges Rd	19,212.16		480.00		18,732.16
NJ Transportation Trust - Ryerson Rd		115,000.00			115,000.00
NJ Green Communities	3,000.00				3,000.00
NJDEP State Flood Control		150,000.00	3,720.00		146,280.00
Clean Communities Grant	38,036.51	20,144.72	15,637.40		42,543.83
Recycling Tonnage Grant	46,589.09	22,106.99	785.00		67,911.08
Alcohol Education & Rehab Grant	3,781.74	1,319.37			5,101.11
	<u>180,568.15</u>	<u>320,547.61</u>	<u>39,369.87</u>		<u>461,745.89</u>
	<u>530,205.19</u>	<u>596,944.61</u>	<u>141,529.56</u>	<u>19,999.93</u>	<u>965,620.31</u>
	A		A-4	A-22	A
	<u>Ref.</u>				
State and Federal Grants	A-3	595,547.61			
Matching Funds for Grants	A-3,A-4	1,397.00			
		<u>596,944.61</u>			

Borough of Lincoln Park, N.J.
Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Transfer</u> <u>To 2014</u> <u>Budget</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Federal Grants				
Drive Sober or Get Pulled Over	4,851.62		4,851.62	4,851.62
	<u>4,851.62</u>		<u>4,851.62</u>	<u>4,851.62</u>
State Grants:				
Recycling Tonnage Grant	22,106.99	22,106.99	12,764.54	12,764.54
Body Armor Replacement Fund	3,125.80	3,125.80	2,524.43	2,524.43
Clean Communities	20,144.72	20,144.72	18,892.79	18,892.79
Drunk Driving Enforcement Fund	3,262.73	3,262.73	3,384.18	3,384.18
Alcohol Education and Rehab Grant	1,319.37	1,319.37	1,536.08	1,536.08
	<u>49,959.61</u>	<u>49,959.61</u>	<u>39,102.02</u>	<u>39,102.02</u>
	49,959.61	49,959.61	43,953.64	43,953.64
	<u>A</u>	<u>A-22</u>	<u>A-4</u>	<u>A</u>

Borough of Lincoln Park, N.J.

Schedule of Due to Current Fund

Federal and State Grant Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	A		41.90
Increased by:			
Cash Receipts	A-4	514.28	
Canceled Grant Reserves	A-23	<u>19,999.93</u>	
			<u>20,514.21</u>
			20,556.11
Decreased by:			
Cash Disbursements	A-4	502.91	
Canceled Grants Receivable	A-22	<u>19,999.93</u>	
			<u>20,502.84</u>
Balance - December 31, 2014	A		<u><u>53.27</u></u>

Schedule of Due to Other Trust Fund

Federal and State Grant Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	A		2,304.00
Increased by:			
Cash Receipts	A-4		<u>5,778.67</u>
			8,082.67
Decreased by:			
Cash Disbursements	A-4		<u>5,456.08</u>
Balance - December 31, 2014	A		<u><u>2,626.59</u></u>

Borough of Lincoln Park, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2014

	Ref.	Animal Control Trust	Other Trust Funds	Payroll Fund	L.O.S.A.P.
Balance - December 31, 2013	B	<u>35,562.83</u>	<u>1,717,774.94</u>	<u>7,596.83</u>	<u>1,067,138.64</u>
Increase by Receipts:					
Interfund - Current Fund	B-2	98.01	6,544.15	1,154.56	
Dog License Fees	B-4	14,974.40			
Due to State of NJ	B-5	1,209.60			
Other Trust Funds	B-6		729,200.17		
Municipal Open Space	B-7		68,992.55		
Payroll Deductions Payable	B-8			3,689,355.28	
Net Payroll	B-9			4,115,409.23	
Contributions Receivable	B-10				78,200.00
Net Assets Available for Benefits	B-11				49,428.86
Total Receipts		<u>16,282.01</u>	<u>807,040.87</u>	<u>7,805,919.07</u>	<u>127,628.86</u>
		<u>51,844.84</u>	<u>2,524,815.81</u>	<u>7,813,515.90</u>	<u>1,194,767.50</u>
Decreased by Disbursements:					
Interfund - Current Fund	B-2	11,163.83	9,104.20	179.87	
Interfunds	B-3		2,626.59		
Reserve for Dog Expenditures	B-4	5,030.02			
Due to State of NJ	B-5	1,190.40			
Other Trust Funds	B-6		689,285.25		
Open Space	B-7		156,745.61		
Payroll Deductions Payable	B-8			3,689,919.97	
Net Payroll	B-9			4,115,409.23	
Net Assets Available for Benefits	B-11				64,043.93
Total Disbursements		<u>17,384.25</u>	<u>857,761.65</u>	<u>7,805,509.07</u>	<u>64,043.93</u>
Balance - December 31, 2014	B	<u>34,460.59</u>	<u>1,667,054.16</u>	<u>8,006.83</u>	<u>1,130,723.57</u>

Borough of Lincoln Park, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2014

	Due to/(from) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2014</u>
Dog License Trust	11,163.83	10,075.99	11,163.83	10,075.99
Other Trust	9,104.20	6,544.15	9,104.20	6,544.15
Payroll Fund	<u>1,655.96</u>	<u>1,154.56</u>	<u>179.87</u>	<u>2,630.65</u>
	<u>21,923.99</u>	<u>17,774.70</u>	<u>20,447.90</u>	<u>19,250.79</u>
	B			B
	<u>Ref.</u>			
Receipts - Animal Control Trust	B-1	98.01		
Disbursed - Animal Control Trust	B-1		11,163.83	
Receipts - Other Trust Fund	B-1	6,544.15		
Disbursed - Other Trust Fund	B-1		9,104.20	
Receipts - Payroll Fund	B-1	1,154.56		
Disbursements - Payroll Fund	B-1		179.87	
Statutory Excess Due to Current Fund	B-4	9,977.98		
		<u>17,774.70</u>	<u>20,447.90</u>	

Borough of Lincoln Park, N.J.

Schedule of Interfunds

Other Trust Funds

Year Ended December 31, 2014

	Due to/(from) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2014</u>
Grant Fund	<u>(2,304.00)</u>	<u>2,626.59</u>	<u>2,304.00</u>	<u>(2,626.59)</u>
	<u>(2,304.00)</u>	<u>2,626.59</u>	<u>2,304.00</u>	<u>(2,626.59)</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-1		2,304.00	
Cash Disbursements	B-1	<u>2,626.59</u>		
		<u>2,626.59</u>	<u>2,304.00</u>	

Borough of Lincoln Park, N.J.

Reserve for Dog Fund Expenditures

Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	B		24,393.60
Increased by:			
Collections			
Dog License Fees -2014		13,742.40	
Late Charge Fees		1,230.00	
Miscellaneous		<u>2.00</u>	
	B-1		<u>14,974.40</u>
			39,368.00
Decreased by:			
Expenditures R.S. 4:19-1511	B-1	5,030.02	
Statutory Excess Due to Current	B-2	<u>9,977.98</u>	
			<u>15,008.00</u>
Balance - December 31, 2014	B		<u><u>24,360.00</u></u>

License Fees Collected

<u>Year</u>	
2013	11,978.40
2012	<u>12,381.60</u>
	<u><u>24,360.00</u></u>

Borough of Lincoln Park, N.J.

Schedule of Due to State Department of Health

Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	5.40
Increased by:		
State Fees Collected	B-1	<u>1,209.60</u>
		1,215.00
Decreased by:		
Paid to State	B-1	<u>1,190.40</u>
Balance - December 31, 2014	B	<u><u>24.60</u></u>

Borough of Lincoln Park, N.J.

Schedule of Various Reserves and Other Trust Funds

Trust Funds

Year Ended December 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Reserve for:				
Escrow Deposits	248,015.71	118,838.89	121,094.77	245,759.83
Recycling	215,473.32	37,939.02	26,214.80	227,197.54
Special Law Enforcement	15,113.72	402.11	318.30	15,197.53
Resale for Set Aside Housing	125,367.46	312.70	4,400.00	121,280.16
Affordable Housing	5,821.66	11,752.79	7,397.25	10,177.20
Dare/Drug Alliance	6,857.38	3,441.41	814.82	9,483.97
POAA	1,574.79	92.00		1,666.79
Acorn One Set Aside Housing	32,815.48	83.26		32,898.74
Stormwater Management Contributions	104,759.91	256.44	6,694.51	98,321.84
Premiums on Tax Sale	130,800.00	222,900.00	142,500.00	211,200.00
Off Duty Police	57,483.42	241,400.00	202,925.00	95,958.42
Public Defender	4,551.48	7,350.00	5,315.00	6,586.48
Unemployment	19,147.82	19,119.86	16,202.00	22,065.68
Municipal Donations	152,735.17	43,084.80	133,311.23	62,508.74
LOSAP	20,249.68	5,255.65		25,505.33
Food Pantry	25,009.05	14,471.46	20,915.32	18,565.19
Flex Spending	(2,054.14)	2,499.78	1,182.25	(736.61)
	<u>1,163,721.91</u>	<u>729,200.17</u>	<u>689,285.25</u>	<u>1,203,636.83</u>
	B	B-1	B-1	B

Borough of Lincoln Park, N.J.

Reserve for Municipal Open Space

Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	547,252.83
Increased by:		
Collections		
2014 Tax Levy		68,609.29
2014 Added Taxes		14.11
Interest Earned		<u>369.15</u>
	B-1	<u>68,992.55</u>
		616,245.38
Decreased by:		
Expenditures R.S. 4:19-1511	B-1	<u>156,745.61</u>
Balance - December 31, 2014	B	<u><u>459,499.77</u></u>

Borough of Lincoln Park, N.J.

Schedule of Payroll Deductions Payable

Trust Funds

Year Ended December 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Federal Withholding Tax		771,346.42	771,346.42	
Social Security		896,407.76	896,407.76	
State Withholding Tax		208,889.32	208,889.32	
Unemployment Insurance	873.24	14,315.30	15,188.54	
PERS, PFRS, DCRP	4,275.87	1,411,269.17	1,410,168.86	5,376.18
Garnish		35,364.04	35,364.04	
P.B.A. Union Dues		11,280.00	11,280.00	
Union Dues	362.37	20,745.67	21,108.04	
AFLAC	428.20	10,331.40	10,759.60	
Med. Co-Pay		198,789.56	198,789.56	
Flexible Spending		2,499.78	2,499.78	
Deferred Compensation		58,310.92	58,310.92	
AXA		3,920.00	3,920.00	
Lincoln Financial		26,890.00	26,890.00	
Accident Insurance	1.19	18,995.94	18,997.13	
	<u>5,940.87</u>	<u>3,689,355.28</u>	<u>3,689,919.97</u>	<u>5,376.18</u>
	B	B-1	B-1	B

Schedule of Net Payroll

Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>	
Increased by :		
Receipts	B-1	<u>4,115,409.23</u>
Decreased by :		
Disbursements	B-1	<u>4,115,409.23</u>

Borough of Lincoln Park, N.J.

Statement of Contributions Receivable

Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	92,000.00
Increased by:		
Adjustment		(13,800.00)
Borough Contributions		<u>80,500.00</u>
	B-11	<u>66,700.00</u>
		158,700.00
Decreased by:		
Cash Receipts	B-1	<u>78,200.00</u>
Balance - December 31, 2014	B	<u><u>80,500.00</u></u>

Borough of Lincoln Park, N.J.

Statement of Net Assets Available for Benefits

Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	B		1,159,138.64
Increased by:			
Borough Contributions	B-10	66,700.00	
Appreciation	B-1	<u>49,428.86</u>	
			<u>116,128.86</u>
			1,275,267.50
Decreased by:			
Withdrawals		60,669.08	
Account Fees		<u>3,374.85</u>	
	B-1		<u>64,043.93</u>
Balance - December 31, 2014	B		<u><u>1,211,223.57</u></u>

Borough of Lincoln Park, N.J.

Schedule of General Capital Cash - Treasurer

General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	C		2,246,094.82
Increased by Receipts:			
Premium on Sale of Bond Anticipation Notes	C-1	7,857.15	
Deferred Charges Unfunded	C-5	248,000.00	
Bond Anticipation Notes	C-8	1,294,123.00	
Capital Improvement Fund	C-10	258,260.00	
Interfunds	C-11	<u>418.97</u>	
			<u>1,808,659.12</u>
			4,054,753.94
Decreased by Disbursements:			
2014 Anticipated Revenue	C-1	40,000.00	
Bond Anticipation Notes	C-8	1,394,123.00	
Improvement Authorizations	C-9	562,661.58	
Interfunds	C-11	486.23	
Reserve for Debt Service	C-12	<u>20,000.00</u>	
			<u>2,017,270.81</u>
Balance - December 31, 2014	C		<u><u>2,037,483.13</u></u>

Borough of Lincoln Park, N.J.

Exhibit C-3

Analysis of Cash

General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Fund Balance	C-1	534,713.53
Capital Improvement Fund	C-10	655,696.00
Interfund Current Fund	C-11	418.97
Reserve for Debt Service	C-12	23,145.24

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1281	Various Capital Improvements	19,346.55
1309/1345/1371	Construction & Renovation to Borough Buildings	265,447.80
1327	Various Capital Improvements	901.37
1340	Various Capital Improvements	4,748.74
1353	Various Capital Improvements	73,958.46
1374	Various Capital Improvements	7,751.85
1467	Various Improvements and Acquisitions	76,494.27
1485	Refunding Tax Appeals	8,800.00
1489	Purchase of Fire Truck	35,769.04
1491	Various Improvements and Acquisitions	64,771.76
1508	Various Improvements and Acquisitions	188,265.05
1509	Purchase of Various Equipment	35,084.28
1520	Various Improvements and Acquisitions	57,363.80
1509	Various Improvements and Acquisitions	<u>(15,193.58)</u>
		C,C-2 <u><u>2,037,483.13</u></u>

Borough of Lincoln Park, N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	23,976,250.00
Decreased by:		
2014 Budget Appropriation		
General Serial Bonds	C-6	847,000.00
Loan Program Bonds	C-7	<u>120,000.00</u>
		<u>967,000.00</u>
Balance - December 31, 2014	C	<u><u>23,009,250.00</u></u>

Borough of Lincoln Park, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Balance, Dec. 31, 2013	2014 Authorizations	Cash Receipts	Balance, Dec. 31, 2014	Analysis of Balance - Dec. 31, 2014	
						Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
	<u>General Improvements:</u>						
1266	Various Capital Improvements	973.00		973.00			
1450	Various Improvements and Acquisitions	452,540.00		99,027.00	353,513.00		
1467	Various Improvements and Acquisitions	205,700.00			205,700.00		
1485	Refunding Tax Appeals	148,000.00		148,000.00			
1491	Various Improvements and Acquisitions	287,045.00			287,045.00		
1508	Various Improvements and Acquisitions	447,865.00			447,865.00		
1521	Various Improvements and Acquisitions		494,496.00		494,496.00		409,963.42
		<u>1,542,123.00</u>	<u>494,496.00</u>	<u>248,000.00</u>	<u>1,788,619.00</u>	<u>1,294,123.00</u>	<u>409,963.42</u>
		C	C-9,C-13	C-2	C		

Improvement Authorizations Unfunded		C-9	739,494.50
Less: Unexpended Proceeds of Bond Anticipation Notes			
Ordinance Number:			
	1467	76,494.27	
	1491	64,771.76	
	1508	<u>188,265.05</u>	
			<u>329,531.08</u>

Borough of Lincoln Park, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2014</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	08/01/01	4,437,000.00			4.25%	597,000.00	597,000.00	
General Improvements	02/01/05	3,000,000.00	02/01/15-17	300,000.00				
			02/01/18-19	325,000.00				
			02/01/20-24	225,000.00	2.25%-4.00%	2,925,000.00	250,000.00	2,675,000.00
						<u>3,522,000.00</u>	<u>847,000.00</u>	<u>2,675,000.00</u>
						<u>C</u>	<u>C-4</u>	<u>C</u>

Borough of Lincoln Park, N.J.

Schedule of Loan Program Bonds Payable

General Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2014		Interest Rate	Balance, Dec. 31, 2013	Decreased	Balance, Dec. 31, 2014
			Date	Amount				
General Improvements	03/15/09	20,464,250.00	3/15/2015	715,000.00				
			3/15/2016	750,000.00				
			3/15/2017	790,000.00				
			3/15/2018	805,000.00				
			3/15/2019	850,000.00				
			3/15/2020	1,000,000.00				
			3/15/2021	1,010,000.00				
			3/15/2022	1,175,000.00				
			3/15/2023	1,245,000.00				
			3/15/2024	1,310,000.00				
			3/15/2025	1,600,000.00				
			3/15/2026	1,665,000.00				
			3/15/2027	1,735,000.00				
			3/15/2028	1,810,000.00				
			3/15/2029	1,895,000.00				
			3/15/2030	1,979,250.00	2.00%-5.00%	20,454,250.00	120,000.00	20,334,250.00
						<u>20,454,250.00</u>	<u>120,000.00</u>	<u>20,334,250.00</u>
						C	C-4	C

Borough of Lincoln Park, N.J.
Schedule of Bond Anticipation Notes Payable

General Capital Fund
Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance,	
						Dec. 31, 2013	Dec. 31, 2014
						Increased	Decreased
1266	Various Capital Improvements	10/30/13	10/28/14	10/27/15	1.25%	973.00	973.00
1450	Various Improvements & Acquisitions	10/30/13	10/28/14	10/27/15	1.25%	452,540.00	452,540.00
1467	Various Improvements & Acquisitions	10/30/13	10/28/14	10/27/15	1.25%	205,700.00	205,700.00
1491	Various Improvements & Acquisitions	10/30/13	10/28/14	10/27/15	1.25%	287,045.00	287,045.00
1508	Various Improvements & Acquisitions	10/30/13	10/28/14	10/27/15	1.25%	447,865.00	447,865.00
						1,394,123.00	1,394,123.00
						C	C-2
						1,294,123.00	1,294,123.00
						C	C-2

Borough of Lincoln Park, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2013		2014 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2014	
			Funded	Unfunded				Funded	Unfunded
<u>General Improvements:</u>									
1266	Various Capital Improvements Streets and Roads	662,740.00	3,900.41			3,900.41			
1281	Various Capital Improvements Administration	122,965.00	12,204.90						12,204.90
	Public Safety Building	33,025.00	3,168.85						3,168.85
	Police Equipment and Improvements	31,375.00	1,880.71						1,880.71
	Fire Department	561,430.00	0.01						0.01
	Streets and Roads	275,210.00	2,506.05			2,506.05			2,092.08
	Health	29,945.00	2,092.08						
1309/1345/1371	Construction and Renovation to Borough Buildings	22,000,000.00	290,996.75			25,548.95			265,447.80
1311	Improvement to Municipal Fields	225,000.00	144.52			144.52			
1327	Various Capital Improvements DPW	260,800.00	35,297.10			35,297.10			
	Administration	36,000.00	901.37						901.37
	Recreation	88,800.00	1,063.30			1,063.30			
1340	Various Capital Improvements Administration	76,555.56	4,748.74						4,748.74
1353	Various Capital Improvements Fire Department	40,000.00	1,977.13						1,977.13
	Library	50,000.00	9,600.00						9,600.00
	Miscellaneous	107,475.00	70,776.33			8,395.00			62,381.33
1374	Various Capital Improvements Beaver Brook Road Improvements	193,889.00	187,104.00				187,104.00		
	Main Street Sidewalks	320,755.00	1,468.85						1,468.85
	Elm Street Park	125,669.00	17,827.62						
	Turnout Gear	34,523.00	3,524.00						3,524.00
	Fire Rescue Rams	11,968.00	200.00			17,827.62			200.00
	Fire Thermal Camera	15,559.00	2,559.00						2,559.00
1450	Various Improvements and Acquisitions First Aid Squad	192,500.00				29.95			29.95

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2013		2014 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2014	
			Funded	Unfunded				Funded	Unfunded
1467	Various Improvements and Acquisitions Acquisition of Leaf Vacuum	38,500.00		6,972.81		772.47			6,200.34
	Road Improvements	110,000.00		81,904.84		11,610.91			70,293.93
1485	Refunding Tax Appeals	222,000.00		8,800.00				8,800.00	
1489	Purchase of Fire Truck	950,000.00	35,769.04					35,769.04	
1491	Various Improvements and Acquisitions Road Improvements	110,000.00		85,548.86		20,777.10			64,771.76
	Police Department	35,200.00		905.15		905.15			
1508	Various Improvements and Acquisitions DPW	376,200.00	22,776.00	319,770.00		154,280.95			188,265.05
	Road Improvements	110,000.00	13,741.00	93,500.00		107,241.00			
	Improvement to PAL Building	40,700.00	6,105.00	34,595.00		40,700.00			
1509	Purchase of Various Equipment	77,200.00	55,651.60			20,567.32		35,084.28	
1520	Various Improvements and Acquisitions Fire Department	51,000.00		51,000.00		8,636.20		42,363.80	
	Recreation	15,000.00		15,000.00				15,000.00	
1521	Various Improvements and Acquisitions DPW Vehicles	116,500.00		116,500.00				17,737.00	98,763.00
	Backhoe & Equipment	120,000.00		120,000.00				17,738.00	102,262.00
	Road Improvements	229,760.00		229,760.00		600.00		33,864.00	195,296.00
	Basketball Court	30,800.00		30,800.00		30,800.00			
	Fire Department SUV	46,200.00		46,200.00		39,132.58			7,067.42
	Power Lift System	38,500.00		38,500.00		31,925.00			6,575.00
			787,984.36	632,026.61	647,760.00	562,661.58	187,104.00	578,510.89	739,494.50
			C	C		C-2	C-1	C	C
	Deferred Charges to Future Taxation - Unfunded			Ref.	494,496.00				
	Capital Improvement Fund			C-5	153,264.00				
				C-10	647,760.00				

Borough of Lincoln Park, N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	550,700.00
Increased by:		
Budget Appropriation	C-2	<u>258,260.00</u>
		808,960.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>153,264.00</u>
Balance - December 31, 2014	C, C-3	<u><u>655,696.00</u></u>

Borough of Lincoln Park, N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2014

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2013</u>	Increases by Cash <u>Receipts</u>	Decreased by Cash <u>Disbursements</u>	Due From/(To) Balance <u>Dec. 31, 2014</u>
Current Fund	C	(486.23)	418.97	486.23	(418.97)
		<u>(486.23)</u>	<u>418.97</u>	<u>486.23</u>	<u>(418.97)</u>
			C-2	C-2	

Borough of Lincoln Park, N.J.

Reserve for Debt Service

General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	43,145.24
Decreased by:		
2014 Anticipated Revenue	C-2	<u>20,000.00</u>
Balance - December 31, 2014	C, C-3	<u><u>23,145.24</u></u>

Borough of Lincoln Park, N.J.
 Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2014</u>
	<u>General Improvements:</u>				
1485	Refunding Tax Appeals	148,000.00		148,000.00	
1521	Various Improvements and Acquisitions		494,496.00		494,496.00
		<u>148,000.00</u>	<u>494,496.00</u>	<u>148,000.00</u>	<u>494,496.00</u>
			C-5		Footnote C

Borough of Lincoln Park, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2013	D	<u>959,453.28</u>	<u>572,217.48</u>
Increased by Receipts:			
Premium on Sale of Bond Anticipation Note	D-2		8,177.85
Interest on Investments	D-3	4,623.88	
Other Miscellaneous	D-3	10,923.47	
Late Payment Penalties	D-3	18,372.72	
Consumer Accounts Receivable	D-8	2,250,675.81	
Water Rent Overpayments	D-14	7,059.46	
Interfunds	D-11, D-15	565.84	155.16
Bond Anticipation Notes	D-18		1,338,580.00
Capital Improvement Fund	D-21		<u>50,000.00</u>
		<u>2,292,221.18</u>	<u>1,396,913.01</u>
		<u>3,251,674.46</u>	<u>1,969,130.49</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	1,902,186.85	
Appropriation Reserves	D-12	195,722.52	
Water Rent Overpayments	D-14	8,258.23	
Accrued Interest on Bonds	D-16	16,287.50	
Accrued Interest on Notes	D-17	11,716.16	
Interfunds	D-11, D-15	155.16	122.45
Bond Anticipation Notes	D-18		1,138,580.00
Improvement Authorizations	D-20		<u>120,093.05</u>
		<u>2,134,326.42</u>	<u>1,258,795.50</u>
Balance - December 31, 2014	D	<u><u>1,117,348.04</u></u>	<u><u>710,334.99</u></u>

Borough of Lincoln Park, N.J.

Schedule of Change Funds

Water Utility Fund

Year Ended December 31, 2014

<u>Office</u>	Balance <u>Dec. 31, 2013</u>	Balance <u>Dec. 31, 2014</u>
Water Utility Collector	250.00	250.00
	D	D

Schedule of Water Utility Capital Cash

Water Utility Fund

Year Ended December 31, 2014

	<u>Ref.</u>	Balance <u>Dec. 31, 2014</u>
Fund Balance	D-2	16,813.14
Interfund - Water Operating	D-11	155.16
Capital Improvement Fund	D-21	154,709.29
 <u>Improvement Authorizations</u>		
Ordinance		
<u>Number</u>		
1303	Water Main Extension	24,765.00
1341	Water Tie-In	29,265.99
1352	Acquisition of Dump Truck	36.39
1375	Various Water Utility Improvements	13,313.06
1409	Various Water Utility Improvements	982.46
1486	Purchase of Water Meters	185,594.80
1507	Various Water Utility Improvements	237,949.70
1526	Various Water Utility Improvements	46,750.00
		D
		<u>710,334.99</u>

Borough of Lincoln Park, N.J.

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Charges</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Water Rents	357,964.50	2,158,506.76	2,185,834.59	330,636.67
Sprinklers	7,066.34	59,681.60	58,811.22	7,936.72
Hydrants	810.00	5,760.00	6,030.00	540.00
	<u>365,840.84</u>	<u>2,223,948.36</u>	<u>2,250,675.81</u>	<u>339,113.39</u>
	D		D-5	D

Borough of Lincoln Park, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year Ended December 31, 2014

<u>Description</u>	<u>Balance Dec. 31, 2013</u>	<u>Additions</u>	<u>Balance Dec. 31, 2014</u>
Acquisition of Equipment and Vehicles	20,000.00		20,000.00
Land	4,525.49		4,525.49
Distribution Mains and Accessories	635,242.02	110,000.00	745,242.02
Service Pipes and Stops	57,530.69		57,530.69
Hydrants	40,272.27		40,272.27
Chemical Treatment Plant	29,482.92		29,482.92
Erie - Lackawanna Crossing	11,000.00		11,000.00
Beaverbrook Dam Crossing	10,450.00		10,450.00
Stand Pipe	103,500.50		103,500.50
Test Wells	18,521.69		18,521.69
Meters	66,882.33		66,882.33
Pumps	17,083.57		17,083.57
Other Costs	49,558.50		49,558.50
Legal Expense	19,442.36		19,442.36
Interest During Construction	44,348.00		44,348.00
Engineering	138,214.93		138,214.93
General Equipment	8,350.90		8,350.90
Transportation Equipment	15,094.01		15,094.01
Acquisition of Mountain View Water Works	76,000.00		76,000.00
Acquisition of Charles M. Evans Development	13,000.00		13,000.00
Acquisition of Harris Water Co.	5,504.57		5,504.57
Water Exploration and Test Drilling	15,000.00		15,000.00
Water Demand Pump and Pump Control System	10,000.00		10,000.00
Acquisition of Water Utility Van	10,000.00		10,000.00
Reconstruction and Improvement of Water Utility System	893,805.28		893,805.28
Expansion of Water Lines	170,000.00		170,000.00
Acquisition of Maintenance Equipment and Water Meters	1,162,086.37		1,162,086.37
Bog and Vly Street Construction	132,000.00		132,000.00
Various Water Utility Improvements	213,565.00		213,565.00
Water Main Extensions	150,000.00		150,000.00
	<u>4,140,461.40</u>	<u>110,000.00</u>	<u>4,250,461.40</u>
	D	D-10	D

Borough of Lincoln Park, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Operating Fund

Year Ended December 31, 2014

Ord. Number	Improvement Description	Ordinance		Balance, Dec. 31, 2013	2014 Authorizations	Costs to Fixed Capital	Balance, Dec. 31, 2014
		Date	Amount				
1285	Water Main Replacement	07/15/02	110,000.00	110,000.00		110,000.00	
1303	Water Main Extension	04/21/03	110,000.00	110,000.00			110,000.00
1341	Water Tie-In	05/16/05	155,000.00	155,000.00			155,000.00
1352	Acquisition of Dump Truck	03/20/06	55,000.00	55,000.00			55,000.00
1375	Various Capital Improvements	03/19/07	130,000.00	90,435.00			90,435.00
1409	Various Capital Improvements	11/17/08	710,400.00	28,800.00			28,800.00
1486	Purchase of Water Meters	07/02/12	500,000.00	500,000.00			500,000.00
1507	Various Capital Improvements	08/19/13	385,000.00	385,000.00			385,000.00
1526	Various Capital Improvements	10/20/14	467,500.00		467,500.00		467,500.00
				1,434,235.00	467,500.00	110,000.00	1,791,735.00
				D	D-20	D-10	D

Borough of Lincoln Park, N.J.

Schedule of Interfunds

Water Utility Capital Fund

Year Ended December 31, 2014

<u>Fund</u>	<u>Ref.</u>	Due From/(To)			Due From/(To)
		<u>Balance</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u>
		<u>Dec. 31, 2013</u>			<u>Dec. 31, 2014</u>
Water Operating	D	(122.45)	155.16	122.45	(155.16)
		<u>(122.45)</u>	<u>155.16</u>	<u>122.45</u>	<u>(155.16)</u>
Cash Receipts	D-5		155.16		
Cash Disbursements	D-5			122.45	
			<u>155.16</u>	<u>122.45</u>	

Borough of Lincoln Park, N.J.

Schedule of 2013 Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Balance, Dec. 31, 2013</u>	<u>Balance after Transfers and Encumbrances</u>	<u>Paid</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	44,900.88	44,900.88		44,900.88
Other Expenses	419,765.57	505,401.14	195,722.52	309,678.62
Statutory Expenditures:				
Social Security System (O.A.S.I.)	<u>7,058.86</u>	<u>7,058.86</u>		<u>7,058.86</u>
	<u>471,725.31</u>	<u>557,360.88</u>	<u>195,722.52</u>	<u>361,638.36</u>
	D		D-5	D-1
	<u>Ref.</u>			
Appropriation Reserves	above	471,725.31		
Transfer from Reserve				
for Encumbrances	D-13	<u>85,635.57</u>		
		<u>557,360.88</u>		

Borough of Lincoln Park, N.J.

Schedule of Reserve for Encumbrances

Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	85,635.57
Increased by:		
Charges Against Current Year Appropriations	D-4	<u>87,804.29</u>
		173,439.86
Decreased by:		
Transferred to Appropriation Reserves	D-12	<u>85,635.57</u>
Balance - December 31, 2014	D	<u><u>87,804.29</u></u>

Borough of Lincoln Park, N.J.

Schedule of Water Rent Overpayments

Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	8,258.23
Increased by:		
Cash Receipts	D-5	<u>7,059.46</u>
		15,317.69
Decreased by:		
Cash Disbursements	D-5	<u>8,258.23</u>
Balance - December 31, 2014	D	<u><u>7,059.46</u></u>

Borough of Lincoln Park, N.J.

Schedule of Interfunds

Water Utility Operating Fund

Year Ended December 31, 2014

	Due to/(from) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2014</u>
Current Fund		443.39		443.39
Water Capital Fund	(122.45)	155.16	122.45	(155.16)
	<u>(122.45)</u>	<u>598.55</u>	<u>122.45</u>	<u>288.23</u>
	D			D
	<u>Ref.</u>			
Receipts	D-5	443.39	122.45	
Disbursed	D-5	<u>155.16</u>	<u> </u>	
		<u>598.55</u>	<u>122.45</u>	

Borough of Lincoln Park, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	4,937.39
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	<u>15,919.00</u>
		20,856.39
Decreased by:		
Interest Paid	D-5	<u>16,287.50</u>
Balance - December 31, 2014	D	<u><u>4,568.89</u></u>

Schedule of Accrued Interest on Notes

Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	1,625.42
Increased by:		
Budget Appropriation for Interest on Notes	D-4	<u>12,020.00</u>
		13,645.42
Decreased by:		
Interest Paid	D-5	<u>11,716.16</u>
Balance - December 31, 2014	D	<u><u>1,929.26</u></u>

Borough of Lincoln Park, N.J.

Schedule of Bond Anticipation Notes Payable

Water Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Original Amount Issued	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2013	Increased	Decreased	Balance, Dec. 31, 2014
1409	Various Water Improvements	674,880.00	11/03/11	10/28/14	10/27/15	1.25%	674,880.00	638,580.00	674,880.00	638,580.00
1486	Purchase of Water Meters	300,000.00	11/01/12	10/28/14	10/27/15	1.25%	300,000.00	300,000.00	300,000.00	300,000.00
1486	Purchase of Water Meters	200,000.00	10/30/13	10/28/14	10/27/15	1.25%	200,000.00	200,000.00	200,000.00	200,000.00
1507	Various Water Improvements	200,000.00	10/28/14	10/28/14	10/27/15	1.25%		200,000.00		200,000.00
							<u>1,174,880.00</u>	<u>1,338,580.00</u>	<u>1,174,880.00</u>	<u>1,338,580.00</u>
							D	D-5	D	D
								Ref.		
								Cash Disbursements	1,138,580.00	
								Reserve for Amortization	36,300.00	
									<u>1,174,880.00</u>	

Borough of Lincoln Park, N.J.

Schedule of Loan Program Bonds Payable

Water Capital Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2014</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Balance, Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>			
Water Improvements	03/15/09	465,750.00	3/15/2015	50,000.00	2.00%-5.00%	450,750.00	400,750.00
			3/15/2016	50,000.00			
			3/15/2017	50,000.00			
			3/15/2018	50,000.00			
			3/15/2019	50,000.00			
			3/15/2020	50,000.00			
			3/15/2021	100,750.00		50,000.00	400,750.00
						450,750.00	400,750.00
						D	D
						50,000.00	400,750.00
						D-22	D

Borough of Lincoln Park, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2013		2014 Authorizations	Paid or Charged	Balance Dec. 31, 2014	
				Funded	Unfunded			Funded	Unfunded
1285	Water Main Replacement	07/15/02	110,000.00	1,591.40	0.00	1,591.40	0.00		
1303	Water Main Extension	04/21/03	110,000.00	26,858.68		2,093.68	24,765.00		
1341	Water Tie-In	05/16/05	155,000.00	37,159.99		7,894.00	29,265.99		
1352	Acquisition of Dump Truck	03/20/06	55,000.00	36.39			36.39		
1375	Various Improvements Rosenbrook Pump Station	03/19/07	90,435.00	23,842.53		10,529.47	13,313.06		
1409	Various Improvements Utility Van	11/17/08	28,800.00		982.46				982.46
1486	Purchase of Water Meters	07/02/12	500,000.00		283,029.00	97,434.20			185,594.80
1507	Various Improvements Improve. to Davit Water Tank Acquisition of Generator	08/19/13	330,000.00 55,000.00	33,000.00 5,500.00	297,000.00 49,500.00	240.00 310.30	32,760.00 5,189.70	297,000.00 49,500.00	
1526	Various Improvements Improve. to Davit Water Tank Various Improvements	10/20/14 10/20/14	385,000.00 82,500.00		385,000.00 82,500.00		38,500.00 8,250.00	346,500.00 74,250.00	
				127,988.99	630,511.46	467,500.00	120,093.05	152,080.14	953,827.26
				D	D	D-10	D-5	D	D

Borough of Lincoln Park, N.J.

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	151,459.29
Increased by:		
Transfer from Budget Appropriation	D-5	<u>50,000.00</u>
		201,459.29
Decreased by:		
Appropriated to Finance Improvement Authorization	D-23	<u>46,750.00</u>
Balance - December 31, 2014	D	<u><u>154,709.29</u></u>

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	D		3,536,776.40
Increased by:			
Bond Anticipation Notes	D-18	36,300.00	
Serial Bonds Payable	D-19	50,000.00	
Transfer from Deferred Reserve for Amortization	D-24	<u>5,500.00</u>	
			<u>91,800.00</u>
Balance - December 31, 2014	D		<u><u>3,628,576.40</u></u>

Borough of Lincoln Park, N.J.
Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2013</u>	<u>Fixed Capital Authorized</u>	<u>Transferred to Reserve for Amortization</u>	<u>Balance, Dec. 31, 2014</u>
1285	Water Main Replacement	07/15/02	5,500.00		5,500.00	
1303	Water Main Extension	04/21/03	5,500.00			5,500.00
1341	Water Tie-In	05/16/05	7,750.00			7,750.00
1352	Acquisition of Dump Truck	03/20/06	2,750.00			2,750.00
1375	Various Improvements	03/19/07	4,350.00			4,350.00
1409	Various Improvements	11/17/08	1,440.00			1,440.00
1507	Various Improvements	08/19/13	38,500.00			38,500.00
1526	Various Improvements	10/20/14		46,750.00		46,750.00
			<u>65,790.00</u>	<u>46,750.00</u>	<u>5,500.00</u>	<u>107,040.00</u>
			D	D-21	D-23	D

Borough of Lincoln Park, N.J.

Schedule of Bonds and Notes Authorized but not Issued

Water Utility Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Notes Issued</u>	<u>Balance, Dec. 31, 2014</u>
1507	Various Improvements	346,500.00		200,000.00	146,500.00
1526	Various Improvements		420,750.00		420,750.00
		<u>346,500.00</u>	<u>420,750.00</u>	<u>200,000.00</u>	<u>567,250.00</u>
					Footnote D

Borough of Lincoln Park, N.J.

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2013	E	6,842.15	6,512.88	329.27
Increased by Receipts:				
Other Receipts	E-3	<u>17.34</u>	<u>16.51</u>	<u>0.83</u>
		<u>6,859.49</u>	<u>6,529.39</u>	<u>330.10</u>
Decreased by:				
Disbursements	E-3	<u>17.29</u>	<u>16.47</u>	<u>0.82</u>
		<u>17.29</u>	<u>16.47</u>	<u>0.82</u>
Balance - December 31, 2014	E	<u><u>6,842.20</u></u>	<u><u>6,512.92</u></u>	<u><u>329.28</u></u>

Borough of Lincoln Park, N.J.

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2014	E-1	6,842.20
Increased by:		
Cash Receipts Record		<u>2.76</u>
Balance - March 12, 2015		<u><u>6,844.96</u></u>

	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>	<u>Total</u>
<u>Reconciliation - March 12, 2015</u>	<u>Account</u>	<u>Account</u>	
Balance on Deposit per Statement of:			
Valley National Bank			
Checking	6,515.55	329.41	6,844.96
	<u>6,515.55</u>	<u>329.41</u>	<u>6,844.96</u>
Balance - March 12, 2015	<u><u>6,515.55</u></u>	<u><u>329.41</u></u>	<u><u>6,844.96</u></u>

Borough of Lincoln Park, N.J.

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	E	6,842.75
Increased by Receipts:		
Cash Receipts Record	E-1	<u>17.34</u>
		6,860.09
Decreased by:		
Cash Disbursements	E-1	<u>17.29</u>
Balance - December 31, 2014	E	<u><u>6,842.80</u></u>

<u>Reconciliation - December 31, 2014</u>	<u>P.A.T.F. I</u> <u>Account</u>	<u>P.A.T.F. II</u> <u>Account</u>	<u>Total</u>
Balance on Deposit per Statement of: Valley National	6,512.92	329.28	6,842.20
	<u>6,512.92</u>	<u>329.28</u>	<u><u>6,842.20</u></u>
Balance, December 31, 2014	<u><u>6,512.92</u></u>	<u><u>329.28</u></u>	<u><u>6,842.20</u></u>

Borough of Lincoln Park, N.J.

Schedule of Revenues - Cash Basis

Public Assistance Fund

Year Ended December 31, 2014

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interest Earned	<u>17.34</u>	<u>16.51</u>	<u>0.83</u>
Total Receipts	<u><u>17.34</u></u>	<u><u>16.51</u></u>	<u><u>0.83</u></u>

Schedule of Expenditures - Cash Basis

Public Assistance Fund

Year Ended December 31, 2014

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interfund Transfer	<u>17.29</u>	<u>16.47</u>	<u>0.82</u>
Total Disbursements	<u><u>17.29</u></u>	<u><u>16.47</u></u>	<u><u>0.82</u></u>

BOROUGH OF LINCOLN PARK

PART II

REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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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 Borough Council
Borough of Lincoln Park
County of Morris, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Lincoln Park in the County of Morris 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 2013, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Service Awards Program not being audited.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Lincoln Park in the accompany comments and recommendations section of this report.

Compliance and Other Matters

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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Lincoln Park in the accompanying comments and recommendations section of this report.

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 Borough of Lincoln Park internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Lincoln Park internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable Mayor and
Members of the Borough Council
Borough of Lincoln Park
County of Morris, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Lincoln Park in the County of Morris compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014. The Borough of Lincoln Park's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Lincoln Park's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular



Honorable Mayor and
Members of the Borough Council
Page 2.

04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Lincoln Park's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Lincoln Park complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

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

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



Honorable Mayor and
Members of the Borough Council
Page 3.

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

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



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

May 3, 2015

Borough of Lincoln Park

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Balance Dec. 31, 2014	Cumulative Expenditures
<u>Federal and State Grant Fund</u>									
<u>U.S. Department of Transportation:</u>									
Pass Through NJ Department of Law & Public Safety:									
Drive Sober or Get Pulled Over	20.601	066-1160-100-157	2015	4,851.62	(3,838.32)	4,851.62		4,851.62	3,838.32
Click It or Ticket	20.602			3,981.88	(3,838.32)	4,851.62		1,013.30	
<u>Pass Through NJ Department of Transportation:</u>									
Highway Planning and Construction	20.205	078-6320-480	2014 2013	225,000.00 200,000.00	(1,680.00) (1,680.00)		3,760.00 3,760.00	(5,440.00) (5,440.00)	5,440.00
<u>U.S. Department of Homeland Security:</u>									
Pass Through NJ Department of Law & Public Safety:									
Hazard Mitigation - Energy Allocation Initiative	97.039	1200-100-A76	2014	50,000.00			7,670.00	(7,670.00)	7,670.00
<u>U.S. Department of HUD:</u>									
Pass Through County of Morris:									
Community Development Block Grant	14.218		2012 2011 2011	22,757.24 80,000.00 80,000.00	14,757.24 41,267.32 44,680.00		21,079.62 41,147.32 26,543.25	(6,322.38) 120.00 18,136.75	21,079.62 79,880.00 61,863.25
					100,704.56		88,770.19	11,934.37	
<u>U.S. Environmental Protection Agency:</u>									
Pass Through NJ Department of Environmental Protection:									
Municipal Stormwater Regulation	66.605			2,552.00	(1,904.68)			(1,904.68)	1,824.66
<u>U.S. Department of Health and Human Services:</u>									
Pass Through NJ Department of Health:									
Pandemic Flu Preparedness	93.069			17,164.00	11,043.38			11,043.38	5,735.04

Borough of Lincoln Park

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Balance Dec. 31, 2014	Cumulative Expenditures
U.S. Department of Justice Pass Through NJ Department of Health Domestic Violence Response Team	16.588			5,996.00	641.11			641.11	5,354.89
Total Federal and State Grant Fund					104,966.05	4,851.62	100,200.19	9,617.48	
<u>Current Fund</u>									
U.S. Department of Homeland Security Pass Through NJ Department of Law & Public Safety: Public Assistance Grant Program Hazard Mitigation Grant Severe Loss Repetitive Program	97.036 97.039 97.110	066-1200-100-A92 066-1200-100-A76 066-1200-100-986	2013 2015 2015	266,907.56 582,029.28 1,811,637.43	(128,468.36)	498,768.28 1,770,933.43 2,269,701.71	549,179.79 1,811,637.43 2,360,817.22	(128,468.36) (50,411.51) (40,704.00) (219,583.87)	266,907.56 549,179.79 1,811,637.43
Total Current Fund					(128,468.36)	2,269,701.71	2,360,817.22	(219,583.87)	
Total Federal Awards					(23,502.31)	2,274,553.33	2,461,017.41	(209,966.39)	

Borough of Lincoln Park

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2014

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Balance Dec. 31, 2014	MEMO Cumulative Expenditures
<u>Federal and State Grant Fund</u>								
<u>NJ Department of Environmental Protection:</u>								
Clean Communities	4900-765-004	2015	18,892.79		18,892.79		18,892.79	
		2014	20,144.72	20,144.72			20,144.72	
		2013	17,157.87	17,157.87			17,157.87	
		2012	17,440.70	17,440.70		12,199.46	5,241.24	12,199.46
		2011	18,385.75	3,437.94		3,437.94		18,385.75
				<u>58,181.23</u>	<u>18,892.79</u>	<u>15,637.40</u>	<u>61,436.62</u>	
<u>Recycling Tonnage Grant</u>	4910-100-224	2015	12,764.54		12,764.54		12,764.54	
		2014	22,106.99	22,106.99			22,106.99	
		2013	18,482.10	18,482.10			18,482.10	
		2012	14,288.18	14,288.18			14,288.18	
		2011	13,435.00	13,435.00		401.19	13,033.81	401.19
		2010	12,253.85	383.81		383.81		12,253.85
				<u>68,696.08</u>	<u>12,764.54</u>	<u>785.00</u>	<u>80,675.62</u>	
<u>State Flood Control Project</u>	4895-004	2014	150,000.00			3,720.00	(3,720.00)	3,720.00
<u>NJ Department of Health:</u>								
Alcohol Education Rehabilitation	9735-760-001	2015	1,536.08		1,536.08		1,536.08	
		2014	1,319.37	1,319.37			1,319.37	
		2013	1,618.89	1,618.89			1,618.89	
		2012	1,618.04	1,618.04			1,618.04	
		2011	1,206.55	544.81			544.81	661.74
				<u>5,101.11</u>	<u>1,536.08</u>		<u>6,637.19</u>	

Borough of Lincoln Park

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2014

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Balance Dec. 31, 2014	MEMO Cumulative Expenditures
<u>NJ Division of Highway Traffic Safety:</u>								
Drunk Driving Enforcement Fund	6400-100-078	2015	3,384.18		3,384.18		3,384.18	
		2014	3,262.73	3,262.73		1,947.39	1,315.34	1,947.39
		2013	8,741.86	8,142.35		8,142.35	4,699.52	8,741.86
				11,405.08	3,384.18	10,089.74	4,699.52	
<u>NJ Department of Transportation:</u>								
Highway Planning and Construction	078-6320-480	2014	115,000.00					
		2013	180,000.00	(25,787.84)	45,000.00	480.00	18,732.16	161,267.84
		2012	250,000.00	(45,031.89)	58,015.96		12,984.07	232,551.89
		2011	200,000.00	28,884.77			28,884.77	165,917.68
		2010	250,000.00	(6,164.50)			(6,164.50)	250,000.00
				(48,099.46)	103,015.96	480.00	54,436.50	
<u>NJ Department of Community Affairs:</u>								
PEC Grant	5157-0382-00	2013	3,250.00	1,051.77			1,051.77	2,198.23
<u>NJ Department of Law and Public Safety:</u>								
Body Armor Replacement	066-1020-718-001	2015	2,524.43		2,524.43		2,524.43	
		2014	3,125.80	3,125.80			3,125.80	
		2013	2,514.01	2,514.01			2,514.01	
		2012	2,374.56	2,374.56		799.93	1,574.63	799.93
		2011	3,478.36	1,300.04		1,300.04	9,738.87	3,478.36
				9,314.41	2,524.43	2,099.97	9,738.87	

Borough of Lincoln Park

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2014

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Balance Dec. 31, 2014	MEMO Cumulative Expenditures
<u>Council on Alcoholism and Drug Abuse:</u>								
Pass Through County of Morris Municipal Drug Alliance		2014	16,764.00	(419.10)	6,976.86	6,557.76		16,764.00
Total Federal and State Grant Fund								
				105,231.12	149,094.84	39,369.87	214,956.09	
<u>Current Fund</u>								
<u>NJ Department of Environmental Protection:</u>								
Green Trust Grants	4800-582-002	2014	180,608.74		180,608.74	180,608.74		180,608.74
Total Current Fund								
					180,608.74	180,608.74		
Total State Awards								
				105,231.12	329,703.58	219,978.61	214,956.09	

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 04-04

**BOROUGH OF LINCOLN PARK
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Borough of Lincoln Park. The Borough is defined in Note 1A to the Borough's financial statements. All federal and state financial assistance received directly from federal and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal and state awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Notes 1(B) to the Borough's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance awards are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$2,360,817.22	\$180,608.74	\$2,541,425.96
Current Grant Fund	<u>100,200.19</u>	<u>39,369.87</u>	<u>139,570.06</u>
Total Financial Awards	<u>\$2,461,017.41</u>	<u>\$219,978.61</u>	<u>\$2,680,996.02</u>

**BOROUGH OF LINCOLN PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Adverse - GAAP, qualified-regulatory basis

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

2. Material weakness(es) identified? yes X no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

2. Material weakness(es) identified? yes X no

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>97.039</u>	<u>FEMA - Flood Mitigation</u>
<u>97.110</u>	<u>Severe Loss Repetitive Program</u>

**BOROUGH OF LINCOLN PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Section I - Summary of Auditor's Results, Continued

State Awards Section

Not Applicable

**BOROUGH OF LINCOLN PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(continued)**

Section II - Schedule of Financial Statement Findings

N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

N/A

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$21,000.00 and \$29,000.00 with a qualified purchasing agent. On July 1, 2010, the bid threshold was increased to \$29,000.00 and \$36,000.00 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$29,000.00 or \$36,000.00 after July 1, 2010, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Flood Buy Out Demolitions
- Municipal Landscaping Services
- Solid Waste Collection Services
- Rear-Load Refuse Packer
- Backhoe

GENERAL COMMENTS, (continued)

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 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 material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

Collection of Interest on Delinquent Taxes, Assessments and Water Charges

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

The governing body on January 6, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments and water charges:

RESOLVED, that interest will be charged at the rate of eight percent (8%) per annum on the first \$1,500.00 of all delinquent taxes, assessments and Borough charges and eighteen percent (18%) of any amounts over \$1,500.00 delinquency, except that no interest will be charged on taxes for the current quarter if the said taxes are paid within the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED that the interest rates shall revert to the percentages as aforesaid from the first day of any current quarter unless taxes for the same quarter are paid during the first ten days of such quarter.

BE IT FURTHER RESOLVED that a certified copy of this resolution be transmitted to the Collector of Taxes forthwith.

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

GENERAL COMMENTS, (continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 25, 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:

<u>Year</u>	<u>Number of Liens</u>
2014	18
2013	11
2012	9

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices. In addition, we used analytical review procedures to satisfy the validity of the receivables.

The result of the test, which was made as of December 31, 2014, is not yet known but, a separate report will be rendered if any irregularities develop.

The foreclosed property list should be reviewed for a possible sale of property so such properties can be added to the tax rolls.

SCHOOL TAXES PAYABLE

The amount due to the local school district, as of December 31, 2014, was verified by the school secretary.

REVENUE

Receipts from licenses, fees, permits, etc., for all departments, including the Municipal Court, were checked to the extent deemed appropriate to the records maintained.

EXPENDITURES

In connection with the expenditures, vouchers were examined to the extent deemed necessary to determine that the vouchers carried properly executed certifications as required by statute.

In some instances, purchases were made prior to approval of the purchase order.

An examination was made of the employees' compensation records to determine that salaries were paid in conformity with amounts of salaries and wages authorized in the ordinance.

In one instance, an employee opted out of dental insurance but was still included on the insurance invoice.

OTHER

Political Disclosure forms were not obtained from all vendors required to submit them.

RECOMMENDATIONS

1. That purchases be made only after approval of purchase order.
2. That health insurance invoices be reviewed to ensure only eligible employees are receiving benefits.
- 3.* That Political Disclosure forms be obtained from all vendors required to submit them.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all items, except those marked with an "*".

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

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call me.

Very truly yours,


Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey