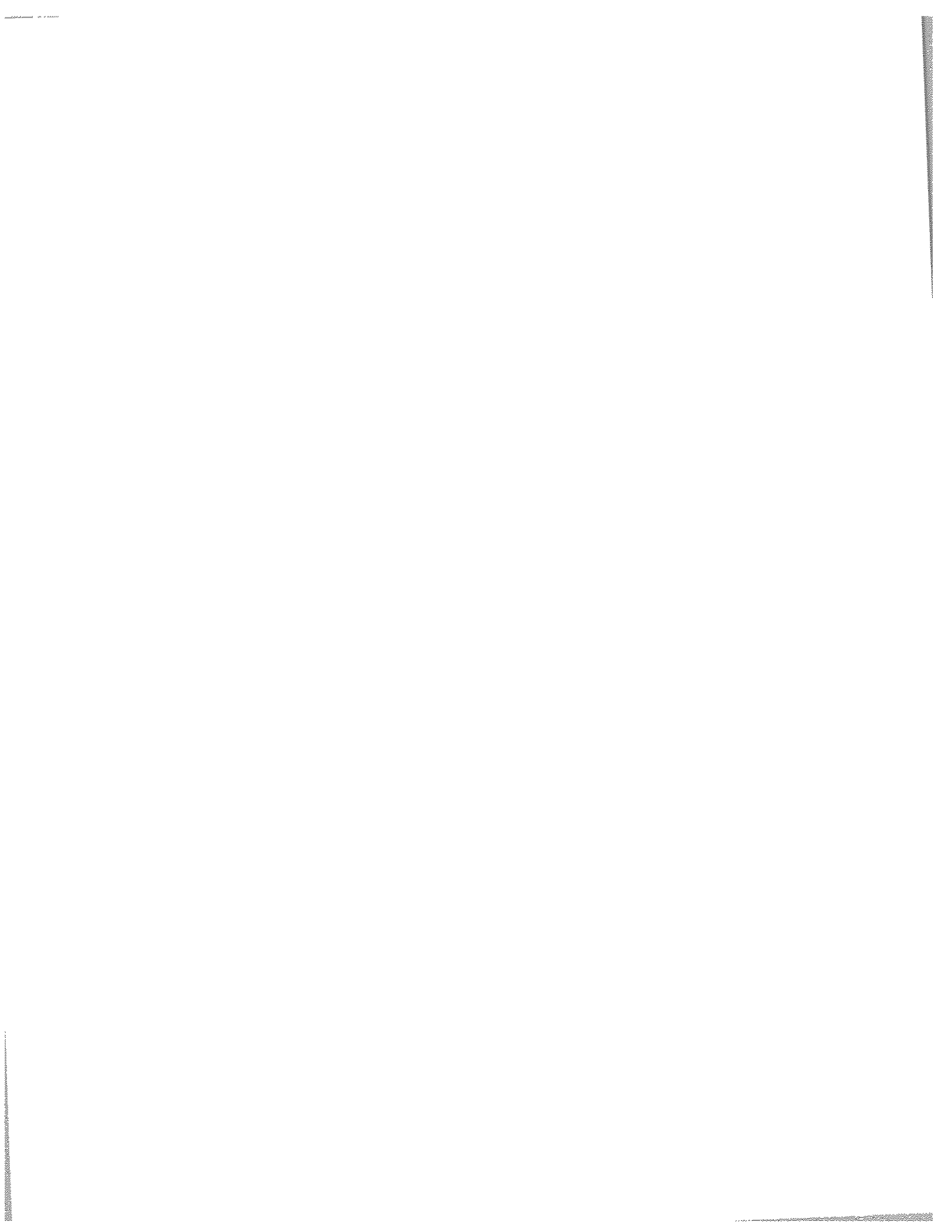


TOWNSHIP OF MOUNT HOLLY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2015



TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2015**



JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant
P.O. Box 614
MORRISTOWN, NEW JERSEY 08856

PHONE: (609) 298-8839
FAX: (609) 298-1188

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Mount Holly
County of Burlington
Mount Holly, New Jersey 08060

We have audited the accompanying regulatory basis financial statements of each fund of the Township of Mount Holly, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2015 and 2014, and the related notes to the financial statements which collectively comprise the Township'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 accounting principles and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices 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 of U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Township of Mount Holly, State of New Jersey, as of December 31, 2015 and 2014 or the results of operations of such funds and changes in funds balances for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory basis financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the various funds of the Township of Mount Holly, State of New Jersey, as of December 31, 2015 and 2014, and the results of operations of such funds and changes in fund balances for the years then ended in conformity with the basis of accounting described in the Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended December 31, 2015 the City implemented the adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on the financial statements is not modified relating to this change in accounting principle.

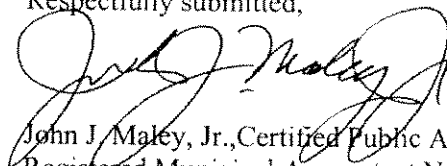
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules are the responsibility of management and were derived from and relate 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 other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016 on our consideration of the Township of Mount Holly's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mount Holly's internal control over financial reporting and compliance.

Respectfully submitted,



John J. Maley, Jr., Certified Public Accountant
Registered Municipal Accountant No. 218

June 28, 2016

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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**

The Honorable Mayor and Members
of the Township Council
Township of Mount Holly
County of Burlington
Mount Holly, New Jersey 08060

We have audited 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; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Mount Holly, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2015, and related notes to the financial statements, which collectively comprise the Township of Mount Holly's financial statements, and have issued our report thereon dated June 28, 2016. In our report our opinion was adverse because the financial statements were prepared on a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion on the regulatory basis financial statements was unmodified.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that has not been identified. We did identify a deficiency in internal control, listed as 2015-01, described in the accompanying schedule of findings and response that we consider to be significant deficiency.

Compliance and Other Matters

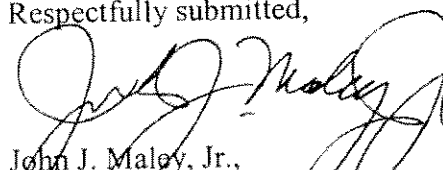
As part of obtaining reasonable assurance about whether the Township of Mount Holly's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey which is described in the accompanying schedule of findings and responses as item 2015-01.

The Township of Mount Holly's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Township of Mount Holly's responses and, accordingly, I express no opinion on the response.

Purpose of this Report

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

Respectfully submitted,



John J. Maloy, Jr.,
Certified Public Accountant
Registered Municipal Accountant No. 218

June 28, 2016

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>REFERENCE</u>	2015	2014
Regular Fund:			
Cash:			
Chief Financial Officer Change Fund	A-4	\$2,282,042 750	1,809,850 750
Total Regular Fund		<u>2,282,792</u>	<u>1,810,600</u>
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A	<u>6,435</u>	<u>6,685</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	1,944	3,941
Tax Title Liens Receivable	A-6	111,997	101,976
Property Acquired for Taxes - Assessed Valuation	A-7	490,805	490,805
Property Maintenance Receivable	A-8	3,377	53,045
Revenue Accounts Receivable	A-9	25,628	16,149
Interfunds Receivable:			
Due From State and Federal Grants	A	365,995	312,296
Due From Animal Control Fund	B	4,300	19,894
Due From Trust Other	B		1,337
Due From Payroll Fund	D		2,247
Due From General Capital Fund	C	50	
Total Receivables & Other Assets With Full Reserves		<u>1,004,096</u>	<u>1,001,690</u>
Deferred Charges To Future Taxation:			
Special Emergency Authorizations	A-10	189,629	417,220
Overexpenditure of Appropriation Reserves	A-11		252
Total Deferred Charges		<u>189,629</u>	<u>417,472</u>
Subtotal		<u>3,482,952</u>	<u>3,236,447</u>
Federal & State Grant Fund:			
Cash	A-4	207,382	
Federal & State Aid Receivable	A-14	1,189,544	978,117
Total Federal & State Grant Fund		<u>1,396,926</u>	<u>978,117</u>
Total Assets		<u>\$4,879,878</u>	<u>4,214,564</u>

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

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

<u>LIABILITIES RESERVES & FUND BALANCE</u>	<u>REFERENCE</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$313,266	436,521
Reserve for Encumbrances	A-3	249,338	114,286
Accounts Payable	A	19,276	48,039
Prepaid Taxes	A	71,072	84,483
Tax Overpayments	A	26,556	21,229
Due County for Added & Omitted Taxes	A	15,912	10,977
Local School Taxes Payable	A-12	1	25,001
Regional School Taxes Payable	A-13	9,346	27,298
Due to State of New Jersey - Marriage License Fees	A	429	409
Due to Mount Holly MUA	A	6,122	4,942
Special Emergency Notes Payable	A-10	189,629	417,220
Interfunds Payable - Due to Capital Fund	C		16,350
Interfunds Payable - Due to Trust Fund	B	8,704	
Interfunds Payable - Due to Payroll Fund	D	4,420	
Reserve for Master Plan	A	15,513	15,513
Reserve for Homeland Security Aid	A		70,779
 Total Liabilities		 <u>929,584</u>	 <u>1,293,047</u>
 Reserves for Receivables & Other Assets	A	 1,004,096	 1,001,690
Fund Balance	A-1	<u>1,549,272</u>	<u>941,710</u>
 Subtotal		 <u>3,482,952</u>	 <u>3,236,447</u>
Federal & State Grant Fund:			
Reserve for Encumbrances	A-15	24,193	44,100
Appropriated Reserves	A-15	1,005,324	609,790
Unappropriated Reserves	A-16	1,414	11,931
Due to Current Fund	A	365,995	312,296
 Total Federal & State Grant Fund		 <u>1,396,926</u>	 <u>978,117</u>
 Total Liabilities, Reserves & Fund Balance		 <u>\$4,879,878</u>	 <u>4,214,564</u>

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

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TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

<u>REVENUE & OTHER INCOME REALIZED</u>	2015	2014
Fund Balance Utilized	\$375,000	306,300
Miscellaneous Revenue Anticipated	5,307,954	4,157,108
Receipts From Delinquent Taxes	51,472	66,206
Receipts From Current Taxes	17,741,250	17,097,719
Nonbudget Revenue	154,458	168,711
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	187,451	223,259
Statutory Excess in Dog Licenses	4,298	19,013
Interfund Liquidated	66,981	
Prior Year Accounts Payable Cancelled	286	12,415
	<hr/>	<hr/>
Total Revenue & Other Income Realized	23,889,150	22,050,731
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Budget & Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	3,680,895	3,490,581
Other Expenses	3,003,867	2,880,605
Deferred Charges & Statutory Expenditures	704,942	684,408
Operations Excluded From "CAPS":		
Salaries and Wages	150,000	164,000
Other Expenses	819,434	371,094
Capital Improvements	159,300	125,000
Municipal Debt Service	1,118,644	1,105,412
Deferred Charges & Statutory Expenditures	227,591	239,073
Transferred to Board of Education	67,611	67,611
County Taxes	2,449,184	2,259,850
Due County for Added & Omitted	15,912	10,977
Local District School Tax	7,541,445	7,349,095
Regional High School Taxes	2,345,885	2,272,164
Special Fire District Taxes	617,845	589,208
Senior Citizens & Veterans Deductions Disallowed	4,033	3,925
Interfunds Created		248,096
	<hr/>	<hr/>
Total Expenditures	22,906,588	21,861,099
	<hr/>	<hr/>
Excess in Revenue to Fund Balance	982,562	189,632
	<hr/>	<hr/>
Adjustments 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	982,562	189,632
	<hr/>	<hr/>
Fund Balance - Balance January 1	941,710	1,058,378
Decreased by: Utilization as Anticipated Revenue	375,000	306,300
	<hr/>	<hr/>
Balance December 31	\$1,549,272	941,710
	<hr/>	<hr/>

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

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	ANTICIPATED BUDGET	SPECIAL N.J.S.40:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$375,000		375,000	
MISCELLANEOUS REVENUES				
Licenses - Alcoholic Beverages	23,000		23,900	900
Licenses - Other	10,500		14,667	4,167
Fees & Permits	195,000		228,486	33,486
Municipal Court Fines & Costs	345,000		283,959	(61,041)
Interest & Costs on Taxes	85,000		113,334	28,334
Interest on Investments & Deposits	2,400		2,779	379
Housing Inspection Fees	84,000		105,648	21,648
Consolidated Municipal Property				
Tax Relief	266,103		266,103	
Energy Receipts Tax	1,252,428		1,252,428	
Clean Communities Grant		19,543	19,543	
Click-It-Ticket		4,000	4,000	
Urban Enterprise Zone	190,000		190,000	
New Jersey Transportation Trust Fund	204,170		204,170	
Community Development Block Grant	65,000		65,000	
Recycling Tonnage Grant	23,915		23,915	
Body Armor Replacement Program		2,184	2,184	
County Parks Grant	165,000		165,000	
Drive Sober or Get Pulled Over	32,790	5,000	37,790	
Municipal Public Access Plan Development		15,000	15,000	
NJ DOT - Hemlock & Front Street		208,749	208,749	
NJ American Water		6,640	6,640	
Mount Holly Memorial Health Alliance				
Donation	180,000		360,000	180,000
County Rental of Parking Lots	98,203		98,203	
State Rental of Parking Lots	11,880		7,905	(3,975)
Construction Code Office - Indirect				
Costs	41,000		41,000	
Payment in Lieu of Taxes:				
Mt. Holly Sewerage Authority	308,000		308,000	
Strouber	50,000		50,333	333
Presbyterian Homes	14,000		10,700	(3,300)
Children's Home	20,000		30,000	10,000
Regency Park	115,000		119,093	4,093
Fermoor	160,000		232,141	72,141

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

TOWNSHIP OF MOUNT HOLLY
 CURRENT FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	ANTICIPATED BUDGET	SPECIAL N.J.S.40:4-87	REALIZED	EXCESS OR (DEFICIT)
MISCELLANEOUS REVENUES				
Service Contract - Mt. Holly MUA	30,000		30,000	
Rent - 14 King Street	40,000		80,000	40,000
Contribution from Rancocas Valley Regional High School	93,750		93,750	
Contribution from Mt. Holly BOE	54,000			(54,000)
Cable TV Franchise Fee	113,523		113,524	1
Reserve for Sale of Municipal Assets	70,779		70,789	10
Reserve for Payment of Debt	270,668		270,668	
Keating Land Sale	158,553		158,553	
Total	4,773,662	261,116	5,307,954	273,176
Receipts from Delinquent Taxes	16,851		51,472	34,621
Amount to be Raised by Support of Municipal Budget	4,745,283		4,910,605	165,322
Budget Totals	9,910,796	261,116	10,645,031	473,119
Nonbudget Revenues			154,458	
TOTAL REVENUES	\$9,910,796	261,116	10,799,489	

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

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$17,741,250
Allocated to School, County & Fire District Taxes	<u>12,970,271</u>
Balance for Support of Municipal Budget Appropriations	4,770,979
Increased by Appropriation - Reserve for Uncollected Taxes	<u>139,626</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$4,910,605</u></u>
Receipts from Delinquent Taxes:	
Taxes Receivable	\$7,974
Tax Title Lien Receivable	<u>43,498</u>
Total	<u><u>\$51,472</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenues Not Anticipated:	
Police Fees	\$10,042
Street Openings	67,161
Forfeited Tax Premiums	41,800
Pilot Payments	27,129
Senior Citizen & Vets Administrative Fee	1,974
Cancelled Outstanding Checks	1,196
Miscellaneous	<u>5,156</u>
Total	<u><u>\$154,458</u></u>

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

TOWNSHIP OF MOUNT HOLLY
 CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATIONS	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
General Government:						
Administrative & Executive:						
Salaries and Wages	\$161,200	176,200	167,450	8,750		
Other Expenses	125,800	126,800	121,897	4,903		
Mayor and Council:						
Salaries and Wages	12,000	15,000	15,000			
Other Expenses	500	500	483	17		
Township Clerk:						
Salaries and Wages	105,760	105,760	101,284	4,476		
Other Expenses	31,000	34,500	33,616	884		
Financial Administration:						
Salaries and Wages	107,000	83,700	79,282	4,418		
Other Expenses	30,300	30,900	28,261	2,639		
Audit Services	33,500	33,500	33,000	500		
Revenue Administration (Tax Collection):						
Salaries and Wages	143,485	146,585	146,561	24		
Other Expenses	23,750	22,750	21,984	766		
Assessment of Taxes:						
Salaries and Wages	15,000	15,000	15,000			
Other Expenses	28,700	12,700	9,111	3,589		
Legal Services & Costs:						
Other Expenses	246,200	246,200	180,800	65,400		
Engineering Services & Costs:						
Other Expenses	127,000	123,000	117,353	5,647		
Historical Preservation Committee:						
Other Expenses	3,000	-				
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and Wages	12,000	12,000	12,000			
Other Expenses	24,150	36,650	35,534	1,116		
Code Enforcement and Administration:						
Inspection of Housing:						
Salaries and Wages	90,416	86,416	85,416	1,000		
Other Expenses	4,000	3,000	2,304	696		
Insurance:						
Employee Group Health Insurance	733,392	718,992	637,982	81,010		
General Liability Insurance	209,075	201,075	199,592	1,483		
Workers Compensation	183,395	183,395	183,396	5		
Medical Waiver	3,000	3,000		3,000		
Public Safety:						
Police:						
Salaries & Wages	2,263,333	2,338,333	2,328,045	10,288		
Other Expenses	152,900	152,900	152,879	21		
Public Works Functions:						
Streets & Road Maintenance:						
Salaries & Wages	432,633	451,633	449,462	2,171		
Other Expenses	44,900	46,450	45,423	1,027		

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
OPERATIONS - Within "CAPS"						
Public Works Functions (continued):						
Public Buildings & Grounds:						
Salaries & Wages	15,600	6,150	5,963	187		
Other Expenses	17,000	14,000	12,510	1,490		
Vehicle Maintenance:						
Other Expenses	37,500	55,500	55,366	134		
Other Public Works Functions:						
Other Expenses	550	550		550		
Special Emergency:						
Other Expenses						
Health & Welfare:						
Animal Control Services:						
Other Expenses	18,000	18,000	18,000			
Community Drug Alliance Program:						
Other Expenses	2,200	2,200	2,200			
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries & Wages	33,200	35,000	32,561	2,439		
Other Expenses	4,000	4,000	446	3,554		
Celebration of Public Events:						
Other Expenses	10,305	10,305	6,448	3,857		
Municipal Court:						
Municipal Court:						
Salaries and Wages	184,918	184,918	179,055	5,863		
Other Expenses	13,300	15,300	14,969	331		
Municipal Prosecutor:						
Salaries and Wages	22,000	24,200	23,692	508		
Public Defender:						
Other Expenses - Contractual	525	525		525		
Utility Expenses & Bulk Purchase:						
Electricity	67,500	63,700	55,746	7,954		
Street Lighting	200,000	190,000	155,932	34,068		
Telecommunication Costs	30,000	30,700	28,552	2,148		
Water	6,500	6,900	6,047	853		
Gasoline	80,000	62,000	53,677	8,323		
Landfill/Solid Waste:						
Garbage & Trash Removal:						
Other Expenses	248,275	230,275	225,483	4,792		
Sanitary Landfill:						
Contractual	350,000	312,400	295,554	16,846		
Unclassified:						
Accumulated Absences	10,000	10,000	10,000			
Contingency	1,200	1,200	644	556		
Total Operations Within "CAPS"	6,699,962	6,684,762	6,385,954	298,808		
Total Operations Including Contingent Within "CAPS"	6,699,962	6,684,762	6,385,954	298,808		
Detail:						
Salaries and Wages	3,598,545	3,680,895	3,640,771	40,124		
Other Expenses (Including Contingent)	3,101,417	3,003,867	2,745,183	258,684		

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Overexpenditure of Appropriation Reserves	252	252	252			
Public Employees Retirement System	101,253	101,253	101,253			
Police & Fire Pension Fund	421,737	421,737	421,736	1		
Social Security System (O.A.S.I.)	150,000	165,260	164,989	211		
DCRF	1,500	1,500	165	1,335		
Unemployment Fund	15,000	15,000	10,751	4,249		
Total Deferred Charges & Statutory Expenditures	689,742	704,942	699,146	5,796		
Total General Appropriations for Municipal Purposes Within "CAPS"	7,389,704	7,389,704	7,085,100	304,604		
Mandated Expenditures Excluded From "CAPS":						
Other Operations - Excluded From "CAPS"						
Employee Group Health Insurance	23,197	23,197	23,197			
Public and Private Programs Offset by Revenues:						
Supplemental Fire Services	4,246	4,246	4,246			
NJ Urban Enterprise Zone:						
Salary and Wages	90,000	90,000	90,000			
Police Patrol	60,000	60,000	60,000			
Administration	40,000	40,000	40,000			
Clean Communities Program		19,543	19,543			
Click-It-Ticket		4,000	4,000			
Body Armor Grant		2,184	2,184			
County Parks Grant	165,000	165,000	165,000			
Community Development Block Grant	65,000	65,000	65,000			
Municipal Public Assess Plan Development		15,000	15,000			
NJ Transportation Trust Fund	204,170	412,919	412,919			
Drive Sober or Get Pulled Over	32,790	37,790	37,790			
Recycling Tonnage	23,915	23,915	23,915			
NJ American Water		6,640	6,640			
Total Operations Excluded from "CAPS"	708,318	969,434	969,434			
Detail:						
Salary and Wages	150,000	150,000	150,000			
Other Expenses	558,318	819,434	819,434			
Capital Improvements Excluded from "CAPS"						
Capital Improvements:						
Public Works Equipment	128,000	128,000	125,849	2,151		
Police Equipment	31,300	31,300	25,134	6,166		
Total Capital Improvement Excluded "CAPS"	159,300	159,300	150,983	8,317		

TOWNSHIP OF MOUNT HOLLY
 CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATIONS - Excluded from "CAPS"	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Municipal Debt Service:						
Payment of Bond Principal	376,000	376,000	376,000			
Interest on Bonds	557,453	557,453	557,452		1	
Payment of Bond Anticipation Notes	190,000	190,000	90,000		100,000	
Interest on Notes	74,818	74,818	74,818			
Loan Repayment for Principal & Interest	16,880	16,880	16,879		1	
Interest on Special Emergency Notes	3,495	3,495	3,495			
Total Municipal Debt Service	1,218,646	1,218,646	1,118,644		100,002	
Deferred Charges - Municipal:						
Overexpenditure of Appropriation of Reserve - Hurricane Irene	120,000	120,000	120,000			
Overexpenditure of Appropriation Hurricane Sandy	107,591	107,591	107,591			
Total Deferred Charges - Municipal	227,591	227,591	227,591			
Total General Appropriations - Municipal Purposes - Excluded From "CAPS"	2,313,855	2,574,971	2,466,652	8,317	100,002	
Subtotal General Appropriation Items Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17 & 17.3)	9,703,559	9,964,675	9,551,752	312,921	100,002	
Reserve For Uncollected Taxes	67,611	67,611	67,266	345		
	139,626	139,626	139,626			
Total General Appropriations	\$9,910,796	10,171,912	9,758,644	313,266	100,002	
Budget		\$9,910,796				
Appropriation by 40A:4-87		<u>261,116</u>				
Total		<u>\$10,171,912</u>				
Deferred Charges:			\$227,591			
Special Emergency Authorization			252			
Overexpenditure of Appropriation Reserves			139,626			
Reserve for Uncollected Taxes			946,237			
Federal and State Grant Funds			10,000			
Due to Trust Fund			18,000			
Due to Animal Control Fund			249,338			
Encumbrances			(221,638)			
Refunds			8,389,238			
Disbursed			<u>\$9,758,644</u>			
Total						

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

TOWNSHIP OF MOUNT HOLLY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

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<u>ASSETS</u>	REFERENCE	2015	2014
Dog License Fund:			
Cash - Chief Financial Officer	B-1	\$14,538	32,968
Total Dog License Fund		14,538	32,968
Other Funds:			
Cash - Chief Financial Officer	B-1	1,197,425	1,701,315
Due from Current Fund	A	8,704	
Foregivable Mortgage Receivable	B	2,033,704	2,240,400
Mortgage Receivable - Homeowners	B	1,856	1,856
Total Other Funds		3,241,689	3,943,571
Total Assets		\$3,256,227	3,976,539
 <u>LIABILITIES & RESERVES</u>			
Dog License Fund:			
Due to Current Fund	B-7	4,300	19,894
Due to State of New Jersey	B-6	318	314
Reserve for Dog Fund Expenditures	B-2	9,920	12,760
Total Dog License Fund		14,538	32,968
Other Funds:			
Due to State of New Jersey	B	54,233	5,740
Due to Current Fund	A		1,337
Reserve for:			
Foregivable Mortgage Receivable	B	2,033,704	2,240,400
Mortgage Receivable - Homeowners	B	1,856	1,856
Tax Sale Premiums	B-4	364,000	428,000
Recreation Commission Funds	B-8	22,394	13,532
Law Enforcement Trust Fund	B-8	12,802	9,522
Federal & State Grants	B-8	28,804	29,347
Builder's Escrow	B-8	88,050	85,575
Recycling Program	B-8	5,764	5,038
Uniform Construction Code	B-5	294,462	301,889
Outside Police Services	B-8	127,856	53,280
Snow Removal	B-8	1,461	1,461
Public Defender	B-8	12,520	64,783
P.O.A.A. - Parking Fines	B-8	10,949	9,849
Redemption of Tax Sale Certificates	B-3	37,644	40,508
RCA Trust	B-8	118,175	634,439
Environmental Committee	B-8	730	730
Trust Other	B-8	20	20
Compensated Absences	B-8	26,265	16,265
Total Other Funds		3,241,689	3,943,571
Total Liabilities & Reserves		\$3,256,227	3,976,539

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

TOWNSHIP OF MOUNT HOLLY
 GENERAL CAPITAL FUND
 STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
 FUND BALANCE - REGULATORY BASIS
 DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2015</u>	<u>2014</u>
Cash & Investments	C-2	\$485,758	752,953
Due from Current Fund			16,350
Deferred Charges to Future Taxation:			
Funded	C	10,293,993	10,684,605
Unfunded	C-4	6,611,000	6,701,000
 Total Assets		 <u>\$17,390,751</u>	 <u>18,154,908</u>
 <u>LIABILITIES, RESERVES & FUND BALANCE</u>			
Encumbrances Payable	C-6	55,107	49,000
Due to Current Fund	A	50	
Green Acres Loan Payable	C-9	89,993	104,605
Bond Anticipation Notes	C-7	6,434,000	6,524,000
Serial Bonds	C-8	10,204,000	10,580,000
Improvement Authorizations:			
Funded	C-6	22,652	22,652
Unfunded	C-6	419,341	450,601
Capital Improvement Fund	C-5	97,624	97,624
Reserve to Pay Bonds & Notes	C-3		270,668
Fund Balance	C-1	67,984	55,758
 Total Liabilities, Reserves & Fund Balance		 <u>\$17,390,751</u>	 <u>18,154,908</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$177,000 and on December 31, 2014 of 177,000.

EXHIBIT C-1

**STATEMENT OF FUND BALANCE - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$55,758
Increased by:	
Premium	<u>12,226</u>
Balance December 31, 2015	<u>\$67,984</u>

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

TOWNSHIP OF MOUNT HOLLY
 PAYROLL FUND
 STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
 FUND BALANCE - REGULATORY BASIS
 DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2015</u>	<u>2014</u>
Cash - Chief Financial Officer	D-1	\$76,209	8,546
Due from Current Fund	A	4,420	
		<hr/>	
Total		\$80,629	8,546
		<hr/> <hr/>	
 <u>LIABILITIES</u>			
Payroll Taxes Payable	D	\$80,629	6,299
Due to Current Fund	A		2,247
			<hr/>
Total		\$80,629	8,546
		<hr/> <hr/>	

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

TOWNSHIP OF MOUNT HOLLY
 GENERAL FIXED ASSETS
 STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
 FUND BALANCE - REGULATORY BASIS
 DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
General Fixed Assets		
Land	\$1,758,734	1,758,734
Buildings & Contents	8,901,860	8,860,335
Vehicles & Equipment	5,955,618	5,810,857
	<u>\$16,616,212</u>	<u>16,429,926</u>
Investment in General Fixed Assets	<u>\$16,616,212</u>	<u>16,429,926</u>

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Financial Reporting Entity

The Township is located in the County of Burlington, State of New Jersey. The governing body, the Township Committee, is comprised of five elected members who serve three-year terms.

The Governmental Accounting Standards Board established criteria to be used to determine which component units should be included in the financial statements of an oversight entity. The primary criterion for including activities within the reporting entity, as set forth in the Statement, is the degree of oversight responsibility maintained by the reporting entity. However, the State of New Jersey, Division of Local Government Services requires the financial statements of the Township to be presented separately. As such, the financial statements of the Township of Mount Holly include each board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by *N.J.S. 40A:5-5*.

B. Description of Funds and Account Groups

The accounting policies of the Township of Mount Holly conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 Township of Mount Holly accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operation of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

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

Payroll Fund - is used for the receipt and disbursements of funds used to meet obligations to employees and payroll tax liability.

General Fixed Assets - is used to account for fixed assets used in governmental operations.

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The modified accrual basis of accounting is followed, with minor exceptions. Modifications from the accrual basis follow:

Revenues - Revenues are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the Federal Government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the Municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

Expenditures - 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 the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balance are automatically created on December 31st of each year and recorded as Liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Property Taxes - Property taxes are an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year.

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

Interfunds - 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.

Insurance - Costs of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

Accrued Sick and Vacation Time - The Township allows employees to accrue vacation time. By contract and personnel policy employees may accrue sick time. The Township's payroll records do provide data on the number of hours accumulated. This amount is not reported as either an expenditure or liability.

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

General Fixed Assets - Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. No depreciation has been recorded. Fixed Assets acquired through grants in and/or contributed capitals have not been accounted for separately.

Tax Appeals and Other Contingent Losses - Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Budgets - The governing body prepares and approves by resolution an operating and capital budget for the Current Fund, which is then submitted for certification to the State of New Jersey, Department of Community Affairs, Director of Local Government Services. Upon the receipt of such certification and after a public hearing, the budget is then adopted by resolution. Transfers of budgeted amounts may be made by resolution of the Township Council subsequent to October 31 in the current budget year and up to March 31 of the following year.

Once adopted the Township may make emergency appropriations for purposes which are not known at the time the budget was adopted per *N.J.S.A.40A:4-46*. Also, the Township may make amendments to the budget for any special item of revenue made available by any public or private funding source per *N.J.S.A.40A:4-87*.

Comparative Data - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements because its inclusion would make the statements unduly complex and difficult to read.

Departures from Generally Accepted Accounting Principles -The accounting principles and practices followed by the Township of Mount Holly differ in some respects, which in some instances may be material from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivable are fully reserved.
- Interfund receivables in the Current Fund are fully reserved and recognized as revenue in the year of liquidation.
- Unexpended and uncommitted appropriations are reflected as expenditures.

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Overexpended appropriations and emergency appropriations are deferred to the succeeding year's operations.
- No provision is made for accumulated vested vacation and sick leave.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.
- Depreciation expense is not calculated on fixed assets.

It was not practicable to determine the effect of such differences.

D. Use of Estimates

The preparation of financial statements in accordance with accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Subsequent Events

The Township has evaluated subsequent events occurring after December 31, 2015 through the date of June 28, 2016, which is the date the financial statements were available to be issued.

F. Impact of Recently Issued Accounting Principles - Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Township implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statement requires the Township to disclose its portion of the collective net pension liability of the New Jersey Public Employees' Retirement System (PERS) and the New Jersey Police Firemen's Retirement System (PFRS).

Note 2. BONDS AND NOTES AUTHORIZED AND NOT ISSUED

At December 31, 2015 the Township has authorized but not issued bonds and notes as follows:

General Capital Fund - Bonds and Notes \$177,000

Note 3. CURRENT FUND BALANCE APPROPRIATED

The following amounts of fund balance at December 31, 2015 were anticipated as revenue in the adopted 2015 budget:

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 3. CURRENT FUND BALANCE APPROPRIATED (continued)

	Balance December 31, 2015	Utilized 2016 Budget
Current Fund	<u>\$1,549,272</u>	<u>\$500,000</u>

Note 4. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2015	2016 Budget Appropriation	Balance To Succeeding Budget
Current Fund:			
Special Emergency Authorization	\$189,629	189,629	

Note 5. DEFERRED DISTRICT SCHOOL TAXES

School Taxes are raised on a calendar year basis for both the Local and Regional High School Districts; therefore, school taxes cannot and have not been deferred as of December 31, 2015.

Note 6. CASH AND CASH EQUIVALENTS

The Township is governed by the deposit limitations of New Jersey state law. The Deposits held at December 31, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$4,264,104</u>
Total Deposits	<u>\$4,264,104</u>

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. CASH AND CASH EQUIVALENTS (continued)

Type	Carrying Value
Reconciliation of Statement of Comparative Balance Sheets:	
Current	\$2,282,792
Grant	207,382
Dog Trust	14,538
Other Trust	1,197,425
Payroll	76,209
General Capital	<u>485,758</u>
<u>Total Reconciliation to Comparative Balance Sheets</u>	<u>\$4,264,104</u>

Custodial Credit Risk — Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. The Township does have a deposit policy for custodial credit risk. As of December 31, 2015, the Township's bank balance of \$5,520,275 was insured or collateralized as follows:

Insured	\$ 571,269
Collateralized in the Township's Name Under GUDPA (See Note 7)	<u>4,949,006</u>
Total	<u>\$5,520,275</u>

Note 7. GOVERNMENTAL UNIT DEPOSIT PROTECTION UNIT (GUDPA)

The Township has deposited cash in 2015 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.179-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GTTDPA) (continued)

for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The municipality should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 8. PENSION OBLIGATION

A. Public Employees' Retirement System (PERS):

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. PENSION OBLIGATION (continued):

A. Public Employees' Retirement System (PERS) (continued):

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$389,058 for 2015.

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. PENSION OBLIGATION (continued):

A. Public Employees' Retirement System (PERS) (continued):

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$1,910,555. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .00006%, which did not change from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 2014			
	12/31/2015	12/31/2014	
Actuarial valuation date	July 1, 2015	July 1, 2014	
Net Pension Liability	\$ 2,755,124	\$ 2,265,640	Township's portion of the Plan's total
Net Pension Liability	0.00006%	0.00006%	

For the year ended December 31, 2015, the Township had an allocated pension expense of \$114,016.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40%
Inflation rate	Based on Age 3.04%

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. PENSION OBLIGATION (continued):

A. Public Employees' Retirement System (PERS) (continued):

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. PENSION OBLIGATION (continued):

A. Public Employees' Retirement System (PERS) (continued):

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
Township's proportionate share of the net pension liability	\$ 2,727,573	\$ 2,755,124	\$ 2,782,675

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description - The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. PENSION OBLIGATION (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$695,450 for 2015.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Special Funding Situation - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. PENSION OBLIGATION (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PFRS net pension liability is valued to be \$9,289,176. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .00041%, which was an increase of .00002% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	9,289,176	6,880,101
Township's portion of the Plan's total net pension Liability	0.00014%	0.00039%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$891,741.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$814,630 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .00056%, which was an increase of .00001% from its proportion measured as of June 30, 2014, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 9,289,176
State's Proportionate Share of the Net Pension Liability Associated with the Township	740,871
Total Net Pension Liability	<u>\$ 10,030,047</u>

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. PENSION OBLIGATION (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

For the year ended December 31, 2015, the Township's total allocated pension expense was \$985,613.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of

the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. PENSION OBLIGATION (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. PENSION OBLIGATION (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's Proportiate Share of the Net Pension Liability	\$ 9,196,284	\$ 9,289,176	\$ 9,382,068

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial statements.

Note 9. PROPERTY TAXES

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent 8 days after the above due dates. The Township bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

Note 10. INTERFUNDS, RECIEVABLES AND PAYABLES

The composition of interfund balances as of December 31, 2015 is a follows:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 370,345	\$ 13,124
Federal & State Grant Fund		\$365,995
General Capital Fund		50
Payroll Fund	4,420	
Trust Fund - Animal Control		4,300
Trust Other Fund	8,704	
Total	\$ 383,469	\$383,469

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 11: SPECIAL EMERGENCY NOTES (40A:4-55)

The Township issued Special Emergency Notes to fund special emergency appropriations prior to the funds being raised in the budget. The term of the notes cannot exceed one year but the notes may be renewed from time to time, but at least 1/5 of all such notes, and the renewals thereof, shall mature and be paid in each year, so that all notes and renewals shall have matured and have been paid not later than the last day of the fifth year following the date of the emergency resolution.

On December 31, 2015 the Township had \$189,629 Series A outstanding in Current Fund Special Emergency Notes. Series A notes were issued on September 2, 2015 and mature on September 9, 2016 at an interest rate of 1.0499%.

Transactions for the year ended December 31, 2015 are summarized as follows:

Changes in Short Term Debt:

Balance December 31, Current Fund	2014	Additions	Deductions	Balance December 31, 2015
Special Emergency Notes	\$417,220	-	\$227,591	\$189,629

Note 12. RISK MANAGEMENT

The Township of Mount Holly is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The Township maintains commercial insurance coverage for property, liability, and surety bonds.

Note 13. GENERAL LONG – TERM DEBT

During the year ended December 31, 2015, the following changes occurred in long term debt including loans:

	Balance December 31, 2014	Issued	Reduction	Balance December 31, 2015
General Capital Fund:				
Serial Bonds	\$ 10,580,000		\$ 376,000	\$10,204,000
Green Acres Loan	<u>104,605</u>		<u>14,612</u>	<u>89,993</u>
Total	<u>\$10,684,605</u>	<u>\$ -</u>	<u>\$390,612</u>	<u>\$10,293,993</u>

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 13. GENERAL LONG TERM DEBT (continued)

Permanently Funded Debt

General Obligation Serial Bonds and Green Acres Loan as of December 31, 2015 consists of the following:

Date Of Issue	Purpose	Maturities	Interest Rate	Amount
12-15-07	Various Improvements	2013 to 2017	Various	\$139,000
03-11-05	Green Acres Loan	2013 to 2022	2.0%	89,993
10-31-13	General Obligation Bonds	2013 to 2025	Various	1,215,000
10-31-13	General Taxable Bonds	2013 to 2025	Various	3,600,000
06-22-10	Acquisition of Property--- Gardens	2013 to 2030	Various	<u>5,250,000</u>
	Total			<u>\$10,293,993</u>

Debt Service Requirements

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and five-year increments thereafter for Bonded Debt issued and outstanding:

Year	Principal	Interest	Total
2016	\$ 417,905	\$ 543,959	\$ 961,864
2017	436,205	526,502	962,707
2018	420,510	507,369	927,879
2019	435,822	489,544	925,366
2020	456,140	470,501	926,641
2021-2025	2,592,411	2,008,915	4,601,326
2026-2030	1,920,000	1,167,813	3,087,813
2031-2035	2,265,000	671,313	2,936,313
2036-2038	<u>1,350,000</u>	<u>155,375</u>	<u>1,505,375</u>
Total	<u>\$ 10,293,993</u>	<u>\$6,541,291</u>	<u>\$16,835,284</u>

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 13. GENERAL LONG TERM DEBT (continued)

Bond Anticipation Notes issued as of December 31, 2015 are as follows:

Interest

	Purpose	Rate	Amount
General Capital Fund	Acquisition of Various Properties	1.059%	\$ 2,108,000
General Capital Fund	Acquisition of Various Properties	1.059%	1,923,000
General Capital Fund	Acquisition of Various Properties	1.059%	<u>2,403,000</u>
Total			<u>\$6,434,000</u>

New Jersey Statutes limit the debt of a municipality to 3.50% of the average of the last three preceding year's equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2015 was 2.89%. The Township's remaining borrowing power is .61%. The summary of municipal debt for the last three years and the calculation of statutory net debt are presented in the Supplementary Data section of this report.

Note 14. FIXED ASSETS

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2015:

	Balance December 31 2014	Additions	Adjustments	Balance December 31, 2015
Land	\$ 1,758,734			1,758,734
Buildings	8,860,335	60,743	(19,218)	8,901,860
Machinery & Equipment	<u>5,810,857</u>	<u>125,543</u>	<u>19,218</u>	<u>5,955,618</u>
Total	<u>\$16,429,926</u>	<u>186,286</u>	<u>-</u>	<u>16,616,212</u>

Note 15. DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants and their beneficiaries; and are held in a custodial account as described in IRC Section 457 (g). Such amounts are part of a common fund held with the assets of other Section 457 plans.

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 13. DEFERRED COMPENSATION SALARY ACCOUNT (continued)

All assets of the Plan are held by two independent administrators; Nationwide Retirement Solutions, Inc. and AXA Equitable. The deferred compensation investment fund balances as of December 31, 2015 are \$328,904 and \$792,854 respectively.

Note 16. ACCRUED SICK AND VACATION TIME

Township employees are entitled to paid vacation and sick time depending on their length of service with the Township. Vacation days not used during the year may be accumulated and carried forward for two years. Vacation days not used within this time period are forfeited. Vacation time unused at termination is reimbursed to the employee at their current rate of pay. Unused sick leave may be accumulated and carried forward to subsequent years. One-half of accrued sick time is reimbursed to employees only if they meet the requirements of retirement according to the Public Employees' Retirement System or Police and Fireman's Retirement System. Sick time is reimbursed to the employee at their current rate of pay up to a maximum of 62 to 65 days depending on their job classification.

The amount of accrual for compensated absences as of December 31, 2015 is as follows:

Vacation Time Sick Time:

Employees Accrual	\$212,306
Township Share of Payroll Taxes	6,318

This liability has not been recorded in the financial statements. Actual payment and funding for compensated absences occurs through budget appropriation in the annual operating budget and only during the year the employee terminates or retires (pay-as-you-go basis).

Note 17. LITIGATION

It is the Township of Mount Holly's Counsel's opinion that there exists no litigation or contingent liability that may be pending against the Township that would have a material adverse effect on the financial position of the Township.

Note 18. SERVICE AGREEMENT

In 1978 the Township entered into a service agreement with the Mount Holly Municipal Utility Authority whereby the Township will pay the Authority any annual charges made and charged by the Authority in accordance with the service agreement. The annual charges made and to be charged by the Authority to and payable by the Township for or with respect to any fiscal year shall be the sum of money equal to any deficiency in (a) the fund established by resolution or any other bond resolution for the payment of debt service and (b) any reserve fund for debt service below the bonds reserve requirement established therein. The Authority covenants that (a) the bond reserve requirement referred to above will not exceed the maximum annual debt service in any given year (excluding short-term debt) without the consent of the Township and (b) the requirements as to the payments of debt service there from and the priority of payments of revenues into various funds set forth in the resolution shall not be substantially

TOWNSHIP OF MOUNT HOLLY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 18. SERVICE AGREEMENT (continued):

altered or amended without the consent of the Township.

The Township will in each year make all budgetary and other provisions or appropriations necessary to provide for and authorize the payment by the township to the Authority during each fiscal year of the estimated amount of the annual charges and the amount of any deficiency in prior annual charges (if any) stated in the certificate delivered in such fiscal year to the Township by the Authority.

The Authority will at all times take reasonable measures permitted by the act or otherwise by law to collect and enforce prompt payment of all service charges prescribed, fixed and charged in accordance with the 1978 service contract and the service agreement.

The Authority shall repay to the Township from the revenues collected by the Authority in the next succeeding fiscal year of the Authority, all monies by the Township to the Authority under the 1978 service contract, except service charges on property owned by the Township itself and including reasonable expenses of the Township. Such repayment shall be made without interest, except for any interest incurred by the Township in providing for such repayment. The 1978 service agreement states that failure by the Authority to make any such repayment shall not relieve the Township of the obligation to pay any annual charges, as described above.

In exchange for the service agreement, the Authority pays an annual sum of \$30,000 to the township as a fee for the financial obligation accepted by the Township as long as the 1978 service agreement is in effect.

Note 19. ECONOMIC UNDERTAKING

The Township has determined to undertake a Redevelopment Project consisting of the acquisition of various parcels of real property in the Township, together with the demolition of any improvements thereon, as part of the Township's West End Redevelopment Plan ("Redevelopment Plan"). Located within the West End Redevelopment Area ("Redevelopment Area") in the Mount Holly Gardens ("Gardens"), a residential neighborhood originally comprised of three hundred seventy nine (379) attached housing units built in the early 1950's. Over the past thirty years, the number of owner occupied housing units in the Gardens declined to the point that the majority of the housing units were renter occupied and owned largely by absentee landlords. This has had a destabilizing effect on the development and has resulted in declined building maintenance and property up-keep. The Redevelopment Area also includes a commercial area which is located north of and adjacent to the Gardens. This land is vacant and underutilized.

The goal of the Redevelopment Plan is to create an attractive, safe and cohesive residential neighborhood that provides a variety of housing options that meet the needs of the Mount Holly community and to provide opportunities for commercial establishments that will serve the immediate area and the larger community.

In order to proceed with the implementation of the Redevelopment Plan, the Township entered into a redevelopment agreement ("Redevelopment Agreement") with Keating Urban Partners, LLC ("Keating").

TOWNSHIP OF MOUNT HOLLY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 19. ECONOMIC UNDERTAKING (continued)

In order to complete the redevelopment of the area in accordance with the goals of the Redevelopment Plan, the Township began a process to acquire all the units in the Gardens, necessitating the relocation of its residents. The Township began this process several years ago. The Township's decision to select the Gardens complex is reflective of an opportunity to restore an aging and blighted residential complex to an attractive and functional market rate housing. Redevelopment Plan includes approximately five hundred twenty (520) units of mixed-income housing and an approximate 54,000 square feet commercial area.

On February 27, 2012 the Township introduced several Ordinances, which allow the Township to move forward with the redevelopment of the Redevelopment Area through the sale and redevelopment of the vacant commercial area located north of the Gardens. These Ordinances authorize the sale of this land for \$1,526,903.00 and the redevelopment of the land into an apartment complex containing 228 apartment units with shared recreational amenities such as a clubhouse and a swimming pool. Closing occurred in the fall of 2012. Future costs for acquisition of the remaining Gardens units and relocation of its residents will be borne by Keating, thereby significantly limiting future Township debt in the implementation of the Redevelopment Plan. This area is considered Phase 1 of the Redevelopment Area.

The Township also has a second parcel of land for development of 60 townhouses. The Township received a total of \$1,073,098 for this parcel. As of December 31, 2015 the Township is continuing to make every effort to move forward with the redevelopment of phases 1B, 2 and 3.

Note 20. FORGIVABLE MORTGAGE RECEIVABLE

The Township of Mount Holly implemented a scattered site housing rehabilitation program for owner-occupied single family and renter-occupied unit homes throughout the Township in 2002. This program is open to low or moderate-income owner-occupants of single-family dwelling units. The dwelling unit must be certified as substandard and the occupant must be certified as income eligible.

The program provides funding and financial assistance that will be spent in a manner that is consistent with COAH rules. Rehabilitation funding shall be used to address deficiencies in major systems and bring each housing unit to code. Financial assistance will be available for repair or replacement of substandard conditions within the housing unit in order to correct code violations.

Once the funding or financial assistance is given to the approved occupant the Township files the required lien on the owner-occupied property. The owner-occupants of the single-family homes that qualify will be required to repay the loan in full to the Township if they sell or vacate the unit within six years of the completion of work. Twenty-five percent of the loan shall be forgiven if the owner occupant remains in the unit for seven (7) years after receiving the loan. Similarly, 25 percent of the loan shall be forgiven for each additional year the owner-occupant remains in the unit. Finally, after 10 years, the loan shall be forgiven. The amount of forgivable mortgage receivable as of December 31, 2015 is \$2,033,704.

SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2015



TOWNSHIP OF MOUNT HOLLY
 CURRENT FUND
 STATEMENT OF CASH - CHIEF FINANCIAL OFFICER
 FOR THE YEAR ENDED DECEMBER 31, 2015

	CURRENT FUND	FEDERAL & STATE GRANT FUND
Balance December 31, 2014	\$1,809,850	
Increased by Receipts:		
Taxes Receivable	17,560,427	
Tax Title Liens Receivable	43,498	
Tax Overpayments	35,221	
Due From State of New Jersey - Senior Citizen & Veteran Deductions	98,717	
Prepaid Taxes	71,072	
Revenue Accounts Receivable	4,295,174	
Miscellaneous Revenue Not Anticipated	154,458	
Due From General Capital Fund	2,450	
Budget Refunds	221,638	
Property Maintenance Receivable	52,373	
Amount Due to State for Marriage Licenses/Funeral Licenses	1,880	
Due From Animal Control Fund	1,927	
Due From Trust Funds	230,232	
Contra	6,595,246	
Due From Mt. Holly MUA	128,627	
Special Emergency Notes	189,629	
State & Federal Grants Receivable		730,718
Reserve for UEZ		
Federal and State Grants Unappropriated		1,414
	29,682,569	732,132
Total		
Subtotal	31,492,419	732,132
Decreased by Disbursements:		
2015 Appropriations	8,389,238	
2014 Appropriation Reserve	362,833	
Refund Tax Overpayments	31,356	
County Taxes	2,460,160	
Local District School Taxes	7,566,445	
Regional High School District Taxes	2,363,837	
Fire District Taxes	617,845	
Special Emergency Notes	417,220	
Due to Mt. Holly MUA	127,447	
Due From Trust Funds	229,600	
Due to Capital Fund	17,870	
Contra	6,595,246	
Refund of Prior Year Revenue	420	
Accounts Payable	29,000	
Due to State of New Jersey	1,860	
Reserve for Federal & State Grant Funds - Appropriated		524,750
	29,210,377	524,750
Total Disbursements		
Balance December 31, 2015	\$2,282,042	207,382

**TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVER- PAYMENTS APPLIED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2015
			2014	2015					
2014	\$3,941		4,033	7,924		50			
Total	3,941		4,033	7,924		50			
2015		17,817,886	84,483	17,552,503	102,500	1,764	42,034	32,658	
Total	\$3,941	17,817,886	4,033	17,560,427	102,500	1,814	42,034	32,658	

Cash Receipts \$17,560,427

Total \$17,560,427

ANALYSIS OF 2015 PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax \$17,699,642
 Added Taxes (54-4-63.1 et seq) 118,244

Total \$17,817,886

Tax Levy:

Local District School Tax (Abstract) \$7,541,445
 Regional School District Tax 2,345,885
 Fire District Tax (Abstract) 617,845
 County Taxes:
 County Tax (Abstract) \$2,023,002
 County Open Space Tax (Abstract) 237,714
 County Library Tax (Abstract) 188,468
 Due County for Added & Omitted Taxes 2,465,096

Local Tax For Municipal Purposes 4,745,283
 Add: Additional Tax Levy 102,332
 Total Levy \$17,817,886

EXHIBIT A-6

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENT OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014		\$101,976
Increased by:		
Transfer From Taxes Receivable - 2015	32,658	
Adjustment to Prior Year Balance	20,861	53,519
Subtotal		155,495
Decreased by:		
Collections		43,498
Balance December 31, 2015		\$111,997

EXHIBIT A-7

STATEMENT OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2015 and 2014		\$490,805
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EXHIBIT A-8

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENT OF PROPERTY MAINTENANCE LIEN RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014		\$53,045
Increased by:		
Billings		2,705
Subtotal		55,750
Decreased by:		
Collections		52,373
Balance December 31, 2015		\$3,377

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	COLLECTED BY TREASURER	RECEIVABLE DECEMBER 31, 2015
Municipal Clerk:				
Licenses:				
Alcoholic Beverages		23,900	23,900	
Other Licenses		14,667	14,667	
Fees & Permits		228,486	228,486	
Service Contract - Mt. Holly MUA		30,000	30,000	
Cable TV Franchise Fee		113,524	113,524	
Payment In-Lieu of Taxes:				
Mt. Holly MUA		308,000	308,000	
Children's Home			30,000	
Stouber		50,333	50,333	
Regency Park		119,093	119,093	
Fermoor		232,141	232,141	
Presbyterian Home		10,700	10,700	
Mt Holly Memorial HealthAlliance Donation		360,000	360,000	
State Rental of Parking Lots		7,905	7,905	
County Rental of Parking Lots		98,203	98,203	
Municipal Court - Fines & Costs	\$16,350	293,237	283,959	25,628
Construction Code Office - Indirect Costs		41,000	41,000	
Rent - 14 Kings Street		80,000	80,000	
Contribution from Rancocas Valley Regional High School		93,750	93,750	
Contribution from Mt. Holly BOE		-	-	
Energy Receipts Tax		1,252,428	1,252,428	
Consolidated Municipal Property Tax Relief		266,103	266,103	
Keating Land Sale		158,553	158,553	
Reserve for Payment of Debt		270,668	270,668	
Housing Inspection Fees		105,648	105,648	
Interest and Costs on Taxes		113,334	113,334	
Interest on Investments		2,779	2,779	
Total	\$16,350	4,274,452	4,295,174	25,628

TOWNSHIP OF MOUNT HOLLY
 STATEMENT OF DEFERRED CHARGES - N.J.S.40A:55-53
 SPECIAL EMERGENCY AUTHORIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2015

DATE AUTHORIZED	PURPOSE	NET AMOUNT AUTHORIZED	1/5 OF AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2014	AUTHORIZED IN 2015	RAISED IN 2015 BUDGET	BALANCE DECEMBER 31, 2015
10/28/11	Hurricane Irene	600,000	120,000	\$240,000		120,000	120,000
11/26/12	Hurricane Sandy	350,000	70,000	177,220		107,591	39,629
Total				\$417,220		227,591	159,629

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
STATEMENT OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATIONS	BALANCE DECEMBER 31, 2014	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVER- EXPENDED
General Government:					
Administrative & Executive:					
Other Expenses	15,068	15,068	14,572	496	
Mayor and Council:					
Other Expenses	8	8		8	
Municipal Clerk:					
Salaries and Wages	716	716		716	
Other Expenses	92	92	92		
Financial Administration:					
Salaries and Wages	213	213		213	
Other Expenses	2,454	2,454	1,963	491	
Assessment of Taxes:					
Other Expenses	2,262	2,262	1,863	399	
Collection of Taxes:					
Salaries and Wages	169	169		169	
Other Expenses	5,689	5,689	1,982	3,707	
Legal Services & Costs:					
Other Expenses	21,602	21,602	21,602		
Engineering Services & Costs:					
Other Expenses	66,382	66,942	3,211	63,731	
Historic Preservation Committee:					
Salaries and Wages	400	400		400	
Other Expenses	211	211		211	
Municipal Land Use Law (N.J.S.A.40:55D-1):					
Planning Board:					
Other Expenses	397	397		397	
Code Enforcement and Administration:					
Inspection of Housing:					
Salaries and Wages	1	1		1	
Other Expenses	143	143		143	
Insurance:					
Medical Waiver	7,220	7,220		7,220	
Workers Compensation	340	340		340	
General Liability Insurance	14,735	14,735		14,735	
Employee Group Insurance	144,392	144,392	131,015	13,377	
Public Safety:					
Police:					
Salaries and Wages	3,890	10,400	10,393	7	
Other Expenses	32,339	32,339	6,855	25,484	
Public Works Functions:					
Streets & Road Maintenance:					
Salaries and Wages	5,294	5,294		5,294	
Other Expenses	1,281	1,281	764	517	

TOWNSHIP OF MOUNT HOLLY
 CURRENT FUND
 STATEMENT OF 2014 APPROPRIATION RESERVES
 FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATIONS	BALANCE DECEMBER 31, 2014	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVPR- EXPENDED
Public Works Functions continued):					
Public Buildings & Grounds:					
Salaries and Wages	2,710	2,710		2,710	
Other Expenses	2,020	2,020	1,940	80	
Vehicle Maintenance:					
Other Expenses	6,271	6,271	1,838	4,433	
Other Public Works					
Other Expenses	550	550		550	
Parks & Recreation:					
Celebration of Public Events:					
Salaries and Wages	31	31		31	
Other Expenses	129	129	64	65	
Utility Expenses & Bulk Purchases:					
Electricity	11,477	11,477	8,509	2,968	
Street Lighting	38,592	45,992	45,957	35	
Telephone	4,686	4,686	1,435	3,251	
Water	1,151	1,151	397	754	
Gasoline	14,672	14,672	5,871	8,801	
Fuel Oil					
Municipal Court:					
Salaries and Wages	3,709	3,709		3,709	
Other Expenses	1,369	1,369	89	1,280	
Public Defender - Contractual	525	525		525	
Landfill & Solid Waste Disposal Costs:					
Garbage & Trash Removal:					
Other Expenses	4,230	4,230	2,183	2,047	
Sanitary Landfill:					
Contractual	42,043	27,573	25,344	2,229	
Unclassified:					
Contingency	521	521	160	361	
Statutory Expenditures:					
Social Security System	452	452		452	
DCRP	628	628		628	
Unemployment Fund	2,208	2,208	1,242	966	
Total General Appropriations for Municipal Purposes - Within "CAPS"					
	463,272	463,272	289,341	173,931	
Mandated Expenditures Excluded From "CAPS":					
Capital Improvements Excluded from "CAPS"					
Public Works Equipment	58,715	58,715	58,715		
Repairs to Municipal Building	28,543	28,543	15,300	13,243	
Cameras for Police Vehicles	277	277		277	
Total General Appropriations					
	\$550,807	550,807	363,356	187,451	
Appropriation Reserves	\$436,521				
Encumbrances Payable	114,286				
Accounts Payable			523		
Cash Disbursements			362,833		
Total					
	\$550,807		363,356		

TOWNSHIP OF MOUNT HOLLY
STATEMENT OF LOCAL SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014: School Taxes Payable	\$25,001
Increased by: Levy Calendar Year 2015	<u>7,541,445</u>
Subtotal	7,566,446
Decreased by: Payments	<u>7,566,445</u>
Balance December 31, 2015: School Taxes Payable	<u><u>\$1</u></u>

STATEMENT OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014: School Taxes Payable	\$27,298
Increased by: Levy Calendar Year 2015	<u>2,345,885</u>
Subtotal	2,373,183
Decreased by: Payments	<u>2,363,837</u>
Balance December 31, 2015: School Taxes Payable	<u><u>\$9,346</u></u>

**TOWNSHIP OF MOUNT HOLLY
FEDERAL AND STATE GRANT FUND
STATEMENT OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

PROGRAM	BALANCE DECEMBER 31, 2014	2015 REVENUE	RECEIPTS	REALLOCATED	BALANCE DECEMBER 31, 2015
Federal Grants:					
Transportation Enhancement Fund - Pedestrian Safety	\$160,000				
Community Development Block Grant	65,000	65,000		(88,252)	71,748
					<u>130,000</u>
Total Federal Grants	<u>225,000</u>	<u>65,000</u>		<u>(88,252)</u>	<u>201,748</u>
State Grants:					
NJ Urban Enterprise Zone		190,000	190,000		
Sustainable Jersey Small Grant Program	20,000		10,000		10,000
Alcohol Education & Rehabilitation					
NJ DOT Route 38/Pine Street	85,000				
NJ DOT - Park Drive	211,600		31,343		53,657
NJ DOT - Woodpecker Lane					211,600
NJ DOT - Hemlock & Front Street		204,170	153,128		51,042
Municipal Public Access Plan Development		208,749			208,749
Safe Routes to School Grant	36,748	15,000			15,000
EDA - Ankokas Lagoon/Mills	94,059			88,252	125,000
EDA - Holly Chemical Co., Inc.	11,650				94,059
EDA - Regal Custom Fixtures	3,737				11,650
Bullet Proof Vest Program	3,732				3,737
Click-It-Ticket	400		2,281		1,451
Community Forestry	7	4,000			4,400
Distracted Driver	400				7
Drive Sober or Get Pulled Over	1,250	37,790	9,181		400
Drive Sober or Get Pulled Over - Holiday	396				29,859
Recycling Tonnage Grant		23,915	22,790		396
Clean Communities Program		19,543	19,543		1,125
Body Armour Replacement Fund		2,184	2,184		
					<u>15,000</u>
Total State Grants	<u>468,979</u>	<u>705,351</u>	<u>440,450</u>	<u>88,252</u>	<u>822,132</u>
County Grants:					
County Parks Grant	284,138	165,000	284,138		165,000
Total County Grants	<u>284,138</u>	<u>165,000</u>	<u>284,138</u>	-	<u>165,000</u>
Local Grants:					
NJ American Water		6,640	5,976		664
Total Local Grants	-	<u>6,640</u>	<u>5,976</u>	-	<u>664</u>
Total	<u>\$978,117</u>	<u>941,991</u>	<u>730,564</u>		<u>1,189,544</u>
Cash			<u>730,564</u>		
			<u>\$730,564</u>		

TOWNSHIP OF MOUNT HOLLY
CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015

PROGRAM	BALANCE	TRANSFERRED	PRIOR YEAR			BALANCE
	DECEMBER 31, 2014	FROM 2015 BUDGET APPROPRIATIONS	ENCUMBRANCES RECLASSIFIED	EXPENDED	CANCELED	DECEMBER 31, 2015
Federal Grants:						
Body Armor Fund	\$951					951
Transportation Enhancement Pedestrian Safety	\$120,916					120,916
Community Development Block Grant	3,011	65,000		35,466		32,545
Total Federal Grants	124,878	65,000		35,466		154,412
State Grants:						
NJ Transportation Trust Fund	37,284	204,170		208,041		33,413
NJ DOT - Hemlock & Front Street		208,749				208,749
Municipal Public Access Plan Development		15,000				15,000
Drunk Driving Enforcement Grant	2,006					2,006
Alcohol Education & Rehabilitation Fund	21,175			3,277		17,898
Recycling Tonnage Grant	12,127	23,915		5,150		30,892
NJ Urban Enterprise Zone	96,863	190,000		177,144		109,719
Over the Limit Under Arrest		32,790				32,790
Clean Communities Grant						
Click-It-Ticket	400	4,000				4,400
Distracted Driver	400					400
Drive Sober or Get Pulled Over	5,000	5,000				10,000
Drive Sober or Get Pulled Over - Holiday	4,400					4,400
Clean Communities	16,079	19,543				35,622
EDA - Ankokas Lagoon/Mills	369		2,332	2,701		
NJ Economic Development Authority	65,553			28,470		37,083
Clean Energy - Public Utilities	9,207					9,207
Community Forestry	15,352			1,992		13,360
Safe Routes to School Grant	125,000					125,000
Bullet Proof Vest Program	3,400			934		2,466
State Body Armor Fund	4,970	2,184		4,848		2,306
Neighborhood Prevention Program	13,167					13,167
Total State Grants	432,752	705,351	2,332	432,557		707,878
County Grants:						
County Parks Grant	50,505	165,000		72,796		142,709
Total County Grants	50,505	165,000	-	72,796	-	142,709
Local Grants:						
Sustainable New Jersey	1,330			1,330		
NJ American Water	325	6,640		6,640		325
Total Local Grants	1,655	6,640		7,970		325
Total	\$609,790	941,991	2,332	548,789	-	1,005,324

Cash Disbursed	524,750
Refund	(154)
Due to Current Fund	
Encumbrances	<u>24,193</u>
Total	<u>548,789</u>

EXHIBIT A-10

TOWNSHIP OF MOUNT HOLLY
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015

PROGRAM	BALANCE DECEMBER 31 2014	GRANTS RECEIVED	REVENUE IN 2015 BUDGET	BALANCE DECEMBER 31, 2015
Federal & State Grants:				
Recycling Grant	11,931		11,931	
Alcohol Education & Rehabilitation		1,414		1,414
Total Federal & State Grants	<u>\$11,931</u>	<u>1,414</u>	<u>11,931</u>	<u>1,414</u>

TOWNSHIP OF MOUNT HOLLY
TRUST FUND
STATEMENT TRUST CASH AND RECONCILIATION
PER N.J.S.40A:5-5 - CHIEF FINANCIAL OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2015

	DOG LICENSE	OTHER
Balance December 31, 2014	\$32,968	1,701,315
Receipts:		
State Share of Dog License Fees	640	
Dog License Fees	4,180	
Late Fees	528	
Current Fund Budget		
RCA Trust Fund Deposits		17,173
P.O.A.A. Fines		1,100
Public Defenders Fees		12,435
Recreation Commission Funds		46,704
Builder's Escrow		230,753
Tax Sale Premiums		229,700
Uniform Construction Code Fees		301,013
Outside Police Services		357,739
Law Enforcement Funds		3,833
Deposits for Tax Sale Redemptions		792,657
Due to State of New Jersey		27,479
Recycling Program		726
Due Current Fund	36	977
	5,384	2,022,289
Total Receipts	5,384	2,022,289
Total Receipts & Balances	38,352	3,723,604
Disbursements:		
Paid to State of New Jersey	636	31,209
Expenditures Under N.J.S.A. 40:19-15.11	21,249	
Tax Sale Premiums Received		293,700
Public Defenders Fees		12,475
Recreation Commission Funds		37,842
Builder's Escrow		228,278
Uniform Construction Code Fees		308,440
Outside Police Officers		283,163
Law Enforcement Fund		553
Tax Sale Redemptions		795,521
RCA Trust Fund Deposits		533,437
State and Federal Grants		543
Amount Due to Current Fund	1,929	1,018
	23,814	2,526,179
Total Disbursements	23,814	2,526,179
Balance December 31, 2015	\$14,538	1,197,425

TOWNSHIP OF MOUNT HOLLY
 TRUST FUND
 STATEMENT TRUST CASH AND RECONCILIATION
 PER N.J.S.40A:5-5 - CHIEF FINANCIAL OFFICER
 FOR THE YEAR ENDED DECEMBER 31, 2015

RECONCILIATION DECEMBER 31, 2015

	DOG LICENSE	OTHER
Balance Per Certification of:		
Investors Bank:		
Dog License	\$14,675	
Tax Sale Premiums		364,892
Recreation Commission Funds		22,785
Law Enforcement		12,802
Builder's Escrow		88,824
Recycling Program		5,775
Uniform Construction Code		289,048
Outside Police Services		126,501
Snow Removal		1,464
Public Defender		64,879
P.O.A.A. - Parking Fines		10,970
Tax Sale Redemptions		60,613
RCA Trust		129,025
Environmental Committee		732
Trust Other		20
State & Federal Grants		29,199
Compensated Absences		16,296
Add: Deposit in Transit		11,463
Less: Outstanding Checks Per Permanent Record	(137)	(37,863)
Balance December 31, 2015	<u>\$14,538</u>	<u>1,197,425</u>

EXHIBIT B-2

STATEMENT OF RESERVE FOR DOG FUND EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014		12,760
Increased by:		
Dog License Fees - Collected	4,180	
Late Fees	528	
Current Fund Budget	18,000	22,708
Subtotal		35,468
Decreased by:		
Expenditures Under N.J.S.A.4:19-15.11:	21,249	
Due to Current Fund for Excess Dog Fees	4,299	25,548
Balance December 31, 2015		<u>9,920</u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2014	\$4,540
2013	5,380
Total	<u>\$9,920</u>

TOWNSHIP OF MOUNT HOLLY
TRUST FUND
SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014	\$40,508
Increased by:	
Cash Receipts	<u>792,657</u>
Subtotal	833,165
Decreased by:	
Cash Disbursements	<u>795,521</u>
Balance December 31, 2015	<u><u>37,644</u></u>

SCHEDULE OF PREMIUM RECEIVED AT TAX SALE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014	\$428,000
Increased by:	
Premiums Received at Tax Sale	<u>229,700</u>
Subtotal	657,700
Decreased by:	
Premiums Refunded at Redemption	<u>293,700</u>
Balance December 31, 2015	<u><u>\$364,000</u></u>

EXHIBIT B-5

TOWNSHIP OF MOUNT HOLLY
TRUST FUND
SCHEDULE OF RESERVE FOR UNIFORM CONSTRUCTION CODE FEES
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014	\$301,889
Increased by:	
Construction Code Fees Received	301,013
Subtotal	602,902
Decreased by:	
Disbursement of Construction Code Funds	308,440
	308,440
Balance December 31, 2015	\$294,462

EXHIBIT B-6

DOG LICENSE FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014	\$314
Increased by:	
Dog License Fees Collected:	
State Share	640
Subtotal	954
Decreased by:	
Payments	636
	636
Balance December 31, 2015	\$318

TOWNSHIP OF MOUNT HOLLY
 TOWNSHIP OF DUE TO/(FROM) CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014		\$1,337
Increased by:		
Interest Earned		<u>977</u>
Subtotal		2,314
Decreased by:		
Compensated Absences Budgeted	10,000	
Disbursements to Current	<u>1,018</u>	<u>11,018</u>
Balance December 31, 2015		<u><u>(\$8,704)</u></u>

TOWNSHIP OF MOUNT HOLLY
TRUST FUND

STATEMENT OF MISCELLANEOUS TRUST RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

	BALANCE DECEMBER 31, 2014	INCREASED BY			DECREASED BY		BALANCE DECEMBER 31, 2015
		RECEIPTS	INTEREST EARNINGS	OTHER	DISBURSEMENTS	OTHER	
Recreation Commission Funds	\$13,332	46,681	23		37,842		22,394
Law Enforcement Funds	9,522	3,822	11		553		13,882
Builder's Escrow	85,575	230,753			228,278		38,050
Recycling Program	5,038	726					5,764
Outside Police Services	53,280	357,739			283,163		127,856
Snow Removal	1,461						1,461
Public Defender	64,783	12,435			12,475	52,223	12,523
P.O.A.A. - Parking Fines	9,849	1,100					10,949
RCA Trust	634,439	16,998	175		533,437		118,175
Compensated Absences	16,265			10,000			26,265
Environmental Committee	730						730
Trust Other	20						20
Federal & State Grants	29,347					543	28,804
Total	\$923,841	670,254	209	10,000	1,096,291	52,223	455,796

EXHIBIT C-3

TOWNSHIP OF MOUNT HOLLY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014		\$752,953
Increased By:		
Interest on Investments	\$1,030	
Premium	12,226	
Refund of Improvement Authorizations	24,472	
Due Current Fund	1,030,845	1,036,073
Subtotal		1,789,026
Decreased By:		
Due Current Fund	273,168	
Improvement Authorizations	1,030,100	1,303,268
Balance December 31, 2015		\$485,758

EXHIBIT C-3

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Fund Balance		\$67,984
Capital Improvement Fund		97,624
Encumbrances Payable		55,107
Due to/(from) Current Fund		50
Reserve to Pay Bonds & Notes		
Improvement Authorizations:		
Ordinance Numbers & Descriptions		
99-22 Acquisition of Various Equipment & Completion of Various Capital Improvements	1,463	
05-16 Acquisition of Various Properties	21,189	
09-11 Restoration of Upper Buttonwood & Woolman Lakes	(556)	
09-15 The Gardens Redevelopment Project	45,734	
10-17 The Gardens Redevelopment Project	197,163	197,163
Total Cash & Investments		\$485,758

TOWNSHIP OF MOUNT HOLLY
 GENERAL CAPITAL FUND
 STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED
 FOR THE YEAR ENDED DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	PAYMENT OF BOND ANTICIPATION NOTES	DECREASED BY SERIAL BONDS	BALANCE DECEMBER 31, 2015	ANALYSIS OF BALANCE DECEMBER 31, 2015		
							FINANCED BY BOND	UNEXPENDED IMPROVEMENTS	EXPENDITURES AUTHORIZED
08-11	Acquisition of Various Properties	\$2,140,000		30,000		2,110,000	2,108,000	2,990	
09-11	Restoration of Upper Buttonwood & Woolman Lakes	177,000				177,000		556	
09-15	The Gardens Redevelopment Project	1,949,000		30,000		1,919,000	1,923,000	4,800	4
10-17	Acquisition of Various Properties	2,435,000		30,000		2,405,000	2,403,000	2,000	
	Total	\$6,701,000		90,000		6,611,000	6,434,000	556	17,414

Improvement Authorizations - Unfunded
 Less: Unexpended Proceeds of Bond Anticipation Notes Issued:
 Ordinance No. 09-15
 Ordinance No. 10-17

\$45,734
 197,163
 242,897

Total

TOWNSHIP OF MOUNT HOLLY
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

7000100

Balance December 31, 2015 and 2014

\$97,624

TOWNSHIP OF MOUNT HOLLY
 GENERAL CAPITAL FUND
 STATEMENT OF IMPROVEMENT AUTHORIZATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	ENCUMBRANCES RECLASSIFIED	PAID OR CHARGED	REFUNDS	BALANCE DECEMBER 31, 2015		
			AMOUNT	FUNDED					UNFUNDED	FUNDED	UNFUNDED
99-22	Acquisition of Various Equipment Completion of Various Capital Improvements	7/23/91	1,447,000	1,463						1,463	
05-16	Acquisition of Various Properties	7/25/05	44,000	21,189						21,189	
08-11	Acquisition of Various Properties	4/28/08	2,500,000			49,000	49,000				
09-11	Restoration of Upper Buttonwood & Woolhnan Lakes	6/8/09	177,000		176,444						
09-15	The Gardens Redevelopment Project	10/26/09	2,000,000		50,250		5,779	1,263			
10-17	Acquisition of Various Properties	12/13/10	2,500,000		223,907		1,030,428	1,003,684			
Total				\$22,652	450,601	49,000	1,085,207	1,004,947		22,652	
Cash Disbursement											1,030,100
Encumbrances Payable											55,107
Total											<u>1,085,207</u>

TOWNSHIP OF MOUNT HOLLY
 GENERAL CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	BALANCE DECEMBER 31, 2014	INCREASE	DECREASE	BALANCE DECEMBER 31, 2015
08-11	Acquisition of Various Properties	7/10/08	11/17/15 2/20/14	11/15/16 11/17/15	2,140,000	2,108,000	2,140,000	2,108,000
09-15	Acquisition of Various Properties	6/22/10	2/20/14 2/21/13	11/15/16 11/17/15	1,949,000	1,923,000	1,949,000	1,923,000
10-17	Acquisition of Various Properties	3/24/11	2/20/14 2/21/13	11/15/16 11/17/15	2,435,000	2,403,000	2,435,000	2,403,000
Total					\$6,524,000	6,434,000	6,524,000	6,434,000

TOWNSHIP OF MOUNT HOLLY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR YEAR ENDED DECEMBER 31, 2015

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2014	ISSUED	PAID	BALANCE DECEMBER 31, 2015
			DATE	AMOUNT					
General Improvement Bonds Series 2007	12/15/07	\$600,000	12/15/16	68,000	4.000%	205,000		66,000	139,000
			12/15/17	71,000	4.000%				
Taxable Redevelopment General Obligation Bonds Series 2010	6/22/10	\$5,725,000	6/1/16	225,000	5.000%	5,450,000		200,000	5,250,000
			6/1/17	235,000	5.500%				
			6/1/18	250,000	5.500%				
			6/1/19	265,000	5.500%				
			6/1/20	285,000	5.500%				
			6/1/21	300,000	5.500%				
			6/1/22	320,000	5.750%				
			6/1/23	340,000	6.000%				
			6/1/24	360,000	6.000%				
			6/1/25	380,000	6.250%				
			6/1/26	405,000	6.380%				
			6/1/27	430,000	6.380%				
			6/1/28	455,000	6.630%				
		6/1/29	485,000	6.750%					
		6/1/30	515,000	6.750%					

TOWNSHIP OF MOUNT HOLLY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR YEAR ENDED DECEMBER 31, 2015

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2014	ISSUED	PAID	BALANCE DECEMBER 31, 2015
			DATE	AMOUNT					
General Obligation Bonds Series 2013	10/31/13	\$1,375,000	11/15/16	85,000	2.000%	\$1,300,000		85,000	1,215,000
			11/15/17	90,000	2.000%				
			11/15/18	130,000	2.000%				
			11/15/19	130,000	2.000%				
			11/15/20	130,000	2.000%				
			11/15/21	130,000	2.250%				
			11/15/22	130,000	2.500%				
			11/15/23	130,000	3.000%				
			11/15/24	130,000	3.000%				
			11/15/25	130,000	3.000%				
	General Taxable Bonds Series 2013	10/31/13	\$1,375,000	11/15/16	25,000	3.000%	3,625,000		25,000
			11/15/17	25,000	3.000%				
			11/15/18	25,000	3.000%				
			11/15/19	25,000	4.000%				
			11/15/20	25,000	4.000%				
			11/15/21	35,000	4.000%				
			11/15/22	35,000	4.000%				
			11/15/23	30,000	5.000%				
			11/15/24	65,000	5.000%				
			11/15/25	65,000	5.000%				
			11/15/26	70,000	5.000%				
			11/15/27	120,000	5.500%				
			11/15/28	125,000	5.500%				
			11/15/29	130,000	5.500%				
			11/15/30	185,000	5.500%				
			11/15/31	195,000	5.500%				
			11/15/32	205,000	5.500%				
		11/15/33	210,000	5.500%					
		11/15/34	300,000	5.500%					
		11/15/35	355,000	5.500%					
		11/15/36	375,000	5.500%					
		11/15/37	475,000	5.500%					
		11/15/38	500,000	5.500%					
Totals						\$10,580,000		\$76,000	\$10,656,000

TOWNSHIP OF MOUNT HOLLY
 GENERAL CAPITAL FUND
 SCHEDULE OF GREEN ACRES TRUST LOAN
 FOR YEAR ENDED DECEMBER 31, 2015

PURPOSE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2014	ISSUED	PAID	BALANCE DECEMBER 31, 2015
		DATE	AMOUNT					
Improvement to Mill Dam Park	\$248,195	3/11/16	7,416	2.000%	\$104,605		14,612	89,993
		9/11/16	7,490	2.000%				
		3/11/17	7,565	2.000%				
		9/11/17	7,640	2.000%				
		3/11/18	7,717	2.000%				
		9/11/18	7,794	2.000%				
		3/11/19	7,872	2.000%				
		9/11/19	7,950	2.000%				
		3/11/20	8,030	2.000%				
		9/11/20	8,110	2.000%				
		3/11/21	8,191	2.000%				
9/11/21	4,219	2.000%						
Totals					\$104,605	-	14,612	89,993

TOWNSHIP OF MOUNT HOLLY
 GENERAL CAPITAL FUND
 STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 FOR THE YEAR ENDED DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2015
09-11	Restoration of Upper Buttonwood & Woolman	\$177,000			177,000
	Total	\$177,000			177,000

TOWNSHIP OF MOUNT HOLLY
 PAYROLL FUND
 SCHEDULE OF PAYROLL FUND CASH
 FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT D-1

Balance December 31, 2014		\$8,546
Increased by:		
Net Payroll & Payroll Deductions	4,945,998	
Due Current Fund	110,172	5,056,170
Subtotal		5,064,716
Decreased by:		
Net Payroll & Payroll Deductions	4,878,507	
Due Current Fund	110,000	4,988,507
Balance December 31, 2015		\$76,209

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SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2015

Summary of Municipal Debt
(Excluding Current Debt)

	2015	2014	2013
Issued -			
General - Bonds and Notes	\$16,727,993	17,208,605	17,667,928
Net Debt Issued	16,727,993	17,208,605	17,667,928
Authorized But Not Issued:			
General - Bonds & Notes	177,000	177,000	177,000
Net Debt	\$16,904,993	17,385,605	17,844,928

Summary of Statutory Debt
Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.89%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Regional School District	\$2,030,828	2,030,828	
Local School District	6,939,000	6,939,000	
General Debt	16,904,993		16,904,993
Total	\$25,874,821	8,969,828	16,904,993

Net debt, \$16,904,993, divided by Equalized Valuation Basis Per N.J.S.A.40A:2-2 as amended, \$586,713,124 equals 2.881%.

Equalized Valuation Basis:

2015	\$585,751,553
2014	587,105,091
2013	587,282,729
Average	\$586,713,124

Borrowing Power Under 40A:2-6

3.5% of Equalized Valuation Basis (Municipal)	\$20,534,959
Net Debt	16,904,993
Remaining Borrowing Power	\$3,629,966

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

Comparative Statement of Operations and
Change in Fund Balance - Current Fund

	YEAR 2015		YEAR 2014	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$375,000	1.57%	306,300	1.39%
Miscellaneous - From Other Than Local Property Tax Levies	5,721,428	23.95%	4,580,506	20.77%
Collection of Delinquent Taxes & Tax Title Liens	51,472	0.22%	66,206	0.30%
Collection of Current Tax Levy	17,741,250	74.26%	17,097,719	77.54%
Total Income	23,889,150	100.00%	22,050,731	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	9,932,284	43.36%	9,127,784	41.75%
County Taxes	2,465,096	10.76%	2,270,827	10.39%
Local & Regional School Taxes	9,887,330	43.16%	9,621,259	44.01%
Fire District Taxes	617,845	2.70%	589,208	2.70%
Other Expenditures	4,033	0.02%	252,021	1.15%
Total Expenditures	22,906,588	100.00%	21,861,099	100.00%
Excess in Revenue to Fund Balance	<u>982,562</u>		<u>189,632</u>	
Adjustments to Income Before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year				
Statutory Excess to Fund Balance	<u>982,562</u>		<u>189,632</u>	
Fund Balance January 1	941,710		1,058,378	
Less: Utilization as Anticipated Revenue	<u>375,000</u>		<u>306,300</u>	
Fund Balance December 31	<u>\$1,549,272</u>		<u>941,710</u>	

Comparison of Tax Levies
and Collection Currently

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

YEAR	TAX LEVY	CURRENTLY	
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$17,817,886	17,741,250	99.57%
2014	17,228,420	17,097,719	99.24%
2013	17,077,664	16,936,682	99.17%
2012	16,953,674	16,842,849	99.35%
2011	16,547,013	16,457,115	99.46%

Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$2.738</u>	<u>\$2.637</u>	<u>\$2.600</u>
Apportionment of Tax Rate:			
Municipal	0.733	0.718	0.687
County	0.380	0.349	0.357
Local School	1.167	1.130	1.111
Regional High School	0.362	0.349	0.354
Fire District	0.096	0.091	0.091

Net Valuation Taxable:

2015	<u>\$646,720,773</u>		
2014		<u>\$650,202,657</u>	
2013			<u>\$654,512,934</u>

* Revaluation

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.

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$111,997	1,944	113,941	0.64%
2014	\$101,976	3,941	105,917	0.61%
2013	\$85,736	6,797	92,533	0.54%
2012	\$88,393	11,919	100,312	0.59%

Property Acquired by Tax
Sale Lien Liquidation

The value of property acquired by Liquidation of tax
lien assessed valuation of such properties, was as follo
r 31 on the basis of the

Year	Amount
2015	\$100,805
2014	100,807
2013	90,801
2012	70,801
2011	50,801

Comparative Schedule of Fund Balance

Current Fund	December 31	Utilize Budget of Succeeding Year	Percentage of Fund Balance Used
2015	\$1,549,272	500,000	32.27%
2014	941,710	375,000	39.82%
2013	1,058,378	306,300	28.94%
2012	931,540	154,000	16.53%
2011	558,944	69,000	12.34%

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Richard DiFolco	Mayor		
Jason Jones	Deputy Mayor		
Elizabeth Sykes	Committeewoman		
Lew Brown	Committeeman		
Jules Thiessen	Committeeman		
Eric Berry	Township Manager		(A)
Denise Muchowski	Acting Certified Finance Officer		(A)
Theresa Kramer	Tax Collector		(A)
Dana Aldrich	Acting Court Administrator		(A)
Elizabeth Beaumont	Deputy Court Administrator		(A)
William E. Sitzler	Judge of Municipal Court		(A)

(A) Statewide Insurance Fund – Employee is covered up to \$1,000,000 blanket bond under the Township’s crime act policy as allowed per state statute.

REGISTERED MUNICIPAL ACCOUNTANT
TOWNSHIP OF MOUNT HOLLY
MOUNT HOLLY, NEW JERSEY 08060
PHONE: 856-981-1118
FAX: 856-981-1118

MEMBER
NEW JERSEY SOCIETY OF
MUNICIPAL ACCOUNTANTS

To the Honorable Mayor and
Members of the Township Council
Township of Mount Holly
Mount Holly, New Jersey 08060

I have audited the financial statements and transactions of the Township of Mount Holly in the County of Burlington for the year ended December 31, 2015. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS AND RESPONSES

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

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

N.J.S.A. 40A:11-3a. states in part, "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent or other employee so designated by the governing body when so authorized by ordinance or resolution, without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If a purchasing agent has been appointed, the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000 or the threshold amount adjusted by the Governor pursuant to subsection e. of this section".

Subsection e. of N.J.S.A. 40A:11-3 directs the Governor, in consultation with the Department of the Treasury to adjust the threshold amounts every fifth year after enactment of P.L. 1999 c.440. The bid threshold for the Township of Mount Holly is set at \$17,500 in accordance with the provisions of N.J.S.A. 40A:11-3 and rules promulgated by the New Jersey Department of Community Affairs.

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

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

... of the system of records of the township. It is noted that the results of such an examination could not reasonably be ascertained. Expenditures were reviewed, however, to determine whether any clear-cut violations existed.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 "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 provision of (N.J.S.A.40A:11-6.1).

Collection of Interest on Delinquent Taxes

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

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

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

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

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 real estate taxes only.

The last tax sale was held on December 16, 2015 and was complete.

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

YEAR	NUMBER OF LIENS
2015	46
2014	43
2013	32

Examination of Bills

A test check of bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a partial payment or estimate.

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

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

Finding 2015-01:

Criteria:

Receipts should be timely deposited within 48 business hours as required by N.J.S.A. 40A:5-15.

Condition:

It was noted on four instances that receipts were not deposited within 48 business hours as required.

Cause:

Oversight of Township personnel.

Effect:

The lack of timely deposits may result in mismanagement of assets.

Recommendation:

All collections should be deposited within 48 business hours of receipt as required by N.J.S.A.:5-15.

Follow Up of Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Items marked with an asterisk (*) indicate similar recommendations in the prior year audit.

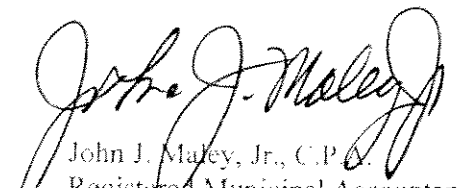
Acknowledgment

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

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

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

Respectfully submitted,



John J. Maley, Jr., C.P.A.
Registered Municipal Accountant No. 218
Certified Public Accountant