

MORRIS COUNTY PARK COMMISSION

COUNTY OF MORRIS

REPORT OF AUDIT

2014

MORRIS COUNTY PARK COMMISSION
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2014

	<u>Page</u>
<u>PART I</u>	
Independent Auditors' Report	1-3
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	4
Comparative Balance Sheet – Regulatory Basis	5
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	6
Statement of Revenue – Regulatory Basis	7-9
Statement of Expenditures – Regulatory Basis	10
<u>General Capital Fund</u>	11
Comparative Balance Sheet – Regulatory Basis	12
Statement of Fund Balance – Regulatory Basis	13
<u>Trust and Other Restricted Trust Funds</u>	14
Comparative Balance Sheet – Regulatory Basis	15
Statement of Fund Balance – Park Improvement Trust Fund – Regulatory Basis	16
<u>General Fixed Assets Account Group (Unaudited)</u>	17
Comparative Balance Sheet (Unaudited) – Regulatory Basis	18
Notes to Financial Statements	19-37
<u>Supplementary Data</u>	<u>Schedule</u>
Officials in Office and Surety Bonds	39
<u>Current Fund</u>	<u>Exhibit</u>
Schedule of Cash – Current Fund	41
Schedule of Cash – Federal and State Grant Fund	42
Schedule of Change Funds	43
Schedule of Golf Merchandise Inventory	44
Schedule of 2013 Appropriation Reserves	45
Schedule of Federal and State Grants Receivable	46
Schedule of Appropriated Reserves – Federal and State Grant Fund	47
Schedule of Unappropriated Reserves – Federal and State Grant Fund	48
<u>General Capital Fund</u>	49
Schedule of Cash	50
Analysis of Cash	51
Schedule of Deferred Charges to Future Taxation – Unfunded	52
Schedule of Improvement Authorizations	53
Schedule of Capital Improvement Fund	54
Schedule of Serial Bonds Payable	55-57
Schedule of Green Acres Loans Payable	58
Schedule of Bonds and Notes Authorized but Not Issued	59

MORRIS COUNTY PARK COMMISSION
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Page</u>
<u>PART I (Cont'd)</u>	
<u>Supplementary Data (Cont'd)</u>	
<u>Trust and Other Restricted Trust Funds</u>	60
Schedule of Cash and Investments - Park Improvement Trust Fund/Park Trust Fund/Restricted Trust Funds	61-63
Schedule of Reserve for Park Improvements	64-65
Schedule of Reserve for Park Trust	66
Schedule of Reserve for Restricted Trust Funds	67
 <u>PART II</u>	
Schedule of Expenditures of Federal Awards	69
Schedule of Expenditures of State Awards	70
Notes to Schedules of Expenditures of Federal and State Awards	71-72
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	73-74
Schedule of Findings and Responses	75
Summary Schedule of Prior Audit Findings	76
 <u>PART III</u>	77
Comments and Recommendations	78-79
Summary of Recommendations	80

MORRIS COUNTY PARK COMMISSION

PART I

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL

STATEMENTS AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2014



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Independent Auditors' Report

The Honorable Members
of the Park Commission
Morris County Park Commission
Morristown, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* of the various funds of the Morris County Park Commission, (the "Commission"), a component unit of the County of Morris, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

The Honorable Members
of the Park Commission
Morris County Park Commission
Page 2
March 30, 2015

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

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

As described in Note 1, the financial statements are prepared by the Commission on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion

The Commission's general fixed assets account group is stated at historical cost or estimated historical cost or estimated historical cost in the accompanying financial statements. The basis of accounting is not in conformity with U.S. generally accepted accounting principles but is in accordance with the accounting practices prescribed or permitted by the Division. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2014 and 2013 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Morris County Park Commission as of December 31, 2014 and 2013, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

The Honorable Members
of the Park Commission
Morris County Park Commission
Page 3
March 30, 2015

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Commission's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015 on our consideration of the Morris County Park Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Morris County Park Commission's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
March 30, 2015


NISIVOCIA LLP



David H. Evans
Certified Public Accountant
Registered Municipal Accountant No. 98

MORRIS COUNTY PARK COMMISSION
COUNTY OF MORRIS
2014
CURRENT FUND

MORRIS COUNTY PARK COMMISSION
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 8,202,230.65	\$ 6,275,210.92
Change Funds	A-5	9,600.00	3,300.00
		<u>8,211,830.65</u>	<u>6,278,510.92</u>
Receivables and Other Assets With			
Full Reserves:			
Golf Course Inventory	A-6		20,415.87
Other Receivables		26,064.49	
Due from:			
County of Morris		53,059.01	16,129.83
Caroline Foster Trust Fund	C	760.00	
		<u>79,883.50</u>	<u>36,545.70</u>
Total Regular Fund		<u>8,291,714.15</u>	<u>6,315,056.62</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4a	64,753.68	38,783.31
Grants Receivable	A-8	90,066.50	159,013.53
Total Federal and State Grant Fund		<u>154,820.18</u>	<u>197,796.84</u>
<u>TOTAL ASSETS</u>		<u>\$ 8,446,534.33</u>	<u>\$ 6,512,853.46</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3,7	\$ 4,089,560.44	\$ 4,193,050.90
Encumbered	A-3,7	147,228.05	144,042.81
		<u>4,236,788.49</u>	<u>4,337,093.71</u>
Due to State of NJ - Sales Tax		4,418.86	1,466.27
Accounts Payable - Vendor		9,848.00	
Credit Card Refundable Deposits		50.00	450.00
Reservations - Refundable Deposits		20,597.84	2,157.50
Commission Liability		65,233.21	1,466.60
Deferred Revenue - Golf Course Gift Cards		64,348.81	45,703.32
Deferred Revenue - Mennen Gift Cards		3,830.94	3,396.94
Reserve for Performance Bond Deposit		121,803.14	121,203.14
Reserve for Medical Insurance		152,234.00	152,234.00
		<u>4,679,153.29</u>	<u>4,665,171.48</u>
Reserve for Receivables and Other Assets		79,883.50	36,545.70
Fund Balance	A-1	3,532,677.36	1,613,339.44
Total Regular Fund:		<u>8,291,714.15</u>	<u>6,315,056.62</u>
Federal and State Grant Fund			
Appropriated Reserves	A-9	135,620.18	133,451.29
Unappropriated Reserves	A-10		8,210.79
Reserve for Encumbrances	A-9	19,200.00	56,134.76
Total Federal and State Grant Fund		<u>154,820.18</u>	<u>197,796.84</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 8,446,534.33</u>	<u>\$ 6,512,853.46</u>

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

A-1

MORRIS COUNTY PARK COMMISSION
CURRENT FUND

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

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,613,000.00	\$ 1,955,461.00
Golf Revenue		7,226,335.38	6,713,631.80
Other Revenue		5,833,216.06	5,775,171.32
County Appropriation		13,675,000.00	13,675,000.00
Rents		593,493.40	639,781.16
Interest Earned on Investments		8,210.95	11,720.41
Other Credits to Income:			
Prior Year Berkshire Valley Golf Course Advance			177,270.10
Inventory Sell Off		16,000.00	
Reserves Lapsed		2,816,081.13	2,175,272.07
		<u>31,781,336.92</u>	<u>31,123,307.86</u>
<u>Expenditures</u>			
Budget Appropriations		28,185,245.33	29,501,591.68
Golf Course Funds Advanced		26,064.49	
Interfunds Advanced		37,689.18	8,445.19
Total Expenditures		<u>28,248,999.00</u>	<u>29,510,036.87</u>
Excess in Revenue		3,532,337.92	1,613,270.99
<u>Fund Balance</u>			
Balance January 1		1,613,339.44	1,955,529.45
		<u>5,145,677.36</u>	<u>3,568,800.44</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>1,613,000.00</u>	<u>1,955,461.00</u>
Balance December 31	A	<u>\$ 3,532,677.36</u>	<u>\$ 1,613,339.44</u>

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

MORRIS COUNTY PARK COMMISSION
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget After Modification	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 1,613,000.00	\$ 1,613,000.00	\$ -0-
Flanders Valley Golf Course	2,286,877.00	2,318,011.28	31,134.28
Sunset Valley Golf Course	1,602,192.00	1,764,071.94	161,879.94
Pinch Brook Golf Course	1,540,396.00	1,608,314.62	67,918.62
Berkshire Valley Golf Course	1,539,162.00	1,535,937.54	3,224.46 *
Total Golf Course	<u>6,968,627.00</u>	<u>7,226,335.38</u>	<u>257,708.38</u>
William G. Mennen Sports Arena	3,718,500.00	4,092,233.77	373,733.77
Lake Recreation	74,800.00	70,724.00	4,076.00 *
Lee's Park Marina	264,815.00	242,456.00	22,359.00 *
Recreation	103,000.00	127,972.81	24,972.81
Camping	35,000.00	41,083.00	6,083.00
Picnics	147,000.00	171,189.50	24,189.50
Central Park	230,000.00	282,840.16	52,840.16
Historic Sites	97,500.00	120,685.35	23,185.35
Visitor Services	151,900.00	152,974.00	1,074.00
Historic Speedwell	30,000.00	27,263.50	2,736.50 *
Horticulture	40,575.00	52,968.70	12,393.70
Miscellaneous Revenue	65,000.00	57,690.32	7,309.68 *
Capital Funded Programs	132,480.00	143,520.00	11,040.00
Park Police		4,364.62	4,364.62
Body Armor Grant	6,841.33	6,841.33	
Click It or Ticket	4,000.00	4,000.00	
Historic GOS Grant	69,607.00	69,607.00	
Drunk Driving Enforcement Fund	4,400.00	4,400.00	
Natural Resource Education	105,000.00	139,202.00	34,202.00
New Jersey Historical Trust	19,200.00	19,200.00	
Langdon Palmer Memorial	2,000.00	2,000.00	
Total Other Revenue	<u>5,301,618.33</u>	<u>5,833,216.06</u>	<u>531,597.73</u>
County Appropriation	13,675,000.00	13,675,000.00	-
Rents	627,000.00	593,493.40	33,506.60 *
Interest Earned on Investments		8,210.95	8,210.95
	<u>14,302,000.00</u>	<u>14,276,704.35</u>	<u>25,295.65 *</u>
	<u>\$ 28,185,245.33</u>	<u>\$ 28,949,255.79</u>	<u>\$ 764,010.46</u>

MORRIS COUNTY PARK COMMISSION
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
 (CONTINUED)

<u>Analysis of Golf Course Revenue</u>	<u>Total</u>	<u>Flanders Valley</u>	<u>Sunset Valley</u>	<u>Pinch Brook</u>	<u>Berkshire Valley</u>
Greens Fees	\$ 5,159,616.37	\$ 1,736,283.81	\$ 1,262,587.02	\$ 1,159,758.98	\$ 1,000,986.56
Cart Fees	1,493,454.34	430,070.47	364,873.16	234,488.99	464,021.72
Driving Range	26,602.26				26,602.26
Golf Cards/Passes	489,809.00	134,350.00	127,970.00	189,159.00	38,330.00
Other Golf Revenues	45,871.41	14,194.00	8,551.76	19,556.65	3,569.00
Clinic/School	10,982.00	3,113.00	90.00	5,351.00	2,428.00
	<u>\$ 7,226,335.38</u>	<u>\$ 2,318,011.28</u>	<u>\$ 1,764,071.94</u>	<u>\$ 1,608,314.62</u>	<u>\$ 1,535,937.54</u>

MORRIS COUNTY PARK COMMISSION
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(CONTINUED)

Analysis of Other Revenue:

Cash Received	\$ 5,831,790.06
Gift Cards Redeemed	1,426.00
	<u>5,833,216.06</u>

Analysis of William G. Mennen Sports Arena Revenue

General Sessions	\$ 198,490.00
Skate Rentals	69,059.52
Figure Skating	1,574,346.50
Ice Time Rental	1,881,904.10
Non Ice Time Rental	87,777.44
Coupons & Locker Room	21,550.00
High School and College Hockey Spectators	90,867.00
Hockey School	19,745.00
Concessions	118,981.30
Party Package	26,835.00
Miscellaneous	1,251.91
Gift Cards Redeemed	1,426.00
	<u>4,092,233.77</u>

Analysis of Golf Course Revenue

Cash Received	\$ 7,189,202.37
Gift Cards Redeemed	37,133.01
	<u>7,226,335.38</u>

Analysis of Rental Income

Cash Collections	\$ 593,493.40
	<u>593,493.40</u>

Analysis of Interest on Investments

Current Fund	\$ 7,175.31
Federal and State Grant Fund	151.07
General Capital Fund	884.57
	<u>8,210.95</u>

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

MORRIS COUNTY PARK COMMISSION
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Salaries and Wages:	\$ 11,335,231.00	\$ 11,335,231.00	\$ 9,987,007.70	\$ 1,348,223.30
Other Expenses:				
Administration	7,766,804.00	7,766,804.00	6,163,290.78	1,603,513.22
Visitor Services	68,746.00	68,746.00	35,913.33	32,832.67
Information Technology Services	152,450.00	152,450.00	147,207.06	5,242.94
Recreation	113,576.00	113,576.00	63,438.33	50,137.67
Development	12,553.00	12,553.00	3,941.66	8,611.34
Buildings and Construction	465,267.00	465,267.00	429,027.44	36,239.56
Engineering	15,542.00	15,542.00	12,777.71	2,764.29
Flanders Valley Golf Course/Shops	1,732,095.00	1,732,095.00	1,444,406.21	287,688.79
Historic Sites	151,931.00	151,931.00	129,135.81	22,795.19
Lee's County Park Marina	72,660.00	72,660.00	69,731.73	2,928.27
Park Maintenance	657,638.00	657,638.00	468,990.76	188,647.24
Horticulture	217,072.00	217,072.00	149,726.74	67,345.26
William G. Mennen Sports Arena	1,818,778.00	1,818,778.00	1,643,807.46	174,970.54
Education and Interpretive Services	63,263.00	63,263.00	39,095.11	24,167.89
Park Police	276,781.00	276,781.00	242,883.46	33,897.54
Pinch Brook Golf Course/Shops	919,539.00	919,539.00	904,755.46	14,783.54
Sunset Valley Golf Course/Shops	981,969.00	981,969.00	978,242.79	3,726.21
Berkshire Valley Golf Course/Shops	1,194,453.00	1,194,453.00	1,025,555.55	168,897.45
Natural Resource Education	62,849.00	62,849.00	50,701.47	12,147.53
Drunk Driving Grant		4,400.00	4,400.00	
Body Armor Grant		6,841.33	6,841.33	
Click It or Ticket		4,000.00	4,000.00	
NJ Historical Trust		19,200.00	19,200.00	
Historic GOS Grant		69,607.00	69,607.00	
Langdon Palmer Memorial Grant		2,000.00	2,000.00	
	<u>16,743,966.00</u>	<u>16,850,014.33</u>	<u>14,108,677.19</u>	<u>2,741,337.14</u>
	<u>\$ 28,079,197.00</u>	<u>\$ 28,185,245.33</u>	<u>\$ 24,095,684.89</u>	<u>\$ 4,089,560.44</u>

Ref.

A

Cash Disbursed	\$ 24,739,764.17
Accounts Payable	9,848.00
Encumbrances	147,228.05
	<u>24,896,840.22</u>
Less: Refunds	801,155.33
	<u>\$ 24,095,684.89</u>

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MORRIS COUNTY PARK COMMISSION
COUNTY OF MORRIS
2014
GENERAL CAPITAL FUND

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2014	2013
Cash and Cash Equivalents	B-2	\$ 129,183.14	\$ 967,587.45
Deferred Charges to Future Taxation:			
Funded		9,178,837.85	11,956,280.94
Unfunded	B-4	1,385,000.00	386,000.00
<u>TOTAL ASSETS</u>		<u>\$ 10,693,020.99</u>	<u>\$ 13,309,868.39</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	B-7	\$ 9,020,000.00	\$ 11,778,000.00
Green Acres Loans Payable	B-8	158,837.85	178,280.94
Improvement Authorizations:			
Funded	B-5	353,322.04	770,498.55
Unfunded	B-5	960,301.73	382,529.53
Fund Balance	B-1	200,559.37	200,559.37
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 10,693,020.99</u>	<u>\$ 13,309,868.39</u>

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

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	B	<u>\$ 200,559.37</u>
Balance December 31, 2014	B	<u><u>\$ 200,559.37</u></u>

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

MORRIS COUNTY PARK COMMISSION
COUNTY OF MORRIS
2014
TRUST AND OTHER RESTRICTED FUNDS

MORRIS COUNTY PARK COMMISSION
TRUST AND OTHER RESTRICTED FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>ASSETS</u>	Ref.	December 31,	
		2014	2013
Park Improvement Trust Fund:			
Cash and Cash Equivalents		\$ 5,776,555.40	\$ 5,908,998.61
Investments			250,000.00
		<u>5,776,555.40</u>	<u>6,158,998.61</u>
C-2			
Park Trust Fund:			
Cash and Cash Equivalents	C-2	966,257.26	1,092,456.96
		<u>966,257.26</u>	<u>1,092,456.96</u>
Restricted Trust Funds:			
Cash and Cash Equivalents	C-2	232,902.16	226,449.62
		<u>232,902.16</u>	<u>226,449.62</u>
<u>TOTAL ASSETS</u>		<u>\$ 6,975,714.82</u>	<u>\$ 7,477,905.19</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Park Improvement Trust Fund:			
Reserve for Park Improvements	C-3	\$ 5,370,480.52	\$ 4,737,758.65
Reserve for Encumbrances	C-3	283,386.95	1,242,918.00
Fund Balance	C-1	122,687.93	178,321.96
		<u>5,776,555.40</u>	<u>6,158,998.61</u>
Park Trust Fund:			
Reserve for Park Trust Funds	C-4	935,428.31	1,078,673.96
Reserve for Encumbrances	C-4	30,828.95	13,783.00
		<u>966,257.26</u>	<u>1,092,456.96</u>
Restricted Trust Funds:			
Due Current Fund	A	760.00	
Reserve for Restricted Trust Funds	C-5	232,142.16	226,069.62
Reserve for Encumbrance			380.00
		<u>232,902.16</u>	<u>226,449.62</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 6,975,714.82</u>	<u>\$ 7,477,905.19</u>

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

MORRIS COUNTY PARK COMMISSION
PARK IMPROVEMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 178,321.96
Increased by:		
2014 Tax Assessment		\$ 2,234,222.68
Refunds & Reimbursements		17,275.00
Interest Earned on Investments		10,143.29
		2,261,640.97
		2,439,962.93
Decreased by:		
Improvement Trust Authorizations		2,317,275.00
		2,317,275.00
Balance December 31, 2014	C	\$ 122,687.93

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

MORRIS COUNTY PARK COMMISSION
COUNTY OF MORRIS
2014
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

MORRIS COUNTY PARK COMMISSION
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Unaudited)

	December 31,	
	2014	2013
Assets:		
Land	\$ 47,334,971.95	\$ 47,334,971.95
Land Improvements	24,492,047.22	24,492,047.22
Buildings	40,576,428.70	40,576,428.70
Machinery and Equipment	15,229,224.52	14,357,238.28
Total Assets	\$ 127,632,672.39	\$ 126,760,686.15
Reserves:		
Reserve for General Fixed Assets	\$ 127,632,672.39	\$ 126,760,686.15

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

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Accordingly, the Commission is a component unit of the County of Morris under the provisions of GASB Codification Section 2100. The members of the Commission are appointed by the Morris County Freeholders for staggered terms of five years. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e, benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the Commission is a compound unit of the County of Morris (the "County") under the provisions of the Governmental Accounting Standards Board's Codification Section 2100.

B. Description of Funds

The accounting policies of the Commission conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Commission accounts for its financial transactions through the following separate funds.

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

Trust Funds/Other Restricted Funds - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each was created, some of which is for the acquisition, development, or improvement of Park lands and educational programs pursuant to N.J.S.A. 40:37-11.3.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

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

B. Description of Funds (Cont'd)

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

General Fixed Assets Account Group (unaudited) – These accounts were established at cost or estimated historical cost of land, land improvements, buildings and machinery and equipment of the Commission as discussed under the caption “Basis of Accounting.”

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the Current Fund when it is budgeted, in the Trust Funds when it is received and in the Capital Fund when improvements are authorized.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
 (Continued)

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

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A commission can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans or by capital leases.

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

The cash basis of accounting is followed in the General Capital Fund.

Other significant accounting policies include:

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

Inventories of Supplies – The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased except for golf course merchandise. The cost of the inventories for the golf course merchandise represents the total cost of inventory as taken by the Commission, and is represented on the Current Fund balance sheet.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

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

C. Basis of Accounting (Cont'd)

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

General Fixed Assets (Unaudited) – general fixed assets are recorded at cost or estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a “Reserve for General Fixed Assets”. When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund and General Capital Fund. The values recorded in the General Fixed Assets Account Group and the Current Fund and the General Capital Fund may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructure. Fixed assets are reviewed for impairment.

Note 2: Long-Term Debt

Summary of Park Commission Debt

The Local Bond Law governs the issuance of bonds to finance general Commission capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the County on behalf of the Commission are general obligation bonds. The County of Morris’s full faith and credit and taxing power have been pledged to the payment of the general obligation principal and interest where such principal and interest is not funded by other sources.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

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

Summary of Park Commission Debt (Cont'd)

	December 31,		
	2014	2013	2012
Serial Bonds Payable	\$ 9,020,000.00	\$ 11,778,000.00	\$ 12,608,000.00
Green Acres Loans Payable	158,837.85	178,280.94	342,206.13
Bonds and Notes Authorized But Not Issued	<u>1,385,000.00</u>	<u>386,000.00</u>	<u>1,161,000.00</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 10,563,837.85</u>	<u>\$ 12,342,280.94</u>	<u>\$ 14,111,206.13</u>

Summary of Commission Debt Outstanding - Current Year

	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014
Serial Bonds:				
Park Capital Fund	\$ 11,778,000.00	\$ 485,000.00	\$ 3,243,000.00	\$ 9,020,000.00
Loans Payable:				
Park Capital Fund:				
Green Trust Loans	<u>178,280.94</u>		<u>19,443.09</u>	<u>158,837.85</u>
Total	<u>\$ 11,956,280.94</u>	<u>\$ 485,000.00</u>	<u>\$ 3,262,443.09</u>	<u>\$ 9,178,837.85</u>

Summary of Commission Debt Outstanding - Prior Year

	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013
Serial Bonds:				
Park Capital Fund	\$ 12,608,000.00	\$ 1,882,000.00	\$ 2,712,000.00	\$ 11,778,000.00
Loans Payable:				
Park Capital Fund:				
Green Trust Loans	<u>342,206.13</u>		<u>163,925.19</u>	<u>178,280.94</u>
Total	<u>\$ 12,950,206.13</u>	<u>\$ 1,882,000.00</u>	<u>\$ 2,875,925.19</u>	<u>\$ 11,956,280.94</u>

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

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

ANALYSIS OF BONDED DEBT ISSUED AND OUTSTANDING
AT DECEMBER 31, 2014

Park Serial Bonds

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Park Bonds 2006			
Refunding	5.000%	3/15/2015	\$ 16,000.00
			<u>16,000.00</u>
Park Bonds 2007	4.125%	8/15/2015	210,000.00
			<u>210,000.00</u>
Park Bonds 2008	3.000%	4/15/2015	250,000.00
	3.250%	4/15/2016	250,000.00
	3.500%	4/15/2017-2018	323,000.00
			<u>823,000.00</u>
Park Refunding 2009 Bonds	3.000%	3/15/2015	229,000.00
			<u>229,000.00</u>
Park Bonds 2009	2.000%	4/15/2015	250,000.00
	2.500%	4/15/2016	250,000.00
	3.000%	4/15/2017-18	400,000.00
	3.125%	4/15/2019	258,000.00
			<u>1,158,000.00</u>
Park Bonds 2010	5.000%	2/15/2015-17	690,000.00
	5.000%	2/15/18-19	600,000.00
			<u>1,290,000.00</u>
Park Bonds 2011	5.000%	9/15/2015-18	740,000.00
	5.000%	9/15/2019	200,000.00
			<u>940,000.00</u>

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

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

ANALYSIS OF BONDED DEBT ISSUED AND OUTSTANDING
AT DECEMBER 31, 2014
(Continued)

<u>Park Serial Bonds</u>			
<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Park Bonds 2012	0.500%	2/1/2015	\$ 7,000.00
Refunding	3.000%	2/1/2016	37,000.00
			44,000.00
Park Bonds 2012	1.500%	12/15/2015	290,000.00
	2.000%	12/15/2016-2022	2,005,000.00
			2,295,000.00
Park Bonds 2013	3.000%	6/15/2015-2017	570,000.00
	4.000%	6/15/2018	186,000.00
	3.000%	6/15/2019	151,000.00
			907,000.00
Park Bonds 2013B	2.000%	11/15/2015-2016	314,000.00
	4.000%	11/15/2017-2018	314,000.00
			628,000.00
Park Bonds 2014	4.000%	8/15/2016	205,000.00
Refunding	4.000%	8/15/2017	275,000.00
			480,000.00
		Total Serial Bonds	\$ 9,020,000.00

Schedule of Annual Debt Service for the Next Five Years and
Thereafter for Bonded Debt

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,051,000.00	\$ 279,522.50	\$ 2,330,522.50
2016	1,757,000.00	219,075.00	1,976,075.00
2017	1,777,000.00	160,922.50	1,937,922.50
2018	1,391,000.00	97,120.00	1,488,120.00
2019	1,199,000.00	46,496.25	1,245,496.25
2020	845,000.00	33,300.00	878,300.00
	\$ 9,020,000.00	\$ 836,436.25	\$ 9,856,436.25

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

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

Green Acres Loans Payable

On January 16, 1985, the County became the first local unit in the State to be approved for the Green Acres Trust Program. The program was developed by the New Jersey Department of Environmental Protection to provide low interest loans to local governments for the acquisition, preservation and improvement of land for recreation.

Through December 31, 2014, the County has borrowed funds under three separate projects, two of which were retired in 2013. The loan balance for the remaining project as of the end of the year is as follows:

Patriots Path/Schooley's Mountain	\$ 158,837.85
-----------------------------------	---------------

Payments of principal and interest on the loan are required to be made once the funds earmarked for a specific project have been completely drawn down. Payments are to commence nine months after the final drawdown date and are to continue on a semi-annual basis over a period of 10 to 20 years. Interest, on the loan, is at the rate of 2% annually on the outstanding balance. The County has appropriated \$22,915.00 in its 2015 budget to fund principal and interest payments for 2015 for the above project.

Note 3: Fund Balance Appropriated

Fund balance of \$2,087,569.00 at December 31, 2014 has been appropriated as revenue in the 2015 Current Fund budget.

Note 4: Pension Plans

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

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

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

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 4: Pension Plans (Cont'd)

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

Commission contributions to PERS amounted to \$1,247,169.12, \$1,243,705.44 and \$1,297,985.46 for 2014, 2013 and 2012, respectively.

Commission contributions to PFRS amount to \$565,886.00, \$618,612.00 and \$583,637.00 for 2014, 2013 and 2012, respectively.

Note 5: Accrued Sick and Vacation Benefits

The Commission permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at an agreed-upon rate. Employees will be reimbursed for accumulated sick time between 20% to 50% of the present day value of accumulated sick time up to a maximum of between \$5,000 and \$12,000 in accordance with the respective contractual agreements of the various Commission employees.

Employees are also permitted to accumulate into the next calendar year any unused earned annual vacation time which is not taken or granted by reason of the pressure of work. Accumulation after one calendar year shall not be permitted.

It is estimated that the current cost of such unpaid compensation would approximate \$732,703.47. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Commission's budget operating expenditures in the year in which it is used.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 6: Cash and Cash Equivalents and Investments

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

Investments are stated at cost, which approximates market. The Commission classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, Governmental Accounting Standards Board Deposit and Investment Risk Disclosures, requires disclosure of the level of custodial credit risk assumed by the Commission in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Commission ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Commission limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

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

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

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

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Commission to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 6: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2014, cash and cash equivalents of the Morris County Park Commission consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Totals</u>
Current Fund	\$ 9,600.00	\$ 8,202,230.65	\$ 8,211,830.65
Federal and State Grant Fund		64,753.68	64,753.68
Trust Funds		6,975,714.82	6,975,714.82
General Capital Fund		129,183.14	129,183.14
	<u>\$ 9,600.00</u>	<u>\$ 15,371,882.29</u>	<u>\$ 15,381,482.29</u>

During the period ended December 31, 2014, the Commission did not hold any investments. The carrying amount of the Morris County Park Commission's cash and cash equivalents at December 31, 2014, was \$15,381,482.29 and the bank balance was \$16,137,890.03.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 6: Cash and Cash Equivalents and Investments (Cont'd)

As of December 31, 2013, cash and cash equivalents of the Morris County Park Commission consisted of the following:

Fund	Cash on Hand	Checking Accounts	Investments in Certificates of Deposit	Totals
Current Fund	\$ 3,300.00	\$ 6,275,210.92		\$ 6,278,510.92
Federal and State Grant Fund		38,783.31		38,783.31
Trust Funds		7,227,905.19	\$ 250,000.00	7,477,905.19
General Capital Fund		967,587.45		967,587.45
	<u>\$ 3,300.00</u>	<u>\$14,509,486.87</u>	<u>\$ 250,000.00</u>	<u>\$ 14,762,786.87</u>

During the period ended December 31, 2013, the Commission did not hold any investments other than certificates of deposit. The carrying amount of the Morris County Park Commission's cash and cash equivalents and investments at December 31, 2013, was \$14,762,786.87 and the bank balance was \$15,188,108.29.

Note 7: Risk Management

The Commission manages its risks through a combination of insurance pool membership and self-insurance.

The Commission is a member of the Morris County Insurance Fund. The Fund provides its members with Liability, Property, and Automobile Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of governmental entities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum.

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

The Fund can declare and distribute dividends to members upon approval of the Insurance Commissioners. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

The December 31, 2014 audit report for the Fund is not filed as of the date of this report. Summarized, selected financial information for the years ended December 31, 2013 and 2012 for the Fund is as follows on the following page:

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 7: Risk Management (Cont'd)

	2013	2012
Total Assets	\$ 10,324,376	\$ 10,089,036
Net Position	\$ 4,721,389	\$ 3,635,171
Total Revenue	\$ 3,300,883	\$ 2,995,326
Total Expenses	\$ 2,228,561	\$ 658,499
Non Operating Revenue and Adjustments	\$ 13,896	\$ 99,958
Changes in Net Position	\$ 1,086,218	\$ 2,436,785
Members Dividends	\$ -0-	\$ -0-

Financial statements for the Fund are available at office of the Morris County Treasurer:

County of Morris
Administration & Records Building
4th Floor, CN 900
Morristown, NJ 07963

Health Benefits Insurance

The County currently maintains medical and prescription health care insurance with Horizon Blue Cross Blue Shield of New Jersey. The County advances funds to Horizon to pay medical and prescription claims for County employees.

As of December 31, 2014, the 2012 and 2013 Minimum Premium Settlements have been paid by Horizon. In addition, as of January 1, 2014, the County will no longer be insuring through a minimum premium arrangement but will be processing premiums through a fully insured arrangement. As a result of switching to a fully insured program the County had a liability in 2014 to settle the run-off that was due as of December 31, 2013.

During 2014, to finalize the minimum premium program the County paid the settlement of year 2012 in the amount of \$718,855, and the settlement of year 2013 in the amount of \$1,194,868 and run-off reserves of \$2,184,371. As of December 31, 2014, the County has \$3,511,127 to pay any additional run-off reserves or any issues that may arise after the payments of the 2012 and 2013 settlements.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
 (Continued)

Note 8: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet as of December 31, 2014.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 760.00	
Trust Fund		\$ 760.00
	<u>\$ 760.00</u>	<u>\$ 760.00</u>

During the year there were funds disbursed from Current which were due from Caroline Foster Trust Fund at year end.

Note 9: Commitments and Contingencies

Various suits and claims arising in the ordinary course of the Commission's operations are pending against the Commission. The ultimate effect of such litigation cannot be ascertained at this time since they are currently in various stages of discovery. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Commission's financial position and operations as of December 31, 2014.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Commission as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Commission officials expect such amounts, if any, to be immaterial.

Note 10: Accounts Payable and Accrued Expenses:

Payables as of December 31, 2014 were:

	<u>Current Fund</u>
Vendors	<u>\$ 9,848.00</u>

Note 11: Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by Great-West, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 12: Open Space Trust Fund

On December 22, 1992, the Morris County Open Space and Farmland Preservation Trust Fund (the "Trust Fund") was created. Collection of funds for the Trust Fund commenced on July 1, 1993 with a tax equal to one-half cent per \$100 of the total county equalized real property valuation. The County Freeholders review the tax rate annually and may set the tax anywhere from \$.00 to \$.05. The levies for 2014 and 2013 were respectively \$.01125 and \$.0150.

20% of the Trust Fund is allocated to the Morris County Park Commission.

Note 13: Economic Dependency

The Commission receives a substantial amount of its support from the county, federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Commission's programs and activities.

Note 14: Post-Retirement Medical Benefits

The County provides post-retirement benefits, as follows, to Morris County Park Commission employees who meet the following criteria:

1. The Morris County Park Commission hereby agrees to pay the entire cost of health care premiums for all employees and their eligible dependents who retire in good standing, on a disability pension from a New Jersey administered retirement system;
2. The Morris County Park Commission hereby agrees to pay the entire cost of health care premiums for all employees and their eligible dependents who retire in good standing, with 25 years or more of service credit in a New Jersey state or locally administered retirement system, and with at least 15 years of service with the Morris County Park Commission at the time of retirement.
3. Morris County Park Commission hereby agrees to pay the entire cost of health care premiums for all employees and their eligible dependents who retire in good standing at age sixty-two (62 or older) with at least fifteen (15) years of service with the Morris County Park Commission and/or County of Morris, except employees hired after November 1, 2012 in a non-collective bargaining agreement or an expired collective bargaining agreement; and employees within a collection bargaining unit upon expiration of their agreement.

A surviving spouse is eligible for coverage if the retiree meets the eligibility criteria requirements detailed above for all employees hired prior to January 1, 2007. Employees hired after January 1, 2007 will receive health benefits for themselves only at retirement if the retiree meets the eligibility requirements detailed above.

For retirees over 65, the plan coverage under the County is secondary to Medicare. The Morris County Park Commission reimburses 100% of its eligible retirees' Medicare Part B premiums.

Employees hired after December 31, 2013 will not be eligible for health insurance coverage upon retirement.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 14: Post-Retirement Medical Benefits (Cont'd)

Funding Policy

The County is not required to nor does it contribute the annual required contribution (ARC) per N.J.S.A. 40A:4-1 et. seq. There is currently no provision under State statute for the County to accrue funds, create a trust or issue debt to finance their other post employment benefit (“OPEB”) liability.

As per their agreement with Horizon Blue Cross Blue Shield of NJ, the Morris County Park Commission advances funds to this health care provider to pay medical and prescription claims and administrative costs for County employees.

Currently, there are no contribution requirements of plan members.

The Commission accounts for certain post-employment health care benefits provided in accordance with Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Employers that participate in *single-employer* or *agent multiple-employer defined benefit* OPEB plans (sole and agent employers) are required to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting. Annual OPEB cost is equal to the employer’s annual required contribution to the plan (ARC), with certain adjustments if the employer has a net OPEB obligation for past under- or over contributions.

The ARC is defined as the employer’s required contributions for the year, calculated in accordance with certain parameters, and includes (a) the normal cost for the year and (b) a component for amortization of the total unfunded actuarial accrued liability (or funding excess) of the plan over a period not to exceed thirty years. If the methods and assumptions used in determining a plan’s funding requirements meet the parameters, the same methods and assumptions are required for financial reporting by both a plan and its participating employer(s). However, if a plan’s method of financing does not meet the parameters (for example, the plan is financed on a pay-as-you-go basis), the parameters nevertheless apply for financial reporting purposes.

The Commission as a sole employer should recognize OPEB expense in an amount equal to annual OPEB cost. Net OPEB obligations, if any, should be displayed as liabilities (or assets) in the financial statements.

Plan Description

The provisions of Chapter 88, P.L. 1974, along with any Commission approved ordinances and resolutions, provide the authority for the Commission to offer the post-employment health care benefits as detailed below.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 14: Post-Retirement Medical Benefits (Cont'd)

Plan Description (Cont'd)

The Commission provides medical, prescription drug and Medicare Part B reimbursement to retirees and their covered dependents. All active employees who retire from the Commission and meet the eligibility criteria will receive these benefits. As of December 31, 2013, the valuation date, approximately 1,471 retirees and spouses, and 1,573 active members meet the eligibility requirements put forth in P.L. 1992, c 126. The Commission sponsors and participates in a single-employer defined benefit OPEB plan. The OPEB plan is administered by the Commission and does not issue a stand-alone financial statement.

Employees are eligible to receive postretirement health benefits through the County health plan by meeting either of the following criteria:

- Retires after 25 years or more of service credit in a New Jersey State retirement system and with at least 15 years of service with the County of Morris, or
- Retires at age 62 or older with at least 15 years of service with the County of Morris, except employees hired after November 1, 2012 in a non-collective bargaining agreement or an expired collective bargaining agreement; and employees within a collection bargaining unit upon expiration of their agreement

The County subsidizes 100% of the cost of coverage for current retirees meeting the requirements outlined above and future retirees who have at least 20 years of service as of July 1, 2011. Other retirees can apply for Direct Pay with Horizon and pay the full cost of benefits, i.e. no County subsidy.

Future retirees, who do not have at least 20 years of service as of July 1, 2011, will pay an amount equal to their Contribution Rate times the plans gross premiums. The Contribution Rate is based on type of coverage (single or family) and the Retirement Allowance. Retirement Allowance is assumed to be the annual annuity from the New Jersey pension plan. The annual annuity from the PERS pension plan is equal to the Final Average Earnings times service at retirement divided by 55. The annual annuity from the PFRS pension plan is equal to the Special Retirement Benefit which is equal to 2.6% times service at retirement times Final Average Earnings.

The County reimburses 100% of eligible retiree's Medicare Part B premiums. All County retirees are eligible.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 14: Post-Retirement Medical Benefits (Cont'd)

Annual OPEB Cost and Net OPEB Obligation

The Commission's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer. The County has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial accrued liabilities over a period not to exceed 30 years, with an assumption that payroll increases by 4% per year.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage. Finally, demographic assumptions include probabilities concerning retirement, mortality and termination without being eligible for benefits, disability, participation rates and coverage levels were based on those used to value the New Jersey State Health Benefits Program. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the 2012, 2013 and 2014 actuarial valuations, the projected unit credit cost method was used. Under this method, the present value of benefits is allocated uniformly over an employee's expected working lifetime. The actuarial assumptions per the 2013 valuation include a 2.00% anticipated rate of return on investments. For medical benefits, the initial rate utilized is 8.50%, decreasing to a 5.0% long-term trend rate for all medical benefits after 7 years. For Post-Medicare medical benefits, this amount is 5.0%. For prescription drug benefits, the initial trend rate is 8.50%, decreasing to a 5.0% long-term trend rate after 7 years. For Medicare Part B reimbursements, the trend rate is 0.0% for 2013 and 5.0% in future years.

MORRIS COUNTY PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 14: Post-Retirement Medical Benefits (Cont'd)

Annual OPEB Cost per Actuarial Valuation

The following table shows the components of the Commission's annual OPEB cost for the year, the amount actually contribution to the plan and the Commission's obligation to the Plan at December 31, 2012, 2013 and 2014:

Benefit Obligations and Normal Cost

	Valuation December 31,		
	2012	2013	2014
Actuarial accrued liability (AAL):			
Retired employees	\$ 37,220,800	\$ 42,539,300	\$ 42,199,000
Active employees	63,177,800	49,378,100	53,996,700
Unfunded actuarial accrued liability (UAAL)	<u>\$ 100,398,600</u>	<u>\$ 91,917,400</u>	<u>\$ 96,195,700</u>
Normal cost at beginning of year	\$ 4,487,700	\$ 3,592,600	\$ 3,664,500
Amortization factor based on 30 years	\$ 2,539,900	\$ 2,325,300	\$ 2,432,800
Annual covered payroll	\$ -	\$ 11,256,600	\$ -
UAAL as a percentage of covered payroll	N/A	816.56%	N/A

N/A - Not Available

Level Dollar Amortization

Calculation of ARC under Entry Age Method

ARC normal cost with interest to end of year	\$ 4,577,400	\$ 3,664,500	\$ 3,737,700
Amortization of unfunded actuarial accrued liability (UAAL) over 30 years with interest at year end	2,539,900	2,325,300	2,432,800
Annual Required Contribution (ARC)	7,117,300	5,989,800	6,170,500
Interest on net OPEB obligation	440,600	555,900	647,900
Adjustment to ARC	(557,300)	(703,200)	(819,500)
Annual OPEB cost (expense)	7,000,600	5,842,500	5,998,900
Pay as you go benefits	(1,235,900)	(1,242,100)	(1,374,800)
Net OPEB expense at June 30,:			
2012, 2013 and 2014, respectively	5,764,700	4,600,400	4,624,100
Prior year	22,030,400	27,795,100	32,395,500
Net OPEB obligation June 30,:			
2012, 2013 and 2014, respectively	<u>\$ 27,795,100</u>	<u>\$ 32,395,500</u>	<u>\$ 37,019,600</u>
Unfunded actuarial accrued liability (December 31, 2012)			<u>\$ 100,398,600</u>
Unfunded actuarial accrued liability (December 31, 2013)			<u>\$ 91,917,400</u>
Projected unfunded actuarial accrued liability (December 31, 2014)			<u>\$ 96,195,700</u>

Funding Status and Funding Progress

As of December 31, 2014, the actuarial accrued liability for benefits was \$101,916,260, all of which is unfunded.

MORRIS COUNTY PARK COMMISSION

SUPPLEMENTARY DATA

MORRIS COUNTY PARK COMMISSION
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2014

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Betty Cass-Schmidt	President (02/2014 - 12/2014)		
John R. Sette	President (01/2014)		
Barbara Shepard	Vice-President		
Julie C. Baron	Member		
Dr. Philip Santiago	Member		
Judith Schleicher	Member		
Richard Seabury, III	Member		
Stuart Lasser	Member		
Kim Wentworth	Member		
Edward McCarthy	Member (02/2014-12/2014)		
Glenn Roe	Treasurer (01/2014-08/2014)	\$ 1,000,000.00	* Great American
Joseph Kovalcik, Jr.	Treasurer (09/2014-12/2014)	\$ 1,000,000.00	* Great American
David D. Helmer	Executive Director	\$ 1,000,000.00	* Great American
Richard Vitale	Deputy Executive Director	\$ 1,000,000.00	* Great American
John Suminski	Park Counsel		

* The Morris County Park Commission maintains a blanket bond for coverage of all employees in the amount of \$1,000,000.

MORRIS COUNTY PARK COMMISSION
COUNTY OF MORRIS
2014
CURRENT FUND

MORRIS COUNTY PARK COMMISSION
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 6,275,210.92
Increased by Receipts:		
Rents		\$ 593,493.40
County Appropriation		13,675,000.00
Golf Course Revenue		7,189,202.37
Other Revenue		5,831,790.06
Interest Earned on Investments		7,175.31
Due From Park Capital Fund:		
Interest Earned		884.57
Due From Federal and State Grant Fund:		
Interest Earned		151.07
Due County Open Space and Capital		210,681.15
Due State of New Jersey - Sales Tax		347,774.88
Appropriation Refunds		801,155.33
Reservations - Refundable Deposits		20,597.84
Performance Bonds Received		600.00
Gift Certificates Sold:		
Golf Course		55,778.50
Mennen Arena		1,860.00
Credit Card Refundable Deposits		4,350.00
Commission Liability		65,233.21
Inventory Sell Off		16,000.00
Change Funds Returned		500.00
		28,822,227.69
		35,097,438.61
Decreased by Disbursements:		
2014 Appropriation Expenditures		24,739,764.17
2013 Appropriation Reserve Expenditures		1,521,012.58
Due State of New Jersey - Sales Tax		344,822.29
Due County Open Space and Capital		247,610.33
Due from Caroline Foster		760.00
Due from Golf Courses		26,064.49
Commission Liability		1,466.60
Credit Card Refundable Deposits Returned		4,750.00
Change Fund		6,800.00
Reservations - Refundable Deposits		2,157.50
		26,895,207.96
Balance December 31, 2014	A	\$ 8,202,230.65

MORRIS COUNTY PARK COMMISSION
FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 38,783.31
Increased by Receipts:		
Federal and State Grants Receivable		\$ 157,754.03
Unappropriated Federal and State Grants		9,030.54
Due Current Fund:		
Interest Earned		151.07
		166,935.64
		205,718.95
Decreased by Disbursements:		
Federal and State Grant Fund Expenditures		140,814.20
Due Current Fund:		
Interest Earned		151.07
		140,965.27
Balance December 31, 2014	A	\$ 64,753.68

MORRIS COUNTY PARK COMMISSION
CURRENT FUND
SCHEDULE OF CHANGE FUNDS

Balance December 31, 2013	<u>Ref.</u> A	\$ 3,300.00
Increase in Change Funds		<u>6,800.00</u>
		10,100.00
Change Funds Returned		<u>500.00</u>
Balance December 31, 2014	A	<u><u>\$ 9,600.00</u></u>
 <u>Analysis of Balance December 31, 2014</u>		
Berkshire Valley Golf Course		\$ 1,500.00
Cooper Grist Mill		200.00
Flanders Valley Golf Course		3,000.00
Fosterfields Living Historical Farm		500.00
Great Swamp Outdoor Education Center		200.00
Historic Speedwell		300.00
William G. Mennen Sports Arena		700.00
Pinch Brook Gold Course		1,500.00
Pyramid Mountain		200.00
Sunset Valley Golf Course		<u>1,500.00</u>
		<u><u>\$ 9,600.00</u></u>

MORRIS COUNTY PARK COMMISSION
CURRENT FUND
SCHEDULE OF GOLF MERCHANDISE INVENTORY
YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 20,415.87
Decrease in:		
Inventory		<u>20,415.87</u>
Balance December 31, 2014	A	<u>\$ -</u>

MORRIS COUNTY PARK COMMISSION
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Salaries and Wages:	\$ 1,495,154.22	\$ 1,495,654.22	\$ 513,303.55	\$ 982,350.67
Other Expenses:				
Administration	1,552,538.88	1,552,538.88	569,433.50	983,105.38
Visitor Services	33,271.71	33,271.71	9,865.69	23,406.02
Information Technology Services	23,966.25	23,666.25	6,663.28	17,002.97
Recreation	9,269.53	9,269.53	7,920.69	1,348.84
Development	6,135.87	5,935.87	298.64	5,637.23
Buildings and Construction	159,516.42	159,516.42	51,778.98	107,737.44
Engineering	6,509.79	6,509.79	1,651.52	4,858.27
Flanders Valley Golf Course/Shops	134,477.42	134,477.42	12,798.34	121,679.08
Historic Sites	34,267.23	34,267.23	16,620.71	17,646.52
Lee's County Park Marina	22,879.09	22,879.09	8,372.81	14,506.28
Park Maintenance	214,108.81	214,108.81	58,031.28	156,077.53
Horticulture	20,795.08	20,795.08	19,775.77	1,019.31
William G. Mennen Sports Arena	279,846.31	279,846.31	139,653.11	140,193.20
Education and Interpretive Services	20,399.79	20,399.79	3,719.80	16,679.99
Park Police	101,992.37	101,992.37	64,601.05	37,391.32
Pinch Brook Golf Course/Shops	54,035.09	54,035.09	8,060.95	45,974.14
Sunset Valley Golf Course/Shops	85,225.34	85,225.34	10,652.61	74,572.73
Berkshire Valley Golf Course/Shops	65,168.23	65,168.23	10,226.42	54,941.81
Natural Resource Education	17,536.28	17,536.28	7,583.88	9,952.40
	<u>\$ 4,337,093.71</u>	<u>\$ 4,337,093.71</u>	<u>\$ 1,521,012.58</u>	<u>\$ 2,816,081.13</u>

Analysis of Balance at December 31, 2013

	<u>Ref.</u>	
Unencumbered	A	\$ 4,193,050.90
Encumbered	A	144,042.81
		<u>\$ 4,337,093.71</u>

MORRIS COUNTY PARK COMMISSION
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>2014 Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>from</u> <u>Unappropriated</u> <u>Reserve</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Body Armor Replacement Grant 2013		\$ 3,810.79		\$ 3,810.79	
Body Armor Replacement Grant 2014		3,030.54		3,030.54	
Drunk Driving Enforcement Fund - 2014		4,400.00		4,400.00	
Click It or Ticket It		4,000.00		4,000.00	
Park Alliance - 2012	\$ 3,177.00				\$ 3,177.00
New Jersey Historical Commission:					
2013	34,803.50		\$ 34,803.50		
2014		69,607.00	34,803.50		34,803.50
Recreation Trails Grant:					
2011	24,700.00				24,700.00
New Jersey Historical Trust:					
Historic Trust Preservation - 2011	52,903.03		52,903.03		
Historic Trust Preservation - 2012	40,930.00		32,744.00		8,186.00
Historic Trust Preservation - 2014		19,200.00			19,200.00
Langdon Palmer Memorial Internship Program	2,500.00	2,000.00	2,500.00	2,000.00	
	<u>\$ 159,013.53</u>	<u>\$ 106,048.33</u>	<u>\$ 157,754.03</u>	<u>\$ 17,241.33</u>	<u>\$ 90,066.50</u>

Ref.

A

A

MORRIS COUNTY PARK COMMISSION
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2013	Prior Year Encumbrances Returned	Transferred from 2014 Budget	Cash Disbursed	Encumbered	Balance Dec. 31, 2014
Body Armor Grant:						
2011	\$ 826.49			\$ 826.49		
2012	3,126.97			3,126.97		
2013			\$ 3,810.79	3,160.59		\$ 650.20
2014			3,030.54			3,030.54
Drunk Driving Grant:						
2013	3,155.68					3,155.68
2014			4,400.00			4,400.00
Click It or Ticket Grant			4,000.00	4,000.00		
Dodge Grant:						
2013	2,000.00					2,000.00
New Jersey Historical Commission:						
2012	1,092.34					1,092.34
2013	55,119.81			55,119.81		
2014			69,607.00	1,857.00		67,750.00
New Jersey Historical Trust:						
2011		\$ 56,134.76		39,096.76		17,038.00
2012	40,930.00			31,126.58		9,803.42
2014			19,200.00		\$ 19,200.00	
Recreation Trails Grant:						
2011	24,700.00					24,700.00
Langdon Palmer Memorial Internship Program	2,500.00		2,000.00	2,500.00		2,000.00
	<u>\$ 133,451.29</u>	<u>\$ 56,134.76</u>	<u>\$ 106,048.33</u>	<u>\$ 140,814.20</u>	<u>\$ 19,200.00</u>	<u>\$ 135,620.18</u>
<u>Ref.</u>	A	A			A	A

MORRIS COUNTY PARK COMMISSION
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
FOR THE YEAR ENDING DECEMBER 31, 2014

	<u>Balance</u> <u>Dec. 31. 2013</u>	<u>Cash</u> <u>Received</u>	<u>Transfer to</u> <u>2014 Budget</u> <u>Revenue</u>
Body Armor Grant - 2013	\$ 3,810.79		\$ 3,810.79
Body Armor Grant - 2014		\$ 3,030.54	3,030.54
Click It or Ticket It		4,000.00	4,000.00
Drive Sober or Get Pulled Over Grant - 2013	4,400.00		4,400.00
Langdon Palmer Memorial 2014		2,000.00	2,000.00
	<u>\$ 8,210.79</u>	<u>\$ 9,030.54</u>	<u>\$ 17,241.33</u>

Ref. A

MORRIS COUNTY PARK COMMISSION
COUNTY OF MORRIS
2014
GENERAL CAPITAL FUND

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 967,587.45
Increased by Receipts:		
Capital Improvement Fund		\$ 51,000.00
Interest on Investments		884.57
		51,884.57
		1,019,472.02
Decreased by Disbursements:		
Improvement Authorization Expenditures		889,404.31
Due to Current Fund:		
Interest Earned		884.57
		890,288.88
Balance December 31, 2014	B	\$ 129,183.14

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
ANALYSIS OF CAPITAL CASH

	Balance or (Deficit) Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance or (Deficit) Dec. 31, 2014	
		Miscellaneous		Improvement Authorizations	Miscellaneous	To	From		
Fund Balance	\$ 200,559.37							\$ 200,559.37	
Capital Improvement Fund		\$ 51,000.00					\$ 51,000.00		
Due Current Fund		884.57			\$ 884.57				
			Ord. No.						
<u>Improvement Authorizations:</u>									
Improvements & Renovations of Morris County Park Commission Facilities	204	661.54		\$ 661.54					
Improvement of Morris County Park Commission Facilities	206	11,893.00		11,893.00					
Improvements of Morris County Park Commission Facilities	209	183,121.25		80,737.82				102,383.43	
Improvement of Park Commission Lands	211	113,654.56		79,905.64				33,748.92	
Acquisition of Vehicles and Equipment by the Morris County Park Commission	214	246.84		246.84					
Various Capital Projects Under the Jurisdiction of Morris County Park Commission	215	142,075.52		856.19				141,219.33	
Various Capital Projects for the Morris County Park Commission and Park Police	216	318,845.84		257,875.48				60,970.36	
Various Paving Projects for the Morris County Park Commission	217	(3,470.47)						(3,470.47)	
Purchases for Equipment at Various Morris County Park Commission Locations	218			457,227.80		\$ 36,000.00		(421,227.80)	
Paving Projects at Various Locations at the Morris County Park Commission Locations	219					15,000.00		15,000.00	
		<u>\$ 967,587.45</u>		<u>\$ 51,884.57</u>		<u>\$ 889,404.31</u>	<u>\$ 884.57</u>	<u>\$ 51,000.00</u>	<u>\$ 51,000.00</u>
								<u>\$ 129,183.14</u>	

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Balance Dec. 31, 2014	Analysis of Balance	
					Expended	Unexpended Improvement Authorizations
217	Paving Projects at Various Locations at the Morris County Park Commission Locations	\$ 386,000.00		\$ 386,000.00	\$ 3,470.47	\$ 382,529.53
218	Various Capital Projects Under the Jurisdiction of Morris County Park Commission		\$ 714,000.00	714,000.00	421,227.80	292,772.20
219	Purchases for Equipment at Various Morris County Park Commission Locations		285,000.00	285,000.00		285,000.00
		<u>\$ 386,000.00</u>	<u>\$ 999,000.00</u>	<u>\$ 1,385,000.00</u>	<u>\$ 424,698.27</u>	<u>\$ 960,301.73</u>
	<u>Ref.</u>	B		B		

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

	<u>Ordinance</u>		<u>Balance,</u> <u>December 31, 2013</u>		<u>2014</u> <u>Authorizations</u>	<u>Expended</u>	<u>Balance,</u> <u>December 31, 2014</u>	
	<u>No.</u>	<u>Date</u>	<u>Appropriation</u>	<u>Funded</u>			<u>Unfunded</u>	<u>Funded</u>
Improvements and Renovations of Morris County Park Commission Facilities	204	05/09/07	\$ 1,400,000.00	\$ 661.54		\$ 661.54		
Improvement of Morris County Park Commission Facilities	206	04/23/08	1,700,000.00	11,893.00		11,893.00		
Improvement of Morris County Park Commission Facilities	209	05/27/09	1,400,000.00	183,121.25		80,737.82	\$ 102,383.43	
Improvement of Park Commission Lands	211	05/26/10	1,800,000.00	113,654.56		79,905.64	33,748.92	
Acquisition of Vehicles and Equipment by Park Commission	214	04/11/12	970,000.00	246.84		246.84		
Various Capital Projects Under the Jurisdiction of Morris County Park Commission	215	06/13/12	1,300,000.00	142,075.52		856.19	141,219.33	
Various Capital Projects for the Morris County Park Commission and Park Police	216	04/24/13	825,250.00	318,845.84		257,875.48	60,970.36	
Various Paving Projects for the Morris County Park Commission	217	04/24/13	406,509.00					\$ 382,529.53
Purchases for Equipment at Various Morris County Park Commission Locations	218	05/14/14	750,000.00		\$ 750,000.00	457,227.80		292,772.20
Paving Projects at Various Locations at the Morris County Park Commission Locations	219	06/25/14	300,000.00		300,000.00		15,000.00	285,000.00
			<u>\$ 770,498.55</u>	<u>\$ 382,529.53</u>	<u>\$ 1,050,000.00</u>	<u>\$ 889,404.31</u>	<u>\$ 353,322.04</u>	<u>\$ 960,301.73</u>
	<u>Ref.</u>			B	B		B	B
				Capital Improvement Fund	\$ 51,000.00			
				Deferred Charges to Future Taxation - Unfunded	999,000.00			
					<u>\$ 1,050,000.00</u>			

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

Increased by:

 Received from County in 2014

\$ 51,000.00

Decreased by:

 Appropriated to Finance Improvement Authorizations

\$ 51,000.00

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Issued	Defeased	Matured	Balance Dec. 31, 2014
			Date	Amount						
Park Bonds 2006 Refunding	3/15/2006	\$ 1,516,000.00	3/15/2015	\$ 16,000.00	5.000%	\$ 376,000.00			\$ 360,000.00	\$ 16,000.00
Park Bonds 2007	8/30/2007	2,201,000.00	8/15/2015	210,000.00	4.125%	911,000.00		\$ 491,000.00	210,000.00	210,000.00
Park Bonds 2008	9/19/2008	2,198,000.00	4/15/2015	250,000.00	3.000%	1,073,000.00			250,000.00	823,000.00
			4/15/2016	250,000.00	3.250%					
			4/15/2017	250,000.00	3.500%					
			4/15/2018	73,000.00	3.500%					
Park Bonds 2009	5/18/2009	1,796,000.00	3/15/2015	229,000.00	3.000%	637,000.00			408,000.00	229,000.00

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Issued	Defeased	Matured	Balance Dec. 31, 2014
			Date	Amount						
Park Bonds 2009	7/30/2009	\$ 1,858,000.00	4/15/2015	\$ 250,000.00	2.000%	\$ 1,258,000.00			\$ 100,000.00	\$ 1,158,000.00
			4/15/2016	250,000.00	2.500%					
			4/15/2017-2018	200,000.00	3.000%					
			4/15/2019	258,000.00	3.125%					
Park Bonds 2010	7/29/2010	2,050,000.00	2/15/15-17	230,000.00	5.000%	1,520,000.00			230,000.00	1,290,000.00
			2/15/18-19	300,000.00	5.000%					
Park Bonds 2011	9/22/2011	1,495,000.00	9/15/2015-2018	185,000.00	5.000%	1,125,000.00			185,000.00	940,000.00
			9/15/2019	200,000.00	5.000%					
Park Bonds 2012 Refunding	11/8/2012	476,000.00	2/1/2015	7,000.00	0.500%	411,000.00			367,000.00	44,000.00
			2/1/2016	37,000.00	3.000%					
Park Bonds 2012	12/17/2012	2,875,000.00	12/15/2015	290,000.00	1.500%	2,585,000.00			290,000.00	2,295,000.00
			12/15/2016-2021	290,000.00	2.000%					
			12/15/2022	265,000.00	2.000%					

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Issued	Defeased	Matured	Balance Dec. 31, 2014
			Date	Amount						
Park Bonds 2013	6/20/2013	\$ 1,097,000.00	6/15/2015-2017	\$ 190,000.00	3.000%	\$ 1,097,000.00			\$ 190,000.00	\$ 907,000.00
			6/15/2018	186,000.00	4.000%					
			6/15/2019	151,000.00	3.000%					
Park Bonds 2013B	11/15/2013	785,000.00	11/15/2015-2016	157,000.00	2.000%	785,000.00			157,000.00	628,000.00
			11/15/2017-2018	157,000.00	4.000%					
Park Bonds 2014 Refunding	6/18/2014	485,000.00	8/15/2016	205,000.00	4.000%		\$ 485,000.00		5,000.00	480,000.00
			8/15/2017	275,000.00	4.000%					
						<u>\$ 11,778,000.00</u>	<u>\$ 485,000.00</u>	<u>\$ 491,000.00</u>	<u>\$ 2,752,000.00</u>	<u>\$ 9,020,000.00</u>
					<u>Ref.</u>	<u>B</u>			<u>B</u>	

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 178,280.94
Decreased by:		
Loan Repayments in 2014		19,443.09
Balance December 31, 2014	B	\$ 158,837.85

SCHEDULE OF PRINCIPAL PAYMENTS
OUTSTANDING DECEMBER 31, 2014

Patriots Path/Schooley's Mountain Department of Environmental Protection Loan:

<u>Payment Number</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
25	1/24/2015	2.00%	\$ 9,867.61
26	7/24/2015	2.00%	9,966.28
27	1/24/2016	2.00%	10,065.95
28	7/24/2016	2.00%	10,166.61
29	1/24/2017	2.00%	10,268.27
30	7/24/2017	2.00%	10,370.95
31	1/24/2018	2.00%	10,474.66
32	7/24/2018	2.00%	10,579.41
33	1/24/2019	2.00%	10,685.20
34	7/24/2019	2.00%	10,792.06
35	1/24/2020	2.00%	10,899.98
36	7/24/2020	2.00%	11,008.98
37	1/24/2021	2.00%	11,119.07
38	7/24/2021	2.00%	11,230.26
39	1/24/2022	2.00%	11,342.56
			\$ 158,837.85

MORRIS COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULES OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Balance Dec. 31, 2014
217	Various Paving Projects for the Morris County Park Commission	\$ 386,000.00		\$ 386,000.00
218	Purchases for Equipment at Various Morris County Park Commission Locations		\$ 714,000.00	714,000.00
219	Paving Projects at Various Locations at the Morris County Park Commission Locations		285,000.00	285,000.00
		<u>\$ 386,000.00</u>	<u>\$ 999,000.00</u>	<u>\$ 1,385,000.00</u>

MORRIS COUNTY PARK COMMISSION
COUNTY OF MORRIS
2014
TRUST FUNDS

MORRIS COUNTY PARK COMMISSION
PARK IMPROVEMENT TRUST FUND
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance December 31, 2013	C		\$ 6,158,998.61
Increased by:			
2014 Tax Assessment		\$ 2,234,222.68	
Refunds and Reimbursements		17,275.00	
FEMA Reimbursement		805.49	
Interest Earned on Investments		10,143.29	
		<hr/>	<hr/>
			2,262,446.46
			<hr/>
			8,421,445.07
Decreased by:			
Reserve for Park Improvement Trust Account			<hr/>
			2,644,889.67
Balance December 31, 2014	C		<hr/> <hr/>
			\$ 5,776,555.40

MORRIS COUNTY PARK COMMISSION
PARK TRUST FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 1,092,456.96
Receipts:		
Bamboo Brook Restoration Project		\$ 500.00
Willowwood (Henry Tubbs)		17,498.00
Friends of the Frelinghuysen Arboretum		300.00
Egers Memorial Garden		450.00
Equipment and Vehicle Replacement		18,001.84
Trail Recreation		1,000.00
Butterfly Garden Fund		300.00
Giralda Farms Stewardship		25,000.00
Memorial Donations		2,500.00
Willowwood		450.00
Utility Improvement Incentive		733.65
Promotional Public Programs		75.00
Recreational Programming		27,150.00
Snow Removal Reserve Trust		25,000.00
Investment Interest		1,230.43
		120,188.92
		1,212,645.88
Disbursements:		
Bamboo Brook Restoration Project		791.43
Willowwood (Henry Tubbs)		7,269.69
Hammond Wildflower Trail		156.00
Cottage Gift Shop		7,376.45
Friends of Frelinghuysen Arboretum		5,783.96
Horticultural Educational Programming		628.09
Egers Memorial Garden		8,655.18
Environmental Education Trust		2,499.59
Memorial Donations		450.19
Braille Trail Fund		7.20
Willowwood		544.15
Equipment & Vehicle Replacement		17,857.19
Natural Resource Restoration		3,324.13
Natural Resource-PSE&G		30,542.11
Promotional Public Programs		82,785.98
Golf Now Contributions		1,701.40
Recreational Programming		76,015.88
		246,388.62
Balance December 31, 2014	C	\$ 966,257.26

MORRIS COUNTY PARK COMMISSION
RESTRICTED TRUST FUNDS
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 226,449.62
Receipts:		
Deposits		\$ 5,936.49
Interest on Investments		586.05
		<u>6,522.54</u>
		<u>232,972.16</u>
Disbursements:		
Maintenance and Improvements		<u>70.00</u>
Balance December 31, 2014	C	<u><u>\$ 232,902.16</u></u>

MORRIS COUNTY PARK COMMISSION
PARK IMPROVEMENT TRUST FUND
SCHEDULE OF RESERVE FOR PARK IMPROVEMENTS

Account Number	Description	Balance Dec. 31, 2013	Additions	Prior Year Encumbrances Returned	Disbursements	Current Year Encumbrances	Balance Dec. 31, 2014
Q-701	Restoration of Historic Cooper Mill Including the Flume, Waterwheel, Power System and Stone Wall	\$ 76,308.97	\$ 20,000.00		\$ 1,379.35		\$ 94,929.62
Q-702	Seek Design Proposal and Permits for Stream Stabilization to Protect Drakes Brook	7,400.53					7,400.53
Q-703	Construction of a Heated Restroom & Shower Facility in the Tent Camping Area at MDR	162,456.82	55,000.00		19,912.51		197,544.31
Q-704	Restore the Main Stable and Hayloft and Renovate Office/Residence of the Seaton Hackney Stables	67,736.79	40,000.00	\$ 12,007.50	15,550.00		104,194.29
Q-705	Bamboo Brook Garden Restoration		25,875.00	64,496.17	68,410.33	\$ 2,092.02	19,868.82
Q-706	Dam Safety at Silas Condict Park and Cooper Mill	599.72					599.72
Q-707	Design and Construction of Recreation Fields at Staffing Rock Rill Reservation	100,690.57	41,400.00		31,594.68	972.00	109,523.89
Q-708	Improvements to Cultural Center at Lewis Morris Park	2,725.12	185,000.00		146,522.93	10,600.00	30,602.19
Q-710	Reconstruction of Park Roadways and Parking Areas	180,628.77	150,000.00	60,303.95	390,932.72		
Q-712	Improvement of Dams and Lake Desiltation	112,845.53					112,845.53
Q-713	Renovations to Carriage House at the Arboretum	51,140.14	25,000.00	32,562.57	34,992.35		73,710.36
Q-715	Playground Improvements at Various Parks	95,678.74	90,000.00	38,000.00	26,102.12	20,900.00	176,676.62
Q-716	Improvements at Mennen Sports Arena	378,235.05		18,000.00	123,285.28	450.00	272,499.77
Q-717	Recreation Trail Improvements	20,227.24	120,000.00		49,387.12		90,840.12
Q-718	Utility Systems Upgrade	100,584.06	50,000.00	3,150.00	137,693.64		16,040.42
Q-719	Roof Repairs and Renovations	85,121.93	75,000.00		69,940.77	4,188.18	85,992.98
Q-720	Park System Sign Replacement Program	163,919.13	60,000.00		11,774.13		212,145.00
Q-722	Golf Shop Renovations	55,497.29	50,000.00		26,729.90		78,767.39
Q-724	Water Well Improvements/Closures	79,796.91	25,000.00	14,850.00	15,750.24	1,334.50	102,562.17
Q-725	Lee's County Park Marina Boat Slip Renovation	82,020.58			2,219.35	618.59	79,182.64
Q-726	Snowmobile Renovations	552.62					552.62
Q-727	Pyramid Mountain Visitors Center	48,264.87	45,000.00				93,264.87
Q-728	Alternate Power Supply Installation	157,920.36				7,198.04	150,722.32
Q-729	Willowood Stone Cottage	71,486.57	25,000.00				96,486.57
Q-730	Sunset Valley Golf Course Bunker and Tee Improvements	139,948.75		60,581.66	8,896.14	48,362.50	143,271.77

MORRIS COUNTY PARK COMMISSION
PARK IMPROVEMENT TRUST FUND
SCHEDULE OF RESERVE FOR PARK IMPROVEMENTS
(Continued)

Account Number	Description	Balance Dec. 31, 2013	Additions	Prior Year Encumbrances Returned	Disbursements	Current Year Encumbrances	Balance Dec. 31, 2014
Q-732	Irrigation System at Sunset Valley Golf Course	\$ 5,043.73					\$ 5,043.73
Q-735	Irrigation System at Flanders Golf Course		\$ 345,000.00	\$ 388,616.75	\$ 223,333.73	\$ 16,492.87	493,790.15
Q-736	Berkshire Valley Golf Course	68,231.52			24,701.72		43,529.80
Q-737	Golf Maintenance Facility Improvements	71,276.50	25,000.00		93,314.86		2,961.64
Q-738	Park Maintenance Facility Improvements	173,750.07	75,000.00	7,700.00	34,731.73	2,808.36	218,909.98
Q-740	Lewis Morris Park - Sunrise Lake	237,145.99			12,985.54		224,160.45
Q-741	Fosterfields Renovations	168,240.21		118,727.00	99,561.84	30,450.00	156,955.37
Q-742	Great Swamp OES	96,336.40	35,000.00		16,696.83	40.94	114,598.63
Q-743	Frelinghuysen Arboretum Site and Garden Improvements	193,525.27	25,000.00	1,926.99	107,627.00	8,311.28	104,513.98
Q-744	Garden Restorations	91,901.36			3,575.60		88,325.76
Q-745	Picnic Shelters	282,478.51	90,000.00		105,857.29	1,824.37	264,796.85
Q-746	Pinch Brook Golf Course Improvements	10,006.62	60,000.00	60,298.61	27,136.77	52,000.00	51,168.46
Q-747	Berkshire Valley Golf Course Improvements	17,167.86	60,000.00		37,018.68		40,149.18
Q-748	Flanders Valley Golf Course Improvements	22,658.26	85,000.00		53,453.76		54,204.50
Q-749	Sunset Valley Golf Course Improvements	403,518.38	60,000.00	14,000.00	37,402.30	14,000.00	426,116.08
Q-750	Campground Improvements - MDR	88,459.17			5,072.70		83,386.47
Q-751	Kay Center Improvements	76,196.93			48,140.99	1,715.68	26,340.26
Q-752	Natural Resources Improvements	51,084.02	55,000.00	80,758.00	58,019.79	50,000.00	78,822.23
Q-753	Improvements to Craigmear	38,327.28					38,327.28
Q-754	Mount Hope Miners Church	127,236.50	150,000.00	4,755.00	1,143.70	6,755.00	274,092.80
Q-755	Historic Speedwell Improvement	1.53	15,000.00	33,558.10	27,253.10		21,306.53
Q-756	Safety and Security Improvements	70,554.18		15,749.00	71,176.49		15,126.69
Q-757	Central Park Improvements	44,749.54	45,000.00	8,097.00	95,186.60		2,659.94
Q-758	ADA Improvements	100,481.66	100,000.00	22,108.20	30,776.82	1,352.62	190,460.42
Q-759	Park System Facility and Grounds Improvements	57,600.10	10,000.00	182,671.50	248,842.78	920.00	508.82
		<u>\$ 4,737,758.65</u>	<u>\$ 2,317,275.00</u>	<u>\$ 1,242,918.00</u>	<u>\$ 2,644,084.18</u>	<u>\$ 283,386.95</u>	<u>\$ 5,370,480.52</u>
	Ref.	C		C		C	C
				Cash Disbursements	\$ 2,644,889.67		
				Less: FEMA Reimbursement	805.49		
					<u>\$ 2,644,084.18</u>		

MORRIS COUNTY PARK COMMISSION
PARK TRUST FUND
SCHEDULE OF RESERVE FOR PARK TRUST

Park Trust Fund:	Balance Dec. 31, 2013	Increased By			Decreased By		Balance Dec. 31, 2014
		Cash Receipts	Encumbrances Returned	Interest Allocated	Cash Disbursed	Encumbrances Payable	
Accumulated Absence Liability	\$ 50,000.00						\$ 50,000.00
Jonathan Woods	23,808.53						23,808.53
Bamboo Brook Restoration Project	642.47	\$ 500.00			\$ 791.43	\$ 40.70	310.34
Henry Tubbs	106,899.46	17,498.00	\$ 135.00		7,269.69		117,262.77
Frelinghuysen Arboretum	199,057.95			\$ 1,045.86			200,103.81
Giralda Farms Stewardship		25,000.00					25,000.00
Hammond Wildflower Trail	13,248.85			37.46	156.00		13,130.31
Scherer Garden Trust	29,487.41						29,487.41
Cottage Gift Shop	12,625.77			75.72	7,376.45		5,325.04
Horticulture Educational Programming	31,000.00				628.09		30,371.91
Pyramid Mountain	60,843.24						60,843.24
Friends of the Frelinghuysen Arboretum	34,680.55	300.00	1,300.00		5,783.96	900.00	29,596.59
Egers Memorial Garden	11,044.20	450.00			8,655.18		2,839.02
Equipment and Vehicle Replacement	9,188.94	18,001.84			17,857.19		9,333.59
Ruth Gilbert Memorial Fund	12,045.44			44.63			12,090.07
Clark Crescent Garden	2,205.08						2,205.08
Trail Recreation	202.01	1,000.00					1,202.01
Community Foundation of New Jersey	1,664.36						1,664.36
Environmental Education Trust	81,616.22				2,499.59		79,116.63
Columbia Gas Transmission	4,000.00						4,000.00
Butterfly Garden Fund	529.25	300.00					829.25
Henderson Scholarship	6,315.18			26.76			6,341.94
Memorial Donations	32,561.22	2,500.00			450.19		34,611.03
Braille Trail Fund	900.00				7.20		892.80
Restoration of The Willowood Conservatory	11,670.00						11,670.00
Land Diversions	44,000.00						44,000.00
Willowood	15,261.89	450.00			544.15		15,167.74
Natural Resource Restoration	9,637.20				3,324.13		6,313.07
Natural Resource -PSE&G	38,802.60				30,542.11	375.00	7,885.49
Utility Improvement Incentive	29,465.19	733.65					30,198.84
Promotional Public Programs	85,545.54	75.00	12,348.00		82,785.98	3,292.80	11,889.76
Recreational Programming	89,091.44	27,150.00			76,015.88	26,220.45	14,005.11
Snow Removal	20,633.97	25,000.00					45,633.97
Golf Now Contributions	10,000.00				1,701.40		8,298.60
	<u>\$ 1,078,673.96</u>	<u>\$ 118,958.49</u>	<u>\$ 13,783.00</u>	<u>\$ 1,230.43</u>	<u>\$ 246,388.62</u>	<u>\$ 30,828.95</u>	<u>\$ 935,428.31</u>

Ref.

C

C

MORRIS COUNTY PARK COMMISSION
RESTRICTED TRUST FUND
SCHEDULE OF RESERVE FOR RESTRICTED TRUST FUNDS

	<u>Ref.</u>	<u>Total</u>	<u>Park Police Trust Fund</u>	<u>Caroline Foster Trust</u>
Balance December 31, 2013	C	\$ 226,069.62	\$ 7,388.10	\$ 218,681.52
Increased by:				
Donations		5,936.49	936.49	5,000.00
Interest		586.05	9.71	576.34
Encumbrances Returned		380.00		380.00
		<u>6,902.54</u>	<u>946.20</u>	<u>5,956.34</u>
Decreased by:				
Due Current Fund		760.00		760.00
Deposit Slip Fee		70.00		70.00
		<u>830.00</u>	<u>-</u>	<u>830.00</u>
Balance December 31, 2014	C	<u>\$ 232,142.16</u>	<u>\$ 8,334.30</u>	<u>\$ 223,807.86</u>

MORRIS COUNTY PARK COMMISSION

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

MORRIS COUNTY PARK COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Name of Federal Agency or Department	Name of Program	State Account Number	CFDA No.	Grant Award Amount	Grant Period		Current Year		Total Cumulative Expenditures
					From	To	Receipts	Expenditures	
U.S. Department of Homeland Security - Federal Emergency Management Agency - (Passed through the NJ Department of Law and Public Safety)	Disaster Grants- Public Assistance Hurricane Sandy	N/A	97.036	\$ 805.49	1/1/2012	12/31/2014	\$ 805.49	\$ 805.49	\$ 805.49
Total U.S. Department of Homeland Security							805.49	805.49	805.49
U.S. Department of Transportation - (Passed through the NJ Department of Law and Public Safety)	Click It or Ticket It	100-066-1160-142YHTS-6010	20.604	\$ 4,000.00	1/1/2014	12/31/2014	4,000.00	4,000.00	4,000.00
Total U.S. Department of Transportation							4,000.00	4,000.00	4,000.00
Total Federal Awards							\$ 4,805.49	\$ 4,805.49	\$ 4,805.49

N/A - Not Available

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

MORRIS COUNTY PARK COMMISSION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2014

Name of State Agency or Department	Name of Program	State Account No.	Grant Award Amount	Grant Period		Current Year		Total Cumulative Expenditures
				From	To	Receipts	Expenditures	
Department of Law and Public Safety	2011 Body Armor Grant	718-066-1020-	\$ 3,056.22	1/1/2011	12/31/2014		\$ 826.49	\$ 3,056.22
	2012 Body Armor Grant	001-6120	3,126.97	1/1/2012	12/31/2014		3,126.97	3,126.97
	2013 Body Armor Grant		3,810.79	1/1/2013	12/31/2015		3,160.59	3,160.59
	2014 Body Armor Grant		3,030.54	1/1/2014	12/31/2015	\$ 3,030.54		
			<u>13,024.52</u>			<u>3,030.54</u>	<u>7,114.05</u>	<u>9,343.78</u>
New Jersey Historic Trust	Historical Trust - 2011	8049-001-	659,400.00	1/1/2011	12/31/2015	53,903.03	39,096.76	642,362.00
	Historical Trust - 2012	F000-6110	40,930.00	1/1/2012	12/31/2015	32,744.00	31,126.58	31,126.58
Total New Jersey Historic Trust			<u>700,330.00</u>			<u>86,647.03</u>	<u>70,223.34</u>	<u>673,488.58</u>
Department of State	2013 General Operating Support Grant	2540-105-	69,607.00	1/1/2013	12/31/2014	34,803.50	55,119.81	69,607.00
	2014 General Operating Support Grant	S003-6110	69,607.00	1/1/2014	12/31/2015	34,803.50	1,857.00	1,857.00
Total Department of State			<u>139,214.00</u>			<u>69,607.00</u>	<u>56,976.81</u>	<u>71,464.00</u>
Total State Awards						<u>\$ 159,284.57</u>	<u>\$ 134,314.20</u>	<u>\$ 754,296.36</u>

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

MORRIS COUNTY PARK COMMISSION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2014

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Morris County Park Commission under programs of the federal and state governments for the year ended December 31, 2014. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 4-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operation of the Commission, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Commission.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 4: GREEN ACRES LOANS PAYABLE

At December 31, 2014, the County had \$158,837.85 of Green Acres Loans Payable outstanding which are recorded in the Park Capital Fund. The projects which relate to the loans are completed and there were no current year receipts or expenditures on any of the loans.

MORRIS COUNTY PARK COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2014

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Commission's financial statements prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Commission which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Commission was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey's OMB Circular 04-04 for the year ended December 31, 2014 as both state and federal grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.



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

Independent Auditors' Report

The Honorable Members
 of the Park Commission
 Morris County Park Commission
 Morristown, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Morris County Park Commission, in the County of Morris (the "Commission") as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated March 30, 2015. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division, to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable Members
of the Park Commission
Morris County Park Commission
Page 2
March 30, 2015

Compliance and Other Matters

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

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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
March 30, 2015



NISIVOCIA LLP



David H. Evans
Certified Public Accountant
Registered Municipal Accountant No. 98

MORRIS COUNTY PARK COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2014

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

MORRIS COUNTY PARK COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2014

The Commission had no findings or questioned costs in the year ended December 31, 2013.

MORRIS COUNTY PARK COMMISSION

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

MORRIS COUNTY PARK COMMISSION
COMMENTS AND RECOMMENDATIONS

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

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

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

MORRIS COUNTY PARK COMMISSION
COMMENTS AND RECOMMENDATIONS
(Continued)

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

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

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

New Jersey Administrative Code Accounting Requirements

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

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

The Commission maintains encumbrance, fixed assets and general ledger accounting systems.

MORRIS COUNTY PARK COMMISSION
SUMMARY OF RECOMMENDATIONS

None