

**TOWNSHIP OF OXFORD
COUNTY OF WARREN
STATE OF NEW JERSEY**

**REPORT OF AUDIT
DECEMBER 31, 2012**

TOWNSHIP OF OXFORD

TABLE OF CONTENTS

PART I - REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

<u>AUDITORS' REPORTS</u>		<u>PAGE</u>
Independent Auditor's Report		2-4
<u>FINANCIAL STATEMENTS</u>		5
<u>CURRENT FUND</u>	<u>EXHIBIT</u>	
Comparative Balance Sheet	A	6-7
Comparative Statement of Operations and Change in Fund Balance	A-1	8
Statement of Revenues	A-2	9-12
Statement of Expenditures	A-3	13-18
<u>TRUST FUND</u>		
Comparative Balance Sheet	B	19
<u>GENERAL CAPITAL FUND</u>		
Comparative Balance Sheet	C	20
Schedule of Fund Balance	C-1	21
<u>SEWER UTILITY FUND</u>		
Comparative Balance Sheet	D	22
Comparative Statement of Operations and Change in Fund Balance	D-1	23
Statement of Revenues	D-2	24
Statement of Expenditures	D-3	25
<u>PUBLIC ASSISTANCE FUND</u>		
Comparative Balance Sheet	E	26
<u>GENERAL FIXED ASSETS</u>		
Statement of General Fixed Assets	F	27
<u>NOTES TO FINANCIAL STATEMENTS</u>		28-44

TOWNSHIP OF OXFORD

TABLE OF CONTENTS

PART II - SUPPLEMENTARY INFORMATION

<u>CURRENT FUND</u>	<u>EXHIBIT</u>	<u>PAGE</u>
Schedule of Cash – Treasurer	A-4	45
Schedule of Cash - Collector	A-5	46
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	47
Schedule of Tax Title Liens	A-7	48
Schedule of Property Acquired for Taxes (at Assessed Valuation)	A-8	49
Schedule of Revenue Accounts Receivable	A-9	50
Schedule of Appropriation Reserves - 2011	A-10	51
Schedule of Reserve for Encumbrances	A-11	52
Schedule of Taxes Collected in Advance	A-12	53
Schedule of Tax Overpayments	A-13	54
Schedule of County Taxes Payable	A-14	55
Schedule of Local District School Tax Payable	A-15	56
Schedule of Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-16	57
Schedule of State/Federal Grants Receivable	A-17	58
Schedule of Appropriated Reserves for State Grants	A-18	59
Schedule of Unappropriated Reserves for State Grants	A-19	60
Schedule of Various Reserves	A-20	61
Schedule of Reserve for Amount Due State - Marriage License Fees	A-21	62
Schedule of Reserve for Outside Lien Holders	A-22	63
<u>TRUST FUND</u>	<u>EXHIBIT</u>	<u>PAGE</u>
Schedule of Cash - Treasurer	B-2	64
Schedule of Reserve for Dog Fund Expenditures	B-3	65
Schedule of Amount Due to State of New Jersey Department of Health	B-4	66
Schedule of Amount Due Current Fund - Dog License Fund	B-5	67
Schedule of Amount Due Current Fund - Other Trust Funds	B-6	68
Schedule of Reserve for Tax Sale Premiums	B-7	69
Schedule of Reserve for Developer's Escrow Trust Deposits	B-8	70
Schedule of Reserve for Payroll Trust Fund Deposits	B-9	71
Schedule of Reserve for Tot Lot Escrow Trust Deposits	B-10	72
Schedule of Reserve for COAH Trust Deposits	B-11	73
Schedule of Reserve for Unemployment Trust Fund Deposits	B-12	74
Schedule of Lake Trust	B-13	75

TOWNSHIP OF OXFORD

TABLE OF CONTENTS

PART I I - SUPPLEMENTARY INFORMATION

<u>GENERAL CAPITAL FUND</u>	<u>EXHIBIT</u>	<u>PAGE</u>
Schedule of Cash - Treasurer	C-2	76
Schedule of Amount Due Current Fund	C-3	77
Schedule of Deferred Charges to Future Taxation-Funded	C-4	78
Schedule of Deferred Charges to Future Taxation-Unfunded	C-5	79
Schedule of Capital Improvement Fund	C-6	80
Schedule of Bond Anticipation Notes Payable	C-7	81
Schedule of Improvement Authorizations	C-8	82
Schedule of Green Trust Loan	C-9	83
Schedule of Economic Development Authority Loan Program	C-10	84
Schedule of Various Reserves	C-11	85
Schedule of Serial Bonds Payable	C-12	86
<u>SEWER UTILITY FUND</u>	<u>EXHIBIT</u>	<u>PAGE</u>
Schedule of Cash - Treasurer	D-4	87
Schedule of Cash - Collector	D-5	88
Schedule of Consumer Accounts Receivable	D-6	89
Schedule of Appropriation Reserves-2011	D-7	90
Schedule of Amount Due Current Fund	D-8	91
Schedule of Prepaid User Fees	D-9	92
Schedule of Fixed Capital	D-10	93
Schedule of Loans Payable	D-11	94
Schedule of Improvement Authorizations	D-12	95
<u>PUBLIC ASSISTANCE FUND</u>		
Schedule of Cash - Treasurer	E-1	96
<u>GENERAL FIXED ASSETS</u>		
Schedule of Additions and Deletions	F-1	97

PART I I I - SUPPLEMENTARY INFORMATION

	<u>PAGE</u>
General Comments	98-106
Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	107-108
Schedule of Federal/State Awards	109-110
Notes to Federal/State Awards	111
Status of Prior Audit Findings	112-113
Schedule of Findings and Responses	114-115

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2012

AUDITORS' REPORTS



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Oxford
County of Warren, New Jersey
11 Green Street
Oxford, New Jersey 07863

Report on the Financial Statements

We have audited the accompanying balance sheets-regulatory basis of the various funds of the Township of Oxford as of December 31, 2012 and 2011, and the related statements of operations and changes in fund balance-regulatory basis for the year then ended and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year then ended. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with generally accepted auditing standards in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

-Continued-

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

As described in Note 1, the Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the fifth paragraph, the financial statements referred to above do not present fairly the respective financial position of the Township of Oxford at December 31, 2012 and 2011, or the results of its operations, in conformity with generally accepted accounting principles in the United States of America.

However, in our opinion, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Township, as of December 31, 2012 and 2011, and the results of operations and changes in fund balance-regulatory basis of such funds for the year then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year then ended, on the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

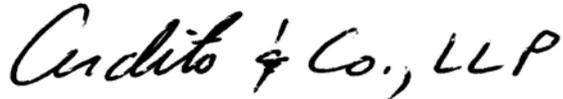
In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1 to the financial statements.

-Continued-

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 30, 2013, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 with the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP

A handwritten signature in black ink that reads "Ardito & Co., LLP". The script is cursive and fluid.

Frenchtown, New Jersey

April 30, 2013

A handwritten signature in black ink that reads "Anthony Ardito". The script is cursive and fluid.

Certified Public Accountant

Registered Municipal Accountant No.524

ARDITO & CO., LLP

Frenchtown, New Jersey

April 30, 2013

FINANCIAL STATEMENTS

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 1

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>12/31/11</u>
Cash And Cash Equivalents:			
Cash - Treasurer	A-4	\$ 1,423,899	\$ 823,877
Subtotal		<u>1,423,899</u>	<u>823,877</u>
Receivables And Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	129,820	147,236
Tax Title Liens Receivable	A-7	732,836	655,901
Property Acquired for Taxes	A-8	1,141,400	1,141,400
Revenue Accounts Receivable	A-9	53,891	112,798
Amount Due From Dog License Fund	B	288	-
Amount Due From Other Trust	B	4,558	7,905
Amount Due From Public Assistance Fund	E	17	66
Subtotal		<u>2,062,810</u>	<u>2,065,306</u>
Federal And State Grant Fund:			
Amount Due From Current Fund	A	140,343	39,971
Federal/State Grants Receivable	A-17	45,194	-
Deferred Charge - Overexpenditure	A-18	-	1,200
Subtotal		<u>185,537</u>	<u>41,171</u>
TOTAL ASSETS		<u>\$ 3,672,246</u>	<u>\$ 2,930,354</u>

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

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 2

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>12/31/11</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Appropriation Reserves	A-3:10	\$ 198,404	\$ 143,315
Encumbrances	A-11	36,141	-
Amount Due To Grants Fund	A	140,343	39,971
Amount Due To Dog Fund	B	-	1,683
Amount Due To Other Trust	B	71,300	51,500
Amount Due To General Capital Fund	C	499,876	223,767
Amount Due To Sewer Operating Fund	D	2,840	52,910
Taxes Collected In Advance	A-12	24,827	19,257
Tax Overpayments	A-13	827	999
County Taxes Payable	A-14	4,718	1,273
Local District School Taxes Payable	A-15	68,842	-
Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-16	3,630	3,630
Reserve for Revaluation	A-20	18,164	9,450
Amount Due to State of New Jersey for Marriage License Fees	A-21	100	25
Subtotal		<u>1,070,012</u>	<u>547,780</u>
Reserve For Receivables And Other Assets	A	2,062,810	2,065,306
Fund Balance	A-1	<u>353,887</u>	<u>276,097</u>
Subtotal		<u>3,486,709</u>	<u>2,889,183</u>
Federal And State Grant Fund:			
Reserve For State Grants - Appropriated	A-18	181,004	37,867
Reserve For State Grants - Unappropriated	A-19	<u>4,533</u>	<u>3,304</u>
Subtotal		<u>185,537</u>	<u>41,171</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 3,672,246</u>	<u>\$ 2,930,354</u>

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

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE

		A-1	
REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> 2012	<u>YEAR</u> 2011
Fund Balance Utilized	A-2	\$ 237,193	\$ 247,976
Miscellaneous Revenue Anticipated	A-2	1,368,135	1,315,906
Receipts From Delinquent Taxes	A-2	141,154	157,900
Receipts From Current Taxes	A-2	5,605,747	5,370,226
Non-Budget Revenues	A-2	32,041	92,897
<u>Other Credits To Income:</u>			
Unexpended Balance of Appropriation Reserves	A-10	110,371	59,826
Grant Cancelations	A-18	85	4,884
Interfunds Returned		<u>10,590</u>	<u>574</u>
TOTAL INCOME		<u>7,505,316</u>	<u>7,250,189</u>
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	418,032	454,150
Other Expenses	A-3	1,288,075	1,302,225
Deferred Charges and Statutory Expenditures	A-3	78,064	138,555
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	270	553
Other Expenses	A-3	37,573	36,730
Capital Improvements	A-3	171,500	31,500
Municipal Debt Service	A-3	36,082	61,917
Deferred Charges and Statutory Expenditures	A-3	36,200	70,000
County Taxes	A-14	1,446,095	1,401,642
Amount Due County For Added and Omitted Taxes	A-14	4,718	1,273
Local District School Taxes	A-15	3,667,557	3,561,231
Refund of Prior Year Revenue	A-4	6,087	2,200
Interfund Advances		<u>80</u>	<u>7,789</u>
TOTAL EXPENDITURES		<u>7,190,333</u>	<u>7,069,765</u>
Excess (Deficit) Revenue Over Expenditures		314,983	180,424
Statutory Excess to Fund Balance		314,983	180,424
Fund Balance January 1	A	<u>276,097</u>	<u>343,649</u>
		591,080	524,073
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>237,193</u>	<u>247,976</u>
Fund Balance December 31	A	<u>\$ 353,887</u>	<u>\$ 276,097</u>

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 1

	<u>REF.</u>	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>DEFICIT</u>
Anticipated Surplus-Cash Surplus	A-1	\$ 237,193		\$ 237,193	
Miscellaneous Revenues					
LOCAL REVENUES:					
Alcoholic Beverages Licenses	A-9	3,000		3,484	\$ 484
Municipal Court Fines and Costs	A-9	18,000		16,169	(1,831)
Interest and Costs On Taxes	A-5	29,000		28,547	(453)
Interest on Investments and Deposits	A-9	2,500		2,817	317
In Lieu Taxes - Oxford Heritage	A-9	21,000		5,216	(15,784)
Trailer Park Fees	A-5	16,000		19,930	3,930
Host Community Benefits-Refuse Center	A-9	597,100		608,874	11,774
TOTAL LOCAL REVENUES		<u>686,600</u>		<u>685,037</u>	<u>(1,563)</u>
STATE AID REVENUES:					
Consolidated Municipal Property Tax Relief Aid	A-9	11,189		11,189	
Energy Receipts Tax	A-9	167,309		167,309	
TOTAL STATE AID REVENUES		<u>178,498</u>		<u>178,498</u>	

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 2

	<u>REF.</u>	<u>ANTICIPATED</u>		<u>REALIZED</u>	<u>EXCESS OR</u> <u>DEFICIT</u>
		<u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>		
FEDERAL AND STATE GRANT REVENUES:					
Recycling Tonnage Grant	A-17	2,319		2,319	
Clean Communities Grant	A-17	4,935		4,935	
Municipal Alliance on Alcoholism and Drug Abuse	A-17	5,719		5,719	
Alcohol Education and Rehabilitation Grant	A-17	270		270	
NJDOT-Buckley Avenue	A-17		140,000	140,000	
Country Colonial Church Grant	A-17		17,400	17,400	
Private Donations	A-17		2,000	2,000	
Total Federal and State Grant Revenues		13,243	159,400	172,643	
Other Special Items:					
Sewer Utility Operating Surplus	A-9	34,339		34,339	-
Cell Tower Rent	A-9	65,000		88,641	23,641
General Capital Fund Balance	A-9	33,977		33,977	-
Solid Waste Collection Fee	A-9	175,000		175,000	-
Total Special Items Of Revenues		308,316		331,957	23,641
TOTAL MISCELLANEOUS REVENUES	A-2	1,186,657	159,400	1,368,135	22,078
RECEIPTS FROM DELINQUENT TAXES	A-6.7	155,000		141,154	(13,846)
Amount To be Raised by Taxes For Support Of Municipal Budget:					
Local Tax For Municipal Purposes	A-2	673,877		726,253	52,376
Total General Revenues		2,252,727	159,400	2,472,735	60,608
Non-Budget Revenues:					
Other Non-Budget Revenues	A-2			32,041	32,041
		\$ 2,252,727	\$ 159,400	\$ 2,504,776	\$ 92,649

A-3

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 3

REF.

ANALYSIS OF REALIZED REVENUES

Allocation Of Current Tax Collections:

Revenue from Collections		\$ 5,579,247
State of New Jersey, Senior Citizens and Veterans Deductions		<u>26,500</u>
	A-1	5,605,747

Allocated To:

School and County Taxes		<u>5,118,370</u>
Deficiency Supported by Municipal Revenues		487,377
Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"	A-3	<u>238,876</u>

Amount For Support Of Municipal Budget Appropriations

A-2 \$ 726,253

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 4

ANALYSIS OF NON-BUDGET REVENUES	<u>REF.</u>		
Miscellaneous Revenue Not Anticipated:			
Treasurer:			
Subdivision Fees		\$ 1,800	
Certified Copies		554	
Marriage Licenses		45	
Zoning Fees		496	
Recycling Fees		931	
Cable TV Fees		7,637	
Refunds		8,209	
Gun Club Lease		4,200	
Oxford Land Rent		500	
Miscellaneous		2,037	
Hurricane Irene Reimbursements		1,429	
Driveway Fees		450	
Sale of Municipal Property	A-4	975	\$ 29,263
 Collector:			
Miscellaneous	A-5	2,778	2,778
			\$ 32,041

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 1

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u> <u>CANCELED</u>
GENERAL GOVERNMENT FUNCTIONS:				
General Administration:				
Salaries and Wages:				
Governing Body	\$ 13,056	\$ 13,056	\$ 12,698	\$ 358
Municipal Clerk	60,639	60,639	59,134	1,505
Other Expenses:				
Computerization	8,500	8,500	7,562	938
Miscellaneous Other Expenses	30,600	30,600	27,257	3,343
Election:				
Other Expenses	7,500	7,500		7,500
Financial Administration (Treasury):				
Salaries and Wages	21,267	21,267	20,777	490
Other Expenses	6,500	6,500	4,262	2,238
Audit Services:				
Other Expenses	15,000	15,000	13,375	1,625
Revenue Administration (Tax Collection):				
Salaries and Wages	14,637	14,637	14,029	608
Other Expenses	7,174	7,174	3,763	3,411
Tax Assessment Administration:				
Salaries and Wages	16,131	16,131	15,729	402
Other Expenses	2,562	2,562	539	2,023
Legal Services (Legal Dept.):				
Other Expenses	30,000	30,000	20,177	9,823
Engineering Services:				
Other Expenses	25,000	54,284	54,027	257

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 2

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	16,728	16,728	13,727	3,001	
Other Expenses:					
Legal Services	4,000	4,000	188	3,812	
Miscellaneous Other Expenses	3,000	3,000	1,504	1,496	
Public Defender:					
Salaries and Wages	1,530	1,530	600	930	
Zoning Costs:					
Salaries and Wages	3,555	3,555	3,452	103	
Other Expenses	100	100		100	
Municipal Court:					
Other Expenses	48,986	48,986	48,986		
INSURANCE:					
General Liability Insurance	37,997	37,997	37,392	605	
Workmens' Compensation Insurance	28,276	28,992	28,992		
Employee Group Insurance	132,000	132,000	116,041	15,959	
PUBLIC SAFETY FUNCTIONS:					
Police:					
Salaries and Wages	9,180	9,180	7,414	1,766	
Other Expenses:					
Other Expenses	1,000	1,000		1,000	
Miscellaneous Other Expenses - Washington Twp. Services	535,000	535,000	535,000		
Aid to Volunteer Fire Companies	23,000	23,000	23,000		
Truck Rental Payment	41,038	41,038	41,038		
Contribution to First Aid Organizations	30,000	30,000	30,000		
Office of Emergency Management:					
Salaries and Wages	1,734	1,734	1,692	42	
Other Expenses	100	100		100	

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 3

<u>OPERATIONS-Within "CAPS"</u>	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
PUBLIC WORKS FUNCTIONS:					
Streets and Road Maintenance:					
Salaries and Wages	256,000	225,761	194,690	31,071	
Other Expenses	56,000	36,000	23,297	12,703	
Recycling Program:					
Salaries and Wages	816	816	784	32	
Buildings and Grounds:					
Salaries and Wages	4,080	4,080	2,098	1,982	
Other Expenses	20,000	40,000	25,123	14,877	
Vehicle Maintenance:					
Other Expenses	12,400	12,400	11,915	485	
 HEALTH AND HUMAN SERVICES FUNCTIONS:					
Public Health Services (Board of Health):					
Salaries and Wages	510	510		510	
Other Expenses	100	100		100	
Animal Control:					
Salaries and Wages	2,040	2,398	2,398		
Other Expenses	1,000	642		642	
 PARK AND RECREATION FUNCTIONS:					
Recreation Services:					
Salaries and Wages	26,010	26,010	-	26,010	
Other Expenses:					
Contribution - Oxford Youth Assoc.	10,000	10,000	10,000		
Contribution - Young at Heart Club	800	800	800		
Miscellaneous Other Expenses	7,500	7,500	-	7,500	

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 4

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity and Street Lighting	55,000	55,000	51,093	3,907	
Telephone (excluding equipment acquisition)	10,000	10,000	5,515	4,485	
Natural Gas/Propane	10,000	10,000	9,348	652	
Gasoline/Diesel	20,000	20,000	13,106	6,894	
Fire Hydrants	24,300	24,300	22,948	1,352	
Landfill/Solid Waste Disposal Costs	14,000	14,000	43	13,957	
Total Operations - Within "CAPS "	1,706,346	1,706,107	1,515,513	190,594	
Total Operations - Within "CAPS " including Contingent Detail:	1,706,346	1,706,107	1,515,513	190,594	
Salaries and Wages	447,913	418,032	349,222	68,810	
Other Expenses	1,258,433	1,288,075	1,166,291	121,784	
DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":					
Statutory Expenditures :					
Social Security System (O.A.S.I.)	36,000	36,239	28,429	7,810	
Contribution to:					
PERS	41,418	41,418	41,418		
PFRS	56,792	56,792			\$ 56,792
Unemployment Compensation	1,000	1,000	407		593
Total Deferred Charges and Statutory Expenditures-within "CAPS"	135,210	135,449	70,254	7,810	57,385
Total General Appropriations for Municipal Purposes Within "CAPS"	1,841,556	1,841,556	1,585,767	198,404	57,385

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 5

	<u>APPROPRIATION</u>		<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>		
OPERATIONS-EXCLUDED from "CAPS"					
Aid to Library Aid	4,000	4,000	4,000		
Total Other Operations-Excluded from "CAPS"	4,000	4,000	4,000		
Public and Private Programs Offset by Revenues-: Excluded from "CAPS"					
Matching Funds for Grants - Municipal Alliance:	1,200				
Clean Communities Program:					
Other Expenses	4,935	4,935	4,935		
Alcohol Education & Rehabilitation Grant:					
Municipal Court:					
Salaries and Wages	270	270	270		
Warren County Department of Human Services (Municipal Alliance):					
Other Expenses	3,692	3,692	3,692		
Local Share		1,200	1,200		
Warren County Department of Human Services(Municipal Alliance PY):					
Other Expenses	2,027	2,027	2,027		
Recycling Tonnage Grant Program:					
Other Expenses	1,312	1,312	1,312		
Recycling Tonnage Grant Program(PY):					
Other Expenses	1,007	1,007	1,007		
Private Donations:					
Other Expenses	2,000	2,000	2,000		
County Colonial Church Reimbursement Grant:					
Other Expenses	17,400	17,400	17,400		
Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"	33,843	33,843	33,843	-	
Total Operations-Excluded from "CAPS"	37,843	37,843	37,843	-	
Detail:					
Salaries and Wages	270	270	270		
Other Expenses	37,573	37,573	37,573		-
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	31,500	31,500	31,500		
Transportation Trust Fund Authority Act - Buckley Avenue	140,000	140,000	140,000		
Total Capital Improvements-Excluded from "CAPS"	171,500	171,500	171,500		

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 6

	<u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	
Municipal Debt Service-Excluded from "CAPS":				
Payment of Bond Principal	18,000	18,000	18,000	
Interest on Bonds	850	850	823	27
Interest on Notes	12,650	12,650	12,607	43
Payment of Bond Anticipation & Capital Notes	50,000	50,000		50,000
Green Trust Loan Program:				
Loan Payments for Principal and Interest	4,652	4,652	4,652	
Total Municipal Debt Service	86,152	86,152	36,082	50,070
Deferred Charges-Excluded from "CAPS":				
Deferred Charges to Future Taxation - Unfunded:				
Grant Fund Overexpenditure	1,200	1,200	1,200	
Deferred Charges to Future Taxation - Unfunded:				
Public Works Garage	35,000	35,000	35,000	
Total Deferred Charges	36,200	36,200	36,200	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	331,695	331,695	281,625	- 50,070
Subtotal General Appropriations	2,173,251	2,173,251	1,867,392	198,404 107,455
Reserve For Uncollected Taxes	238,876	238,876	238,876	
TOTALS	\$2,412,127	\$2,412,127	\$2,106,268	\$198,404 \$107,455

Budget	A-2	\$ 2,252,727		A	A-1
Appropriation 40A:4-87	A-2	159,400			
		\$ 2,412,127			

	<u>REF.</u>				
Reserve for State Grants	A-18	\$ 33,843			
Capital Improvements	C-3	206,500			
Deferred Charges	C-3	36,200			
Reserve for Encumbrances	A-11	1,590,849			
Reserve for Uncollected Taxes	A-2	238,876			
		\$ 2,106,268			

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

TRUST FUND
COMPARATIVE BALANCE SHEET

B

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>12/31/11</u>
Dog License Fund:			
Cash and Cash Equivalents	B-2	\$ 1,096	\$ 47
Amount Due from Current Fund	B-5	<u>-</u>	<u>1,683</u>
Total Dog License Fund		<u>1,096</u>	<u>1,730</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-2	104,162	97,630
Amount Due from Current Fund	B-6	<u>66,742</u>	<u>43,595</u>
Total Other Trust Funds		<u>170,904</u>	<u>141,225</u>
TOTAL ASSETS		<u>\$ 172,000</u>	<u>\$ 142,955</u>

LIABILITIES, RESERVES AND FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$ 803	\$ 1,730
Amount Due State of New Jersey	B-4	5	-
Amount Due Current Fund	B-5	<u>288</u>	<u>-</u>
Total Dog License Fund		<u>1,096</u>	<u>1,730</u>
Other Trust Fund:			
Reserve for Tax Sale Premiums and Outside Liens	B-7	71,300	51,500
Reserve for Developer's Escrow Trust	B-8	27,676	28,280
Reserve for Payroll Trust	B-9	8,740	641
Reserve for Tot Lot Escrow	B-10	42,494	42,375
Reserve for COAH Deposits	B-11	1	8,699
Reserve for State Unemployment Insurance	B-12	6,234	9,730
Reserve for Lake Trust	B-13	<u>14,459</u>	<u>-</u>
Total Other Trust Fund		<u>170,904</u>	<u>141,225</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 172,000</u>	<u>\$ 142,955</u>

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

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>12/31/11</u>
Cash and Cash Equivalents	C-2	\$ 90	\$ 90
Amount Due Current Fund	C-3	499,876	223,767
Deferred Charges to Future Taxation:			
Funded	C-4	1,333,000	58,651
Unfunded	C-5	<u>225,729</u>	<u>1,557,729</u>
TOTAL ASSETS		<u>\$ 2,058,695</u>	<u>\$ 1,840,237</u>

LIABILITIES, RESERVES AND FUND BALANCE

Capital Improvement Fund	C-6	140,605	109,105
Bond Anticipation Notes	C-7	-	972,500
State of New Jersey Green Trust Loan Program	C-9	-	4,651
State of New Jersey EDA Loan	C-10	36,000	54,000
Bonds Payable	C-12	1,297,000	-
Improvement Authorizations:			
Funded	C-8	14,802	39,802
Unfunded	C-8	434,740	494,767
Various Reserves	C-11	131,434	131,434
Fund Balance	C-1	<u>4,114</u>	<u>33,978</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,058,695</u>	<u>\$ 1,840,237</u>

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

GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE

C-1

	<u>REF.</u>	
Balance December 31, 2011	C	\$ 33,978
Increased by:		
Premium on Bonds Issued	C-3	<u>4,113</u>
		38,091
Decreased by:		
General Capital Fund Balance Anticipated as Revenue in Current Fund Budget	C-3	<u>33,977</u>
Balance December 31, 2012	C	<u>\$ 4,114</u>

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

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

D

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>12/31/11</u>
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 455,259	\$ 461,928
Receivables with Full Reserves:			
Consumer Accounts Receivable and Liens	D-6	181,158	146,877
Amount Due Current Fund	D-8	2,840	52,911
Overexpended Appropriations	D-1	<u>45,865</u>	<u>44,811</u>
Total Operating Fund		<u>685,122</u>	<u>706,527</u>
Capital Fund:			
Fixed Capital	D-10	2,967,183	2,967,183
Fixed Capital-Authorized and Uncompleted	D-11	77,471	77,471
Amount Due from Sewer Capital Fund	D	<u>348,009</u>	<u>348,009</u>
Total Capital Fund		<u>3,392,663</u>	<u>3,392,663</u>
TOTAL ASSETS		<u>\$ 4,077,785</u>	<u>\$ 4,099,190</u>

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3:7	\$ 7,237	\$ 13,508
Encumbrances	D-3	1,246	-
Due Sewer Capital Fund	D	348,009	348,009
Accrued Interest on Bonds	D	9,029	9,029
Prepaid User Charges	D-9	70,193	82,984
Sewer Rent Overpayments	D	-	346
Reserve for Receivables	D	181,158	146,877
Fund Balance	D-1	<u>68,250</u>	<u>105,774</u>
Total Operating Fund		<u>685,122</u>	<u>706,527</u>
Capital Fund:			
Loans Payable	D-11	578,631	619,270
Improvement Authorizations	D-12	44,084	44,084
Capital Improvement Fund	D	145,000	145,000
Reserve for Preliminary Plan Expenses	D	41,613	41,613
Reserve for Amortization	D	2,432,636	2,391,997
Reserve for Deferred Amortization	D	33,387	33,387
Reserve for Capital Improvements	D	<u>117,312</u>	<u>117,312</u>
Total Capital Fund		<u>3,392,663</u>	<u>3,392,663</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 4,077,785</u>	<u>\$ 4,099,190</u>

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

SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN OPERATING FUND BALANCE

D-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>12/31/12</u>	<u>YEAR</u> <u>12/31/11</u>
Operating Surplus	D-2	\$ 60,963	\$ 134,000
Rents	D-2	997,000	974,634
Miscellaneous	D-2	4,214	58,594
Other Credits to Income:			
Appropriations Lapsed	D-7	<u>12,192</u>	<u>18,664</u>
Total Income		<u>1,074,369</u>	<u>1,185,892</u>
EXPENDITURES			
Salary and Wages	D-3	29,155	30,000
Operating Expenses	D-3	907,673	958,061
Statutory Expenditures	D-3	2,100	2,100
Debt Service	D-3	78,717	78,823
Deferred Charges	D-3	44,811	-
Surplus-General Budget	D-3	<u>34,339</u>	<u>100,000</u>
Total Expenditures		<u>1,096,795</u>	<u>1,168,984</u>
Excess in Revenues		(22,426)	16,908
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Emergency Appropriation	D-3	<u>45,865</u>	<u>44,811</u>
Statutory Excess to Fund Balance		23,439	61,719
Balance January 1	D	<u>105,774</u>	<u>178,055</u>
		129,213	239,774
Decreased by:			
Utilized as Anticipated Revenue		<u>60,963</u>	<u>134,000</u>
Balance December 31	D	<u>\$ 68,250</u>	<u>\$ 105,774</u>

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

SEWER UTILITY FUND
STATEMENT OF REVENUES

D-2

	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Fund Balance Anticipated	\$ 60,963	\$ 60,963	
Rents	970,000	997,000	\$ 27,000
Miscellaneous	20,000	4,214	(15,786)
Total Sewer Utility Revenue	\$ 1,050,963	\$ 1,062,177	\$ 11,214
REF.	D-3	D-1	

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

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES

D-3

	<u>APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>OVER-</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>
			<u>RESERVED</u>
			<u>CANCELED</u>
			<u>EXPENDED</u>
Salary and Wages	\$ 26,000	\$ 26,000	\$ 29,155
Other Expenses-Sewer Treatment	835,963	835,963	878,673
Other Expenses	29,000	29,000	21,763
Social Security	2,000	2,000	2,000
Unemployment Compensation	100	100	100
Debt Service:			
Bond Anticipation Note Principal	40,650	40,650	40,639
Interest on Bond Anticipation Notes	38,100	38,100	38,078
Deferred Charges - Overexpenditures	44,811	44,811	44,811
Surplus Anticipated as Revenue in General Budget	34,339	34,339	34,339
Total Sewer Utility Appropriations	\$ 1,050,963	\$ 1,050,963	\$ 1,089,558
			\$ 7,237
			\$ 33
			\$ 45,865

REF.

D-2

D

D-1

D

D-4	\$ 1,018,241
D-8	25,260
Deferred Charges	44,811
Encumbured	1,246
	<u>\$ 1,089,558</u>

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

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

E

ASSETS	<u>REF.</u>	<u>BALANCE</u>	<u>BALANCE</u>
		12/31/12	12/31/11
Cash and Cash Equivalents	E-1	\$ 6,161	\$ 6,210
TOTAL ASSETS		<u>\$ 6,161</u>	<u>\$ 6,210</u>

LIABILITIES AND RESERVES

Reserve for Public Assistance		\$ 6,144	\$ 6,144
Due Current Fund		17	66
TOTAL LIABILITIES AND RESERVES		<u>\$ 6,161</u>	<u>\$ 6,210</u>

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

GENERAL FIXED ASSETS
STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 2012

F

	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>12/31/11</u>
General Fixed Assets:		
Sites	\$ 3,049,334	\$ 3,049,334
Site Improvements	643,504	643,504
Building and Improvements	1,525,090	1,525,090
Machinery and Equipment	544,644	519,872
Construction in Progress	243,761	243,761
Total General Fixed Assets	<u>\$ 6,006,333</u>	<u>\$ 5,981,561</u>
Investment In General Fixed Assets	<u>\$ 6,006,333</u>	<u>\$ 5,981,561</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of Oxford include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as The financial statements of the Township do not include the operations of the Board of Education.

B. Description of Funds

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

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

Current Fund

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

Trust Funds

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

General Capital Fund

The receipts and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Sewer Operating and Capital Fund

Account for the operations and acquisition of capital facilities of the municipality-owned Sewer Utility.

Public Assistance Fund

Receipt and disbursements of funds that provide assistance to certain residents of the Township pursuant to the provisions of Title 44 of New Jersey statutes.

General Fixed Assets Account Group

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Expenditures--are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body.

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Tax Revenue--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15, May 15, August 15 and November 15.

When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on April 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Deferred School Taxes--A portion of the school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such revenue to be deferred and recognized in the accounting period when it becomes susceptible to accrual.

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

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

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

General Fixed Assets--In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality develops a fixed asset accounting and reporting system.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation is to be provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Budget and Budgetary Procedures--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

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

**General Capital Fund
Public Assistance Fund
Trust Fund**

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

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

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

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

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

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Departures from Generally Accepted Accounting Principles--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

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

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

Note 2: CASH AND CASH EQUIVALENTS

Deposits:

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 2: CASH AND CASH EQUIVALENTS (Continued)

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

The market value of the collateral must equal at least 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 of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2012, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

As of December 31, 2012, cash and cash equivalents of the municipality consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking	<u>\$ 1,990,667</u>	<u>\$1,990,667</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2012, was \$1,990,667 and the bank balance was \$1,933,895. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,683,895 was covered by collateral pool.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 3: LONG-TERM DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued by temporarily finance capital projects, must be paid off within ten years or retired by issuance of bonds.

The Township debt is summarized as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Long Term Debt:				
Bond Anticipation Notes	\$ 972,500		\$ 972,500	-
State of New Jersey-Green Trust Loan	4,651		4,651	-
State of New Jersey-EDA Loan	54,000		18,000	\$ 36,000
Bonds Payable	-	\$ 1,297,000	-	1,297,000
Sanitary Sewer System Loan	619,270		40,639	578,631
Compensated absences payable	None			None
Total Long-Term Debt	\$ 1,650,421	1,297,000	\$ 1,035,790	\$ 1,911,631

Summary of Municipal Debt

	YEAR <u>2012</u>	YEAR <u>2011</u>	YEAR <u>2010</u>
Issued			
General:			
Bonds and Notes	\$ 1,333,000	\$ 1,031,151	\$ 1,079,043
Sewer Utility:			
Bonds and Notes	578,631	619,270	657,464
Total Deductions			
Net Debt Issued	1,911,631	1,650,421	1,736,507
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	225,729	585,229	145,229
Sewer Utility:			
Bonds and Notes	NONE	NONE	NONE
Total Authorized But Not Issued	225,729	585,229	145,229
Net Bonds and Notes Issued and Authorized But Not Issued	\$ 2,137,360	\$ 2,235,650	\$ 1,881,736

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 3: LONG-TERM DEBT (Continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.741%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 5,100,000	\$ 5,100,000	
Sewer Debt	578,631	578,631	-
General Debt	1,558,729	-	\$ 1,558,729
	<u>\$ 7,237,360</u>	<u>\$ 5,678,631</u>	<u>\$ 1,558,729</u>

Net Debt \$ 1,558,729 Divided by Equalized Valuation Basis per
N.J.S.A. 40A:2-2 as amended, \$210,213,904 equals 0.741%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 7,357,487
Net Debt	<u>1,558,729</u>
Remaining Borrowing Power	<u>\$ 5,798,758</u>

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Calendar <u>Year</u>	<u>General Fund</u>		<u>Sewer Utility Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 98,000	\$ 25,442	\$ 43,219	\$ 35,499
2014	113,000	24,806	45,962	32,756
2015	110,000	22,636	48,879	29,839
2016	125,000	20,437	51,230	27,488
2017	135,000	17,936	54,482	24,236
2018-2023	752,000	46,781	334,859	64,888
	<u>\$ 1,333,000</u>	<u>\$ 158,038</u>	<u>\$ 578,631</u>	<u>\$ 214,706</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 3: LONG-TERM DEBT (Continued)

Bonded Debt Issued and Outstanding

New Jersey Economic Development Authority - Acquisition of Land and New Municipal Building-dated October 1, 1994 issued in the original amount of \$360,000. This loan is payable over twenty years in annual installments of \$18,000 through October 1, 2014. Interest is calculated at 1.5%. This method of calculating interest is in conformance with New Jersey Statutes. The remaining balance as of December 31, 2012, was \$36,000. Outstanding loan principal and interest is paid from the Current Fund budget of the Township.

General Obligation Bonds-For the purpose of real property acquisitions and various capital improvements, dated September 13, 2012, issued in the original amount of \$1,297,000. This bond is payable in annual installments ranging from \$80,000 to \$157,000 through September 1, 2022. Interest is calculated at 3.50%, and is included with the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2012, was \$1,297,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

Construction of Sanitary Sewer System Loan - On May 15, 1997, the municipality obtained a refunding loan in the amount of \$1,002,000 from Skylands Community Bank (Fulton Bank of New Jersey). The loan has an interest rate of 6.25% with bi-annual principal installments ranging from \$8,450 to \$38,165, which began October 15, 1997 and continue through October 15, 2022. The Principal Balance of the loan as of December 31, 2012 is \$578,631.

	Debt <u>Outstanding</u>
Total Bonded and Loan Debt Issued	<u>\$1,911,631</u>

As of December 31, 2012, there were \$225,729 in bonds and notes authorized, not issued.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 4: GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets:

	Balance <u>1/1/12</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/12</u>
Sites	\$ 3,049,334			\$ 3,049,334
Site Improvements	643,504			643,504
Building and Improvements	1,525,090			1,525,090
Machinery and Equipment	519,872	\$ 24,772		544,644
Construction in Progress	243,761			243,761
	<u>\$ 5,981,561</u>	<u>\$ 24,772</u>	<u>-</u>	<u>\$ 6,006,333</u>

Note 5: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2012, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2013, were as follows:

	Introduced <u>Budget</u>
Current Fund	\$237,193
Sewer Utility Fund	\$22,385

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are required to be raised in succeeding budgets.

	<u>Balance</u> <u>12/31/11</u>	<u>Raised in</u> <u>2012 Budget</u>	<u>Resulting</u> <u>from 2012</u> <u>Operations</u>	<u>Balance</u> <u>12/31/12</u>
Grants Fund - 2012 Overexpenditures	\$ 1,200	\$ 1,200		
Sewer Fund - 2012 Overexpenditures	44,811	44,811	\$ 45,865	\$ 45,865
	<u>\$ 46,011</u>	<u>\$ 46,011</u>	<u>\$ 45,865</u>	<u>\$ 45,865</u>

The appropriations in the 2013 Budget are not less than that required by statute.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 7: SCHOOL TAXES

Local District Tax has been raised and liabilities deferred by statute (under provisions of C.63, P.L.1991, as amended), resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	TOTAL DEFERRED TAX <u>12/31/12</u>	LOCAL DISTRICT SCHOOL TAX BALANCE <u>12/31/12</u>	BALANCE <u>12/31/11</u>
Balance of Tax	\$ 1,833,778	\$ 1,764,936	
Deferred		<u>1,764,936</u>	<u>1,764,936</u>
Tax Payable	\$ 68,842	<u> </u>	<u>-</u>
Tax Deferred	<u>\$ 1,764,936</u>		

Note 8: PENSIONS

Description of Plans - All required employees of the Township are covered by the Public Employees' Retirement System which has been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 8: PENSIONS-(Continued)

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Legislation enacted during the year ended June 30, 1997, (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Township's normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

<u>Three-Year Trend Information for PERS and PFRS</u>			
Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2012	\$41,418	100%	-0-
2011	\$101,555	100%	-0-
2010	\$78,715	100%	-0-

Note 9: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2011 there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 9: POST-RETIREMENT BENEFITS-(Continued)

The state is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality does not provide post-employment benefits other than pension. Healthcare provided to eligible PERS retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no municipal OPEB liability exists.

Note 10: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

The Township has permitted employees to accrue unused vacation and sick pay, at a rate of eight days per calander year, which may be taken as time off, but must be used during the current year or they are lost. Such compensation would be included in the Township's budget operating expenditures in the year it is used.

Note 11: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

LITIGATION

We are advised by Township Counsel, that the Township is not involved in any suits that would have a material impact on the Financial Statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 12: OTHER REQUIRED DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- A. Summary disclosures of debt service requirements for all types of outstanding debt. This requirement is met by Note 3.
- B. Summary disclosures of changes in general fixed assets by major asset class. This requirement is met by Note 4.
- C. Summary disclosures of changes in general long-term debt. This requirement is met by Note 3.
- D. Excesses of expenditures over appropriations in individual funds. There were two excess of expenditures over appropriations in any of the individual funds where budgets were required or employed as a management control device.
- E. Deficit fund balances or retained earnings balances of individual funds. There were no deficits in fund balances or retained earnings in any of the individual funds, except as noted in Note 6.
- F. Individual fund interfund receivable and payable balances. All interfund receivable and payable balances outstanding at the beginning of the fiscal period were fully liquidated during the fiscal period, with the following exceptions outstanding at December 31, 2012:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 4,863	\$ 714,359
Federal/State Grants Fund	140,343	-
Animal Control Fund	-	288
Other Trust Funds	66,742	-
General Capital Fund	499,876	-
Sewer Operating Fund	2,840	348,009
Sewer Capital Fund	348,009	-
Public Assistance Fund	-	17
	<u>\$ 1,062,673</u>	<u>\$ 1,062,673</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 13: RISK FINANCING

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

Note 14: OTHER POST-RETIREMENT BENEFITS

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Oxford Township authorized participation in the SHBP's post-retirement benefit program through resolution.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/audit-rpts-2012/shbp-12.pdf>

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Oxford Township on a monthly basis.

The Oxford Township contributions to SHBP for the years ended December 31, 2012, 2011, and 2010, were \$20,024, \$19,975, and \$19,676, respectively, which equaled the required contributions for each year. There were approximately two retired participants eligible at December 31, 2012, 2011, and 2010.

PART II
SUPPLEMENTARY INFORMATION
CURRENT FUND SCHEDULES

CURRENT FUND/FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH -TREASURER

A-4

	REF.	CURRENT FUND
Balance December 31, 2011	A	\$ 639,839
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	\$ 29,263
Collector	A-5	5,941,869
Revenue Accounts Receivable	A-9	1,147,015
Senior Citizens/Veterans Deductions	A-16	26,500
Federal/State Grant Funds	A-17:19	126,355
Various Reserves	A-20	8,714
State Marriage Fees	A-21	300
Interfund Return	A-1	10,590
Interfund Return	B	19,800
Interfund Return	C	276,109
		7,586,515
		8,226,354
Decreased by Disbursements:		
Refund of Prior Year Revenue	A-1	6,087
2011 Appropriation Reserves	A-10	32,944
Reserve for Encumbrances	A-11	1,555,196
Interfund Advance	A/B/C	21,877
County Taxes	A-14	1,447,368
Local District School Tax	A-15	3,598,715
Federal/State Grant Funds	A-18	28,621
State Marriage Fees	A-21	225
Outside Liens	A-22	111,422
		6,802,455
Balance December 31, 2012	A	\$ 1,423,899

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

Received:

Interest and Costs on Taxes	A-2	\$	28,547	
Miscellaneous	A-2		2,778	
Trailer Fees	A-2		19,930	
Taxes Receivable	A-6		5,701,070	
2013 Prepaid Taxes	A-12		24,827	
Tax Overpayments	A-13		2,695	
Outside Liens	A-22		111,422	
Tax Sale Premiums	B		<u>50,600</u>	<u>\$ 5,941,869</u>

Decreased by Disbursements:

Payments to Treasurer	A-4			<u>\$ 5,941,869</u>
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CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>	
Balance December 31, 2011	A	\$655,901
Increased by:		
Transfers from Taxes Receivable	A-6	\$ 59,994
Interest and Costs		<u>18,425</u> <u>78,419</u>
		734,320
Decreased by:		
Canceled		<u>1,484</u>
Balance December 31, 2012	A	<u>\$732,836</u>

CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

A-8

	<u>REF.</u>	
Balance December 31, 2011	A	<u>\$ 1,141,400</u>
Balance December 31, 2012	A	<u>\$ 1,141,400</u>

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/11</u>	<u>ACCRUED</u> <u>IN 2012</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>12/31/12</u>
Alcoholic Beverage Licenses			\$ 3,484	\$ 3,484	
Municipal Court:					
Fines and Costs	A-2	\$ 2,453	14,431	16,169	\$ 715
In Lieu Taxes - Oxford Heritage			5,216	5,216	
Host Community Benefits-Refuse Center		110,345	551,705	608,874	53,176
Cell Tower Rent	A-2		88,641	88,641	
General Capital Fund Balance	A-2		33,977	33,977	
Consolidated Municipal Property Tax Relief Aid	A-2		11,189	11,189	
Energy Receipts Tax	A-2		167,309	167,309	
Interest on Investments and Deposits	A-2		2,817	2,817	
Sewer Utility Operating Surplus	A-2		34,339	34,339	
Solid Waste Collection Fee	A-2		175,000	175,000	
Totals		<u>\$ 112,798</u>	<u>\$ 1,088,108</u>	<u>\$ 1,147,015</u>	<u>\$ 53,891</u>
	REF.	A	A-2	A-4	A

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2011

A-10

	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
General Administration:				
Other Expenses	\$ 3,275	\$ 3,275	\$ 2,627	\$ 648
Computerization:				
Other Expenses	4,900	4,900	2,050	2,850
Finance:				
Other Expenses	869	869	316	553
Tax Collector:				
Other Expenses		84	84	
Tax Assessment:				
Other Expenses		78	78	
Legal:				
Other Expenses	6,700	6,700	263	6,437
Engineering Services:				
Other Expenses	75	4,809	4,809	
Planning Board:				
Other Expenses	1,745	1,745	74	1,671
Streets and Road Maintenance:				
Salaries and Wages	11,373	11,373	5,000	6,373
Other Expenses	4,849	4,849	2,439	2,410
Buildings and Grounds:				
Other Expenses	11,055	3,785	2,048	1,737
Vehicle Maintenance:				
Other Expenses	5	140	140	
Electricity	21,585	21,585	4,284	17,301
Telephone (excluding equipment acquisition)	5,225	5,225	91	5,134
Fire Hydrants	3,578	4,144	4,144	
Gas (Natural or Propane):	147	1,820	1,820	
Gasoline	2,575	2,575	427	2,148
Municipal Court Other Expense	2,917	2,917	2,250	667
Other Accounts - No Change	62,442	62,442	-	62,442
TOTALS	\$ 143,315	\$ 143,315	\$ 32,944	\$ 110,371

REF.

A

A

A-4

A-1

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-11

	<u>REF.</u>	
Increased by:		
Transfer from Current Year Appropriations	A-3	\$ 1,590,849
		<u>1,590,849</u>
Decreased by:		
Canceled		\$ (488)
Cash Disbursements	A-4	<u>1,555,196</u>
		<u>1,554,708</u>
Balance December 31, 2012	A	<u>\$ 36,141</u>

CURRENT FUND
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-12

	<u>REF.</u>	
Balance December 31, 2011	A	\$ 19,257
Increased by:		
2013 Taxes Collected in Advance	A-5	<u>24,827</u>
		44,084
Decreased by:		
Applied to 2012 Taxes Receivable	A-6	<u>19,257</u>
Balance December 31, 2012	A	<u>\$ 24,827</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

A-13

	<u>REF.</u>	
Balance December 31, 2011	A	\$ 999
Increased by:		
2012 Tax Overpayments	A-5	<u>2,695</u>
		3,694
Decreased by:		
Refunded	A-4	\$ 2,793
Applied to 2012 Taxes	A-6	<u>74</u> <u>2,867</u>
Balance December 31, 2012	A	<u><u>\$ 827</u></u>

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

A-14

	<u>REF.</u>	
Balance December 31, 2011	A	\$ 1,273
Increased by:		
2012 Levy:		
County Taxes	A-1:6	\$1,214,705
County Library Taxes	A-1:6	102,155
County Open Space Tax	A-1:6	129,235
County Added and Omitted Taxes	A-1:6	<u>4,718</u>
		<u>1,450,813</u>
		1,452,086
Decreased by:		
Payments	A-4	<u>1,447,368</u>
Balance December 31, 2012	A	<u>\$ 4,718</u>

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-15

	<u>REF.</u>		
Balance December 31, 2011:			
School Tax Payable	A	-	
School Tax Deferred		<u>\$ 1,764,936</u>	\$ 1,764,936
Increased by:			
Levy - School Year July 1, 2012 to June 30, 2013	A-6	<u>3,667,557</u>	5,432,493
Decreased by:			
Payments	A-4	<u>3,598,715</u>	
Balance December 31, 2012:			
School Tax Payable	A	68,842	
School Tax Deferred		<u>1,764,936</u>	<u>\$ 1,833,778</u>
2012 Liability for Local District School Tax:			
Tax Paid			\$ 3,598,715
Tax Payable 12/31/12			<u>1,833,778</u>
			5,432,493
Add: -- Reversal of Deferred School Tax-School Levy Decrease			0
Less -- Tax Payable 12/31/11			<u>1,764,936</u>
Amount Charged to 2012 Operations	A-1		<u>\$ 3,667,557</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-16

	<u>REF.</u>	
Balance December 31, 2011	A	\$ 3,630
Increased by:		
Received in Cash From State	A-4	<u>26,500</u>
		30,130
Decreased by:		
Senior Citizens Deductions per Tax Billings		\$ 19,750
Veterans Deductions per Tax Billings		6,750
Senior Citizens Deductions Disallowed by Tax Collector		<u>-</u> <u>26,500</u>
Balance December 31, 2012	A	<u>\$ 3,630</u>

CURRENT FUND
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-17

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/11</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/12</u>
Recycling Grant		\$ 1,312	\$ 1,312		
Municipal Alliance		3,692	3,454	\$ 238	
County Colonial Church Grant		17,400	17,400		
NJDOT-Buckley Avenue		140,000	94,806		\$ 45,194
Clean Communities		4,935	4,850	85	
Totals	-	\$ 167,339	\$ 121,822	\$ 323	45,194
REF.	A	A-2	A-4		A
			A-1	\$ 238	
			A-18	85	
				<u>\$ 323</u>	

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-18

	BALANCE <u>12/31/11</u>	TRANSFER FROM 2012 BUDGET <u>APPROPRIATIONS</u>	APPROPRIATION BY <u>40A:4-87</u>	<u>EXPENDED</u>	<u>CANCELED</u>	BALANCE <u>12/31/12</u>
Clean Communities	\$ 1,644	\$ 4,935		\$ 2,033	\$ 85	\$ 4,461
Emergency Management Council	2,957					2,957
Beamguides rails and strip	5,085					5,085
Hazards Emergency Operations Planning	2,406					2,406
Municipal Alliance - County	-	5,719		5,525		194
Municipal Alliance - Local		1,200				1,200
Stormwater Grant	6,050					6,050
Alcohol Rehab Grant	1,613	270				1,883
Emergency Service Grant	9,668					9,668
Recycling Tonnage Grant	3,461	2,319				5,780
NJDOT-Buckley Avenue	-		\$ 140,000			140,000
County Colonial Church Grant			17,400	17,400		-
Wastewater Management Grant	12					12
Highlands-Incentive Planning	4,971			3,663		1,308
Totals	\$ 37,867	\$ 14,443	\$ 157,400	\$ 28,621	\$ 85	\$ 181,004
	A	A-3	A-3	A-4	A-17	A

CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-19

	<u>BALANCE</u> <u>12/31/11</u>	TRANSFER TO 2012 BUDGET <u>APPROPRIATIONS</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/12</u>
Alcohol Rehabilitation Grant	\$ 270	\$ 270	\$ 162	\$ 162
Municipal Alliance	2,027	2,027		-
Tonnage Grant	1,007	1,007	4,371	4,371
Totals	<u>\$ 3,304</u>	<u>\$ 3,304</u>	<u>\$ 4,533</u>	<u>\$ 4,533</u>
	A	A-18	A-4	A

CURRENT FUND
SCHEDULE OF VARIOUS RESERVES

	A-20
	<u>REF.</u>
Balance December 31, 2011	A \$ 9,450
Increased by:	
Deposit from Trust Fund	A-4 <u> 8,714</u>
Balance December 31, 2012	A <u>\$ 18,164</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

			A-21
	<u>REF.</u>		
Balance December 31, 2011	A	\$	25
Increased by:			
Marriage License Fees	A-4	300	<u>300</u>
			325
Decreased by:			
Payments to State of New Jersey	A-4	<u>225</u>	
Balance December 31, 2012	A	<u>\$</u>	<u>100</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE OUTSIDE LIEN HOLDERS

A-22

REF.

Increased by:

Outside Liens Collected

A-5 \$111,422

111,422

Decreased by:

Outside Liens Refunded

A-4 \$111,422

TRUST FUND SCHEDULES

TRUST FUND
SCHEDULE OF CASH - TREASURER

B-2

		<u>DOG</u>	
	<u>REF.</u>	<u>LICENSES</u>	<u>OTHER</u>
Balance December 31, 2011	B	\$ 47	\$ 97,630
Increased by Receipts:			
Dog License Fees	B-3	4,650	
State Dog License Fees	B-4	734	
Amount Due Current Fund	B-5:6	6	80
Developer's Escrow Deposit Disbursements	B-8		2,865
Payroll Trust	B-9		468,330
Tot Lot Escrow	B-10		119
Coah Trust	B-11		14
Unemployment Trust	B-12		1,464
Lake Trust	B-13		40,722
Total Receipts		5,390	513,594
		5,437	611,224
Decreased by Disbursements:			
Administrative Expenses	B-3	3,612	
State Dog License Fees	B-4	729	
Amount Due Current Fund	B-5:6		3,427
Developer's Escrow Deposit Disbursements	B-8		3,469
Payroll Trust	B-9		460,231
Coah Trust	B-11		8,712
Unemployment Trust	B-12		4,960
Lake Trust	B-13		26,263
Total Disbursements		4,341	507,062
Balance December 31, 2012	B	\$ 1,096	\$ 104,162

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2011	B	\$ 1,730
Increased by:		
Dog License Fees Collected	B-2	<u>4,650</u> 6,380
Decreased by:		
Administrative Expenses Paid by Current Fund	B-5	\$ 1,965
Administrative Expenses	B-2	<u>3,612</u> <u>5,577</u>
Balance December 31, 2012	B	<u>\$ 803</u>

LICENSE FEES COLLECTED

CY 2011	\$	5,324
CY 2010		<u>5,288</u>
		<u>\$ 10,612</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF
NEW JERSEY DEPARTMENT OF HEALTH

B-4

REF.

Increased by:		
Collected in 2012:		
State Board of Health Fees	B-2	\$ 734
		734
Decreased By:		
Payments	B-2	<u>729</u>
Balance December 31, 2012	B	<u>\$ 5</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND
DOG LICENSE FUND

B-5

	<u>REF.</u>		
Balance December 31, 2011	B	\$	(1,683)
Increased by:			
Interest Credits Due Current Fund	B-2	\$	6
Administrative Expenses Paid by Current Fund	B-3	<u>1,965</u>	<u>1,971</u>
			288
Balance December 31, 2012	B	<u>\$</u>	<u>288</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE OTHER FUNDS
OTHER TRUST FUND

B-6

	<u>REF.</u>		<u>DUE (TO)/FROM CURRENT FUND</u>
Balance December 31, 2011	B		\$ 43,595
Increased by:			
Interfund Returned - Unemployment Trust	B-2	\$ 3,427	
Tax sale Premiums Received in Current Fund	B-7	<u>50,600</u>	<u>54,027</u>
			97,622
Decreased by:			
Interest Credits Due Current Fund - Escrow Trust	B-2	80	
Tax sale Premiums Paid from Current Fund	B-7	<u>30,800</u>	<u>30,880</u>
Balance December 31, 2012	B		<u>\$ 66,742</u>

ANALYSIS OF BALANCE

Interest Credits Due Current Fund - Developer's Escrow Trust	\$ (727)
Interest Credits Due Current Fund - Payroll Trust	<u>(3,831)</u>
Total Interfund Payable	(4,558)
Interest Credits Due Current Fund - Tax Premiums	<u>71,300</u>
Total Interfund Receivable	71,300
Total Interfund Receivable/(Payable)	<u>\$ 66,742</u>

TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

B-7

	<u>REF.</u>	
Balance December 31, 2011	B	\$ 51,500
Increased by:		
Premiums Received	B-6	<u>50,600</u>
		102,100
Decreased by:		
Premium Payments	B-6	<u>30,800</u>
Balance December 31, 2012	B	<u>\$ 71,300</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW TRUST FUND DEPOSITS

B-8

	<u>REF.</u>	
Balance December 31, 2011	B	\$ 28,280
Increased by:		
Escrow Deposits	B-2	<u>2,865</u>
		31,145
Decreased by:		
Escrows Returned	B-2	<u>3,469</u>
Balance December 31, 2012	B	<u>27,676</u>

TRUST FUND
SCHEDULE OF RESERVE FOR PAYROLL TRUST

B-9

	<u>REF.</u>	
Balance December 31, 2011	B	\$ 641
Increased by:		
Receipts of Gross Payroll and Employer Taxes	B-2	<u>468,330</u>
		468,971
Decreased by:		
Disbursements of Net Payroll and Payroll Taxes	B-2	<u>460,231</u>
Balance December 31, 2012	B	<u>\$ 8,740</u>

TRUST FUND
SCHEDULE OF RESERVE FOR TOT LOT ESCROW

B-10

	<u>REF.</u>	
Balance December 31, 2011	B	\$ 42,375
Increased by:		
Receipts	B-2	<u> 119</u> 42,494
Balance December 31, 2012	B	<u>\$ 42,494</u>

TRUST FUND
SCHEDULE OF RESERVE FOR COAH TRUST

B-11

	<u>REF.</u>	
Balance December 31, 2011	B	\$ 8,699
Increased by:		
Receipts	B-2	<u> 14</u> 8,713
Decreased by:		
Transfer to Current Fund	B-2	<u> 8,712</u>
Balance December 31, 2012	B	<u> 1</u>

TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-12

	<u>REF.</u>	
Balance December 31, 2011	B	\$ 9,730
Increased by:		
Payroll Deductions	B-2	<u>1,464</u>
		11,194
Decreased by:		
Unemployment Claims Expense	B-2	<u>4,960</u>
Balance December 31, 2012	B	<u>\$ 6,234</u>

TRUST FUND
SCHEDULE OF RESERVE FOR LAKE TRUST

B-13

REF.

Increased by:		
Recreation Receipts	B-2	<u>\$ 40,722</u> 40,722
Decreased by:		
Transfer to Current Fund to Reimburse Salaries and Other Expense	B-2	<u>26,263</u>
Balance December 31, 2012	B	<u>\$ 14,459</u>

GENERAL CAPITAL FUND SCHEDULES

GENERAL CAPITAL FUND
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>	
Balance December 31, 2011	C	<u>\$ 90</u>
Balance December 31, 2012	C	<u>\$ 90</u>

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-3

	<u>REF.</u>		
Balance December 31, 2011	C		\$ (223,767)
Increased by:			
General Capital Fund Balance Anticipated as Revenue in Current Fund Budget	C-1	\$ 33,977	
Improvement Authorizations Paid by Current Fund	C-8	<u>85,027</u>	<u>119,004</u>
			(104,763)
Decreased by:			
Bond Proceeds from New Issue - Ordinance# 2011-09	C-5	324,500	
Premium on Bonds Issued	C-1	4,113	
Budget Appropriation - Deferred Charges	C-5	35,000	
Budget Appropriation - Capital Improvement Fund	C-6	<u>31,500</u>	<u>395,113</u>
Balance December 31, 2012	C		<u>\$ (499,876)</u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	C-4
Balance December 31, 2011	C	\$ 58,651
Decreased by:		
General Obligation Bonds Issued	C-12	<u>1,297,000</u>
		1,355,651
Decreased by:		
2012 Current Fund Budget Appropriations NJEDA Principal	C-10	\$ 18,000
2012 Current Fund Budget Appropriations Green Trust Principal	C-9	<u>4,651</u>
		<u>22,651</u>
Balance December 31, 2012	C	<u>\$ 1,333,000</u>

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

C-5

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE 12/31/11	CONVERTED TO GENERAL OBLIGATION BONDS	BUDGET APPROPRIATION DEFERRED CHARGE	BALANCE 12/31/12	ANALYSIS OF BALANCE BOND	
						AUTHORIZED NOT ISSUED	ANTICIPATION NOTES
2000-10	Construction of a Public Works Garage	\$ 70,394		\$ 35,000	\$ 35,394	\$ 35,394	
2002-15	Acquisition of Real Property	471,000	\$ 471,000		-		
2005-08	Acquisition of Real Property-Quenzel Property	400,000	386,000		14,000	14,000	
2006-11	Improvements to Kent Street	47,500	47,500		-		
2007-07	Acquisition of Dump Truck and Property	68,150	68,000		150	150	
2008-03	Speed Bump Removal on Pequest Road	8,985			8,985	8,985	
2008-04	Lake Dock and Playground Repairs	16,700			16,700	16,700	
2011-09	Improvements to Furnace Brook Dam, Kaufman Drive, Drainage for Wash. Ave and Kepps Drive, New DPW Truck	475,000	324,500		150,500	150,500	
		\$ 1,557,729	\$ 1,297,000	\$ 35,000	\$ 225,729	\$ 225,729	\$ -

REF.

C

C-3

C

C-7	\$ 972,500
C-3	324,500
	<u>\$ 1,297,000</u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>REF.</u>	
Balance December 31, 2011	C	\$ 109,105
Increased by:		
Budget Appropriation - Capital Improvement Fund	C-3	<u>31,500</u>
		140,605
Balance December 31, 2012	C	<u>\$ 140,605</u>

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

C-7

<u>Ordinance</u>	<u>PURPOSE</u>	<u>ORIGINAL ISSUE</u>	<u>ORIGINAL DATE OF ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/11</u>	<u>DECREASED</u>
2002-15	Acquisition of Real Property	\$ 925,000	02/25/03	9/19/11	9/18/12	1.30%	\$ 471,000	\$ 471,000
2005-08	Acquisition of Real Property-Quenzel	\$ 400,000	09/29/05	9/19/11	9/18/12	1.30%	386,000	386,000
2006-11	Improvements to Kent Street	\$ 47,500	02/18/09	9/19/11	9/18/12	1.30%	47,500	47,500
2007-07	Acquisition of Dump Truck and Property	\$ 68,000	02/18/09	9/19/11	9/18/12	1.30%	68,000	68,000
							\$ 972,500	\$ 972,500

REF.

C

C-5

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-8

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE NO.</u>	<u>AMOUNT</u>	<u>BALANCE 12/31/11</u>		<u>PAID OR CHARGED</u>	<u>BALANCE 12/31/12</u>	
			<u>FUNDED</u>	<u>UNFUNDED</u>		<u>FUNDED</u>	<u>UNFUNDED</u>
Acquisition of Land & Construction of New Munic. Bldg	1993-10	\$ 1,200,000	\$ 14,733			\$ 14,733	
Improvement to Recreation Facilities	2005-03	50,000	69			69	
Acquisition of Real Property - Quenzel Property	2005-08	800,000		\$ 12,866			\$ 12,866
Lake Improvements and Acquisition of Recreation Equip.	2007-02	8,200				-	
Lake Dock and Playground Repairs	2008-04	17,600		6,901			6,901
Improvements to Furnace Brook Dam, Kaufman Drive, Drainage for Wash. Ave and Kepps Drive, New DPW Truck	2011-09	500,000	25,000	475,000	\$ 85,027	-	414,973
			\$ 39,802	\$ 494,767	\$ 85,027	\$ 14,802	\$ 434,740
REF.			C	C	C-3	C	C

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/11</u>	<u>DECREASED</u>
Furnance Lake Change House	9/23/1993	\$77,000	3/23/2013- 9/23/2013	\$ 2,446	2.0%	\$ 4,651	\$ 4,651
						<u>\$ 4,651</u>	<u>\$ 4,651</u>

REF.

C

C-4

GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY LOAN PROGRAM

C-10

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORD#</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/11</u>	<u>DECREASED</u>	<u>BALANCE 12/31/12</u>
New Jersey Economic Development Authority Loan Program - Acquisition of Land and Ne' Municipal Building	10/1/94	93-10	\$360,000	10/1/2013- 10/1/2014	\$ 18,000	1.5%	\$ 54,000	\$ 18,000	\$ 36,000
							\$ 54,000	\$ 18,000	\$ 36,000
REF.							C	C-4	C

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

C-11

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>12/31/12</u>
Road Reconstruction	\$ 98,018	\$ 98,018
Preliminary Costs	3,016	3,016
Lake Improvements	6,000	6,000
Emergency Equipment	4,400	4,400
Emergency Squad Building	20,000	20,000
	<u>\$ 131,434</u>	<u>\$ 131,434</u>
REF.	C	C

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-12

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE 12/31/12</u>
General Obligation Bonds	9/13/12	\$ 1,297,000	9/1/13	\$ 80,000	2.000%	\$ 1,297,000	\$ 1,297,000
			9/1/14	95,000	2.000%		
			9/1/15	110,000	2.000%		
			9/1/16	125,000	2.000%		
			9/1/17	135,000	2.000%		
			9/1/18	145,000	2.000%		
			9/1/19	145,000	2.000%		
			9/1/20	150,000	2.000%		
			9/1/21	155,000	2.000%		
			9/1/22	157,000	2.125%		
\$ 1,297,000						\$ 1,297,000	
C-4						C	

SEWER UTILITY FUND

SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

D-4

	<u>REF.</u>	<u>OPERATING</u>
Balance December 31, 2011	D	\$ 461,928
Increased by Receipts:		
Collector	D-5	\$ 1,158,863
Interfund Returned from Current Fund	D-8	52,911
Miscellaneous Revenues	D-2	<u>4,214</u>
		<u>1,215,988</u>
		1,677,916
Decreased by Disbursements:		
2012 Appropriations	D-3	1,018,241
2011 Appropriation Reserve	D-7	1,316
Garbage Fees Paid to Current Fund	D	175,000
Interfund Advanced to Current Fund	D-8	<u>28,100</u>
		<u>1,222,657</u>
Balance December 31, 2012	D	<u>\$ 455,259</u>

SEWER UTILITY FUND
SCHEDULE OF CASH - COLLECTOR

D-5

	<u>REF.</u>		
Increased by Receipts:			
Garbage Collection Fees		\$ 175,000	
Consumer Accounts Receivable	D-6	<u>983,863</u>	<u>\$ 1,158,863</u>
Decreased by Disbursements:			
Payment to Treasurer	D-4		<u>\$ 1,158,863</u>

SEWER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>REF.</u>	
Balance December 31, 2011	D	\$ 146,877
Increased by:		
Sewer Rents Levied		<u>1,101,128</u>
		1,248,005
Decreased by:		
Prepayments Applied	D-9	\$ 82,984
Collection	D-5	<u>983,863</u>
		<u>1,066,847</u>
Balance December 31, 2012	D	<u>\$ 181,158</u>

SEWER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2011

D-7

	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Other Expenses	\$ 6,715	\$ 6,715	\$ 1,316	\$ 5,399
Other Accounts-No Change	6,793	6,793		6,793
TOTALS	<u>\$ 13,508</u>	<u>\$ 13,508</u>	<u>\$ 1,316</u>	<u>\$ 12,192</u>
REF.	D		D-4	D-1

SEWER UTILITY FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

D-8

	<u>REF.</u>	
Balance December 31, 2011	D	\$ 52,911
Increased by:		
Interfund Advanced to Current Fund	D-4	<u>28,100</u> 81,011
Decreased by:		
Interfund Returned from Current Fund	D-4	\$ 52,911
Operating Expenditures Paid by Current Fund	D-3	<u>25,260</u> <u>78,171</u>
Balance December 31, 2012	D	<u>\$ 2,840</u>

SEWER UTILITY FUND
SCHEDULE OF PREPAID USER CHARGES

D-9

	<u>REF.</u>	
Balance December 31, 2011	D	\$ 82,984
Increased by:		
2013 Fees Collected in Advance	D	<u>70,193</u>
		153,177
Decreased by:		
Applied to 2012 User Fees Receivable	D-6	<u>82,984</u>
Balance December 31, 2012	D	<u>\$ 70,193</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE

D-11

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/11</u>	<u>DECREASED</u>	<u>BALANCE 12/31/12</u>
Construction of Sanitary Sewer System	5/16/1997	\$ 1,002,000	4/15/12- 4/15/22	\$ 39,359 *	6.250%	\$ 619,270	\$ 40,639	\$ 578,631
						\$ 619,270	\$ 40,639	\$ 578,631

D D-3 C

* - Semi-annual amount including principal and interest payable on April 15 and October 15.

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-12

ORDINANCE <u>NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE FUNDED 12/31/11</u>	<u>BALANCE FUNDED 12/31/12</u>
78-7	Construction of Sanitary Sewer Collection System	\$ 2,988,000	\$ 44,084	\$ 44,084
			\$ 44,084	\$ 44,084
	REF.		D	D

PUBLIC ASSISTANCE FUND SCHEDULES

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

E-1

	<u>REF.</u>	<u>P.A.T.F.</u> <u>#2</u>	<u>FUND</u> <u>TOTAL</u>
Balance December 31, 2011	E	\$ 6,144	\$ 6,144
Increased by Receipts:			
Interest Credits		-	-
Total Receipts		-	-
		<u>6,144</u>	<u>6,144</u>
Decreased by Disbursements			
2012 Public Assistance		-	-
		-	-
Balance December 31, 2012	E	<u>\$ 6,144</u>	<u>\$ 6,144</u>

SCHEDULE OF GENERAL FIXED ASSETS

GENERAL FIXED ASSETS
SCHEDULE OF ADDITIONS AND DELETIONS
DECEMBER 31, 2012

F-1

	<u>BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u>
	<u>12/31/11</u>			<u>12/31/12</u>
General Fixed Assets:				
Sites	\$ 3,049,334			\$ 3,049,334
Site Improvements	643,504			643,504
Building and Improvements	1,525,090			1,525,090
Machinery and Equipment	519,872	\$ 24,772		544,644
Construction in Progress	243,761			243,761
Total General Fixed Assets	<u>\$ 5,981,561</u>	<u>24,772</u>	<u>-</u>	<u>\$ 6,006,333</u>
 Investment In General Fixed Assets	 <u>\$ 5,981,561</u>	 <u>\$ 24,772</u>	 <u>-</u>	 <u>\$ 6,006,333</u>

**PART III
SUPPLEMENTARY INFORMATION**

General Comments

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

Schedule of Federal/State Awards

Status of Prior Audit Findings

Schedule of Findings and Responses

GENERAL COMMENTS

Scope of Audit

The audit of the financial statements of the Township of Oxford, County of Warren, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a 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. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body 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 paragraph (i) of paragraph (a) of subsection (1) of Section 5 of P.L.1971, C.198(C.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. Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall 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 N.J.S.18A:18A-2(pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.40A:11-4 (as amended) states, "Every contract or agreement 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 to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2011, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$36,000 for Qualified Purchasing Agents (QPA), and \$17,500 for units without QPA's.

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

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

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 determine whether any clear-cut violations existed.

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 4, 2012, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2012, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2011, at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500, and the rate of 6% per annum for and upon any amount in excess of \$10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

The governing body, on January 4, 2012 adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2012, include real property taxes from the 2009, 2011 and 2012 tax levy.

The last tax sale was held on July 27, 2012 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2012	77
2011	77
2010	57

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Verification of Delinquent Taxes and Other Charges

Verification notices were mailed to confirm balances as of November 21, 2012. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

Verification <u>Type</u>	Request <u>Form</u>	Total No. <u>of Items</u>	Total	
			<u>No. of Circular</u>	<u>Total No. Returned</u>
2012 Property Tax	Positive	1,141	60	25
2013 Property Tax	Positive	1,141	60	25
2012 Delinquent Tax	Negative	127	25	6
2012 Sewer Charges	Positive	117	25	4

Technical Accounting Directives

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of Oxford to these new directives are as follows:

<u>Requirement</u>	FY 2012 Required	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System		X

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
CURRENT FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2012</u>	<u>%</u>	<u>YEAR 2011</u>	<u>%</u>
Fund Balance Utilized	\$ 237,193	3.16%	\$ 247,976	3.42%
Miscellaneous - From Other Than				
Local Property Tax Levies	1,521,222	20.27%	1,474,087	20.33%
Collection of Delinquent Taxes and				
Tax Title Liens	141,154	1.88%	157,900	2.18%
Collection of Current Tax Levy	<u>5,605,747</u>	<u>74.69%</u>	<u>5,370,226</u>	<u>74.07%</u>
Total Income	<u>7,505,316</u>	<u>100.00%</u>	<u>7,250,189</u>	<u>100.00%</u>

EXPENDITURES

Budget Expenditures:				
Municipal Purposes	2,065,796	28.73%	2,095,630	29.64%
County Taxes	1,450,813	20.18%	1,402,915	19.84%
Local and Regional Taxes	3,667,557	51.01%	3,561,231	50.37%
Other Expenditures	<u>6,167</u>	<u>0.09%</u>	<u>9,989</u>	<u>0.14%</u>
Total Expenditures	<u>\$7,190,333</u>	<u>100.00%</u>	<u>\$7,069,765</u>	<u>100.00%</u>

Excess (Deficit) Revenue Over Expenditures	314,983		180,424	
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Fund Balance January 1	276,097		343,649	
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Less:

Utilization as Anticipated Revenue	<u>237,193</u>		<u>247,976</u>	
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Fund Balance December 31	<u>\$ 353,887</u>		<u>\$ 276,097</u>	
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COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
SEWER UTILITY FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2012</u>	<u>%</u>	<u>YEAR 2011</u>	<u>%</u>
Operating Surplus	\$ 60,963	5.67%	\$ 134,000	11.30%
Rents	997,000	92.80%	974,634	82.19%
Miscellaneous	4,214	0.39%	58,594	4.94%
Other Credits to Income	<u>12,192</u>	<u>1.13%</u>	<u>18,664</u>	<u>1.57%</u>
Total Income	1,074,369	100.00%	1,185,892	100.00%

EXPENDITURES

Budget Expenditures:				
Operating	<u>1,096,795</u>	100.00%	<u>1,168,984</u>	100.00%
Total Expenditures	1,096,795	100.00%	1,168,984	100.00%

Excess (Deficit) Revenue Over Expenditures	(22,426)		16,908	
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Adjustments to Income Before Fund Balance:

Expenditures Included Above Which are by Statute

Deferred Charges to Budget of Succeeding Year	<u>45,865</u>		<u>44,811</u>	
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Statutory Excess to Fund Balance	23,439		61,719	
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Fund Balance January 1	105,774		178,055	
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Less:

Utilization as Anticipated Revenue	<u>60,963</u>		<u>134,000</u>	
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Fund Balance December 31	<u>\$ 68,250</u>		<u>\$ 105,774</u>	
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Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	<u>\$2.802</u>	<u>\$2.693</u>	<u>\$2.700</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.326	\$0.309	\$0.270
County	\$0.701	\$0.678	\$0.700
Local School	\$1.775	\$1.706	\$1.730

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2012	\$206,577,857
2011	\$206,894,596
2010	\$207,389,892

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2012	\$5,806,389	\$5,605,673	96.54%
2011	\$5,576,724	\$5,370,047	96.29%
2010	\$5,595,925	\$5,369,638	95.95%

Delinquent Taxes and Tax Title Liens

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

<u>Dec.31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$732,836	\$129,820	\$862,656	14.86%
2011	\$655,901	\$147,236	\$803,137	14.40%
2010	\$593,905	\$180,886	\$774,791	13.85%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2012 by foreclosure or deed as a result of liquidation of tax title liens.

Comparative Schedule of Fund Balances

<u>Current Fund</u>		<u>Utilized</u>
<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>In Budget of Succeeding Year</u> <u>Regular</u>
2012	\$ 353,887	\$ 237,193
2011	\$ 276,097	\$ 237,193
2010	\$ 343,649	\$ 247,976
2009	\$ 595,721	\$ 467,000
2008	\$ 455,856	\$ 281,852

Sewer Utility Fund

2012	\$ 68,250	\$ 22,385
2011	\$ 105,774	\$ 60,963
2010	\$ 178,055	\$ 134,000
2009	\$ 158,338	\$ 125,000
2008	\$ 58,080	\$ 39,000

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of</u> <u>Bond</u>	<u>Name</u> <u>Of Corporate Surety</u>
Donald Niece	Mayor		
Keith Gibbons	Committeeperson		
John D. Ort	Committeeperson		
Sheila L. Oberly	Clerk		
Karen Lance	Collector; Tax Search Officer	\$950,000	(Blanket) Municipal Excess Liability Joint Insurance Fund - Saddlebrook, NJ

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Dawn Stanchina	Certified Municipal Finance Officer	\$950,000	(Blanket) Municipal Excess Liability Joint Insurance Fund - Saddlebrook, NJ
Richard Motyka	Assessor		
Michael Garofalo	Attorney		

The minimum bond coverage required for the Tax Collector is based on their respective prior years' tax levy and would be as follows:

<u>Collector</u>	
<u>Year</u>	<u>Amount</u>
2012	\$93,442

There are public employees' blanket bonds providing coverage to municipal officials and employees not specifically bonded. The municipal officials and employees are covered by a "faithful performance blanket position bond" in the amount of \$50,000 provided by the Public Alliance Insurance Coverage Joint Insurance Fund, West Windsor, NJ.

All the bonds were examined and were properly executed.



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Douglas R. Williams, CPA, RMA, PSA
Anthony F. Ardito, PA, RMA, PSA

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

Independent Auditor's Report

The Honorable Mayor and
Members of the Township Committee
Township of Oxford
County of Warren, New Jersey
11 Green Street
Oxford, New Jersey 07863

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Oxford in the County of Warren, State of New Jersey, as of and for the fiscal year ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Township of Oxford's basic financial statements, and have issued our report thereon dated April 30, 2013, which indicated that the financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

-Continued-

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

Compliance and Other Matters

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

Purpose of this Report

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

ARDITO & CO., LLP



Frenchtown, New Jersey
April 30, 2013



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
April 30, 2013

SCHEDULE OF FEDERAL/STATE AWARDS

SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>CFDA</u>	<u>GRANT PERIOD</u>	<u>AWARD</u>	<u>FUND REF.</u>	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/12	RECEIPTS PROGRAM	OTHER	DISBURSEMENT S PROGRAM	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/12	CUMMULATIVE EXPENDITURES
DEPARTMENT OF HOMELAND SECURITY										
Disaster Grants - (Presidentially Declared)-Irene	97.036	2012	\$ 1,429	A	-	\$ 1,429	-	\$ (1,429)	-	\$ 1,429
			<u>\$ 1,429</u>		<u>-</u>	<u>\$ 1,429</u>	<u>-</u>	<u>\$ (1,429)</u>	<u>-</u>	<u>\$ 1,429</u>

Note: This Schedule was not subject to an audit in accordance with OMB Circular A-133.
The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

STATE GRANTOR/ PROGRAM TITLE	ACCOUNT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/12	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/12
<u>DEPT. OF COMMUNITY AFFAIRS</u>									
Municipal Alliance Program N.J.S.40A:11-5(a)	N/A	\$ 3,454	2012	A		\$ 3,454	\$ 238	\$ 3,498	\$ 194
Municipal Alliance Program N.J.S.40A:11-5(a)	N/A		Prior Years	A	\$ 2,027			2,027	
<u>DEPT. OF ENVIR. PROTECTION</u>									
Solid Waste Admin.-Clean Communities Program	4900-765-178900	4,850	2012	A		4,850		389	4,461
			Prior Years	A	1,644			1,644	
<u>DEPT. OF HUMAN SERVICES</u>									
Payments to Municipalities for Cost of General Assistance (State Share)	75050-150-158010-60	N/A	N/A	E	6,210		(66)		6,144
<u>DEPT. OF TRANSPORTATION</u>									
NJ Transportation Fund Authority Act	Buckley Avenue	140,000	2012	A		94,806			94,806
<u>OTHER AIDS</u>									
Emergency Management Council	N/A	5,000	2000	A	2,957				2,957
Beam Guides Rails and Stip	N/A			A	5,085				5,085
Hazards Emergency Operations Planning	N/A	2,406	2004	A	2,406				2,406
Stormwater Grant	N/A			A	6,050				6,050
Alcohol Rehabilitation Grant	N/A	162	2012	A	1,883	162			2,045
Emergency Services Grant	N/A			A	9,668				9,668
Recycling Tonnage Grant	N/A	4,371	2012	A	4,468	5,683			10,151
Waste Water Management Grant	N/A			A	12				12
Highlands Incentive Planning Grant	N/A	14,049	2,011	A	4,971			3,663	1,308
TOTAL STATE ASSISTANCE					\$ 47,381	\$ 108,955	\$ 172	\$ 11,221	\$ 145,287

Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 04-04.
The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

TOWNSHIP OF OXFORD

NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2012

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Township of Oxford. The Township of Oxford is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies, are included on the schedules of expenditures of federal and state awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

NOTE 3. RELATIONSHIP TO THE FINANCIAL STATEMENTS

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

STATUS OF PRIOR AUDIT FINDINGS

STATUS OF PRIOR AUDIT FINDINGS

CY
Occurrence

2011-1 I recommend that bond anticipation note debt be paid down on a consistent basis in accordance with 40A:2-8.1, and that the 2003 and 2005 real property acquisition bond anticipation note debt be permanently bonded.

STATUS - Finding Cleared in 2012

2011-2 (*) I recommend that all statutory means should be utilized, including foreclosure, to liquidate tax title liens in order to get such properties back on a taxpaying basis.

STATUS - Finding Repeated in 2012

2011-3 (*) I recommend that the township conduct a physical inventory or appraisal of the fixed assets. Periodic updates should occur to safeguard township assets.

STATUS - Finding Repeated in 2012

2011-4 (*) I recommend that the township establish a garbage utility fund in order to properly segregate garbage and sewer user fees.

STATUS - Finding Repeated in 2012

2011-5 (*) I recommend that the Township implement controls to ensure budget appropriations are not over-expended.

STATUS - Finding Repeated in 2012

2011-6 (*) I recommend that all interfund loans be transferred back to their respective funds before the end of the calendar year.

STATUS - Finding Repeated in 2012

(*) - Finding Repeated in Current Year

SCHEDULE OF FINDINGS AND RESPONSES
GENERAL FINDINGS

SCHEDULE OF FINDINGS AND RESPONSES

GENERAL FINDINGS

YEAR ENDED DECEMBER 31, 2012

Summary of Auditor's Results

The Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The audit did not disclose any material weaknesses in the internal controls of the Township.

The audit did not disclose any noncompliance that is material to the financial statements of the Township.

The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB Circular NJOMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2012 as 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:

Finding

2012-1 (*) As of December 31, 2012, there were seventy-seven (77) outstanding tax title liens in the amount of \$732,836. Property tax levies on these properties are added to liens in excess of \$59,000 annually, of which the township has to bear the full cost of the related local school and county tax levies.

I recommend that all statutory means should be utilized, including foreclosure, to liquidate tax title liens in order to get such properties back on a taxpaying basis.

2012-2 (*) The capital/fixed asset accounting detail should be updated.

I recommend that the township conduct a physical inventory or appraisal of the fixed assets. Periodic updates should occur to safeguard township assets.

2012-3 (*) Garbage user fees are billed through the Sewer Utility Fund and as such revenues and receivables are combined and are not accounted for separately.

I recommend that the township establish a garbage utility fund in order to properly segregate garbage and sewer user fees.

2012-4 (*) The sewer fund budget was over-expended by \$45,865.

I recommend that the Township implement controls to ensure budget appropriations are not over-expended.

2012-5 (*) Various interfund balances in excess of \$1,062,673 existed as of December 31, 2012.

I recommend that all interfund loans be transferred back to their respective funds before the end of the calendar year.

(*) Prior Year Finding