

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

**REPORT OF AUDIT  
DECEMBER 31, 2013**



TOWNSHIP OF OXFORD

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**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

## **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 financial statements-regulatory basis, which comprise the comparative balance sheets-regulatory basis of the various funds of the Township of Oxford, County of Warren, State of New Jersey (the "Township"), as of December 31, 2013 and 2012, and the related comparative 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, and the related notes to the financial statements for the year ended December 31, 2013, which collectively comprise the Township's basic financial statements listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Township's preparation and fair presentation of

-Continued-

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

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

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

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

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 and 2012, or the results of its operations and changes in its fund balances for the year then ended.

***Opinion on Regulatory Basis of Accounting***

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, 2013 and 2012, 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, in conformity with accounting principals and practices as described in Note 1 to the financial statements.

***Other Matters***

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements-regulatory basis. The supplementary information listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the basic financial statements-regulatory basis.

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-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements-regulatory basis 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-regulatory basis, or to the basic financial statements-regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

-Continued-

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2014, 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 and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP



Frenchtown, New Jersey  
March 31, 2014



Certified Public Accountant  
Registered Municipal Accountant No.524  
ARDITO & CO., LLP  
Frenchtown, New Jersey  
March 31, 2014

## **FINANCIAL STATEMENTS**

CURRENT FUND  
COMPARATIVE BALANCE SHEET

A  
Sheet 1

<b>ASSETS</b>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
<b>Cash And Cash Equivalents:</b>			
Cash - Treasurer	A-4	\$ 1,347,901	\$ 1,423,899
Subtotal		<u>1,347,901</u>	<u>1,423,899</u>
<b>Receivables And Other Assets With Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-6	183,806	129,820
Tax Title Liens Receivable	A-7	777,751	732,836
Property Acquired for Taxes	A-8	1,141,400	1,141,400
Revenue Accounts Receivable	A-9	52,659	53,891
Amount Due From Dog License Fund	B	5	288
Amount Due From Other Trust	B	3,885	4,558
Amount Due To Sewer Operating Fund	D	3,026	-
Amount Due From Public Assistance Fund	E	-	17
Subtotal		<u>2,162,532</u>	<u>2,062,810</u>
<b>Federal And State Grant Fund:</b>			
Amount Due From Current Fund	A	55,036	140,343
Federal/State Grants Receivable	A-17	486,115	45,194
Subtotal		<u>541,151</u>	<u>185,537</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 4,051,584</u></b>	<b><u>\$ 3,672,246</u></b>

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>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Appropriation Reserves	A-3:10	\$ 211,844	\$ 198,404
Encumbrances	A-11	-	36,141
Amount Due To Grants Fund	A	55,036	140,343
Amount Due To Other Trust	B	109,600	71,300
Amount Due To General Capital Fund	C	541,985	499,876
Amount Due To Sewer Operating Fund	D	-	2,840
Taxes Collected In Advance	A-12	32,140	24,827
Tax Overpayments	A-13	4,348	827
County Taxes Payable	A-14	-	4,718
Local District School Taxes Payable	A-15	83,454	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	18,164
Amount Due to State of New Jersey for Marriage License Fees	A-21	100	100
Amount Due Outside Liens	A-22	<u>13,372</u>	<u>-</u>
Subtotal		<u>1,073,673</u>	<u>1,070,012</u>
Reserve For Receivables And Other Assets	A	2,162,532	2,062,810
Fund Balance	A-1	<u>274,228</u>	<u>353,887</u>
Subtotal		<u>3,510,433</u>	<u>3,486,709</u>
<b>Federal And State Grant Fund:</b>			
Reserve For State Grants - Appropriated	A-18	538,523	181,004
Reserve For State Grants - Unappropriated	A-19	<u>2,628</u>	<u>4,533</u>
Subtotal		<u>541,151</u>	<u>185,537</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 4,051,584</u></b>	<b><u>\$ 3,672,246</u></b>

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

<b>REVENUE AND OTHER INCOME REALIZED</b>	<u>REF.</u>	<u>YEAR</u> <u>2013</u>	<u>YEAR</u> <u>2012</u>
Fund Balance Utilized	A-2	\$ 237,193	\$ 237,193
Miscellaneous Revenue Anticipated	A-2	1,843,859	1,368,135
Receipts From Delinquent Taxes	A-2	127,179	141,154
Receipts From Current Taxes	A-2	5,552,618	5,605,747
Non-Budget Revenues	A-2	32,814	32,041
<u>Other Credits To Income:</u>			
Unexpended Balance of Appropriation Reserves	A-10	163,008	110,371
Grant Cancelations	A-18		85
Void Checks	A-4	4,510	-
Interfunds Returned	A-4	<u>2,178</u>	<u>10,590</u>
<b>TOTAL INCOME</b>		<u>7,963,359</u>	<u>7,505,316</u>
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	434,562	418,032
Other Expenses	A-3	1,240,459	1,288,075
Deferred Charges and Statutory Expenditures	A-3	79,277	78,064
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	270	270
Other Expenses	A-3	725,272	37,573
Capital Improvements	A-3	31,500	171,500
Municipal Debt Service	A-3	123,450	36,082
Deferred Charges and Statutory Expenditures	A-3	41,731	36,200
County Taxes	A-14	1,420,740	1,446,095
Amount Due County For Added and Omitted Taxes	A-14	549	4,718
Local District School Taxes	A-15	3,696,780	3,667,557
Refund of Prior Year Revenue	A-4	8,209	6,087
Interfund Advances		<u>3,026</u>	<u>80</u>
<b>TOTAL EXPENDITURES</b>		<u>7,805,825</u>	<u>7,190,333</u>
Excess (Deficit) Revenue Over Expenditures		157,534	314,983
Statutory Excess to Fund Balance		157,534	314,983
<b>Fund Balance January 1</b>	A	<u>353,887</u>	<u>276,097</u>
		511,421	591,080
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>237,193</u>	<u>237,193</u>
<b>Fund Balance December 31</b>	A	<u>\$ 274,228</u>	<u>\$ 353,887</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>REALIZED</u>	<u>EXCESS OR</u>
	<u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>		<u>DEFICIT</u>
<b>Anticipated Surplus-Cash Surplus</b>	A-1	\$ 237,193	\$ 237,193	
<b>Miscellaneous Revenues</b>				
<b>LOCAL REVENUES:</b>				
Alcoholic Beverages Licenses	A-9	3,400	3,898	\$ 498
Municipal Court Fines and Costs	A-9	16,100	13,105	(2,995)
Interest and Costs On Taxes	A-5	28,500	25,596	(2,904)
Interest on Investments and Deposits	A-9	2,800	1,731	(1,069)
Trailer Park Fees	A-9	19,900	18,260	(1,640)
In Lieu Taxes - Oxford Heritage	A-5	5,200	-	(5,200)
Host Community Benefits-Refuse Center	A-9	608,800	612,747	3,947
<b>TOTAL LOCAL REVENUES</b>		<u>684,700</u>	<u>675,337</u>	<u>(9,363)</u>
<b>STATE AID REVENUES:</b>				
Consolidated Municipal Property Tax Relief Aid	A-9	7,618	7,618	
Energy Receipts Tax	A-9	170,880	170,880	
<b>TOTAL STATE AID REVENUES</b>		<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>		
<b>FEDERAL AND STATE GRANT REVENUES:</b>					
Recycling Tonnage Grant	A-17	5,683		5,683	
Clean Communities Grant	A-17	4,935		4,935	
Municipal Alliance on Alcoholism and Drug Abuse	A-17	3,854		3,854	
Alcohol Education and Rehabilitation Grant	A-17	270		270	
County Colonial Church Grant	A-17		\$ 322,600	322,600	
Oxford Second Presb. Church	A-17		382,000	382,000	
<b>Total Federal and State Grant Revenues</b>		14,742	704,600	719,342	
<b>Other Special Items:</b>					
Cell Tower Rent	A-9	65,000		91,569	26,569
General Capital Fund Balance	A-9	4,113		4,113	-
Solid Waste Collection Fee	A-9	175,000		175,000	-
<b>Total Special Items Of Revenues</b>		244,113		270,682	26,569
<b>TOTAL MISCELLANEOUS REVENUES</b>	A-2	<b>1,122,053</b>	<b>704,600</b>	<b>1,843,859</b>	<b>17,206</b>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	A-6:7	151,999		127,179	(24,820)
<b>Amount To be Raised by Taxes For Support Of Municipal Budget:</b>					
Local Tax For Municipal Purposes	A-2	707,868		681,651	(26,217)
<b>Total General Revenues</b>		2,219,113	704,600	2,889,882	(33,831)
<b>Non-Budget Revenues:</b>					
Other Non-Budget Revenues	A-2			32,814	32,814
		<b>\$ 2,219,113</b>	<b>\$ 704,600</b>	<b>\$ 2,922,696</b>	<b>\$ (1,017)</b>

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		\$ 5,528,772
State of New Jersey, Senior Citizens and Veterans Deductions		<u>23,846</u>
	A-1	5,552,618

**Allocated To:**

School and County Taxes		<u>5,118,069</u>
Deficiency Supported by Municipal Revenues		434,549
Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"	A-3	<u>247,102</u>

**Amount For Support Of Municipal Budget Appropriations**

A-2     \$ 681,651

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 4

<b>ANALYSIS OF NON-BUDGET REVENUES</b>	<u>REF.</u>		
Miscellaneous Revenue Not Anticipated:			
<b>Treasurer:</b>			
Subdivision Fees		\$ 2,200	
Certified Copies		386	
Marriage Licenses		39	
Zoning Fees		423	
Recycling Fees		149	
Cable TV Fees		7,431	
Site Plan		600	
Gun Club Lease		5,000	
Donations		100	
Miscellaneous		2,570	
State Reimbursements	A-4	<u>12,894</u>	<u>\$ 31,792</u>
 <b>Collector:</b>			
Miscellaneous	A-5	<u>1,022</u>	<u>1,022</u>
			<u><u>\$ 32,814</u></u>

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>
<b>GENERAL GOVERNMENT FUNCTIONS:</b>				
General Administration:				
Salaries and Wages:				
Governing Body	\$ 13,056	\$ 13,056	\$ 12,066	\$ 990
Municipal Clerk	61,852	61,852	61,124	728
Other Expenses:				
Computerization	10,000	10,000	5,426	4,574
Miscellaneous Other Expenses	32,000	32,000	25,947	6,053
Election:				
Other Expenses	5,000	5,000	658	4,342
Financial Administration (Treasury):				
Salaries and Wages	21,692	21,692	21,182	510
Other Expenses	6,500	6,500	5,569	931
Audit Services:				
Other Expenses	15,000	15,000	15,000	
Revenue Administration (Tax Collection):				
Salaries and Wages	10,000	10,000	10,000	
Other Expenses	4,200	4,700	4,215	485
Tax Assessment Administration:				
Salaries and Wages	16,454	16,454	15,991	463
Other Expenses	2,700	2,700	1,778	922
Legal Services (Legal Dept.):				
Other Expenses	30,000	35,000	33,272	1,728
Engineering Services:				
Other Expenses	45,000	45,000	37,239	7,761

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>
<b>LAND USE ADMINISTRATION:</b>					
Planning Board:					
Salaries and Wages	17,063	17,063	13,133	3,930	
Other Expenses:					
Legal Services	4,000	4,000	834	3,166	
Miscellaneous Other Expenses	3,000	3,000	1,911	1,089	
Public Defender:					
Salaries and Wages	1,530	1,530	600	930	
Zoning Costs:					
Salaries and Wages	3,555	3,555	3,521	34	
Other Expenses	100	100		100	
Municipal Court:					
Other Expenses	48,986	48,986	48,986		
<b>INSURANCE:</b>					
General Liability Insurance	37,997	37,997	37,997		
Workmens' Compensation Insurance	28,276	30,963	30,963		
Employee Group Insurance	117,000	117,000	113,998	3,002	
Unemployment Insurance	5,000	5,000	5,000		
<b>PUBLIC SAFETY FUNCTIONS:</b>					
Police:					
Salaries and Wages	9,180	9,180	9,116	64	
Other Expenses:					
Other Expenses	1,000	1,000	1,000		
Miscellaneous Other Expenses - Washington Twp. Services	545,000	545,000	545,000		
Aid to Volunteer Fire Companies	17,500	17,500	17,500		
Truck Rental Payment			0		
Contribution to First Aid Organizations	35,000	35,000	32,859	2,141	
Office of Emergency Management:					
Salaries and Wages	1,734	1,734	1,734		
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>
<b>PUBLIC WORKS FUNCTIONS:</b>					
Streets and Road Maintenance:					
Salaries and Wages	256,000	256,000	185,620	70,380	
Other Expenses	50,000	50,000	21,201	28,799	
Recycling Program:					
Salaries and Wages	816	816	457	359	
Buildings and Grounds:					
Salaries and Wages	4,080	4,080	2,291	1,789	
Other Expenses	30,000	30,000	29,849	151	
Vehicle Maintenance:					
Other Expenses	16,000	16,000	10,468	5,532	
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>					
Public Health Services (Board of Health):					
Salaries and Wages	510	510		510	
Other Expenses	100	100		100	
Animal Control:					
Salaries and Wages	2,040	2,040	2,040		
Other Expenses	1,000	1,000	1,000		
<b>PARK AND RECREATION FUNCTIONS:</b>					
Recreation Services:					
Salaries and Wages	15,000	15,000		15,000	
Other Expenses:					
Contribution - Oxford Youth Assoc.	7,000	7,000	7,000		
Contribution - Young at Heart Club	800	800	800		
Miscellaneous Other Expenses	5,000	5,000		5,000	

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>BUDGET</u>	<u>APPROPRIATION BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>					
Electricity and Street Lighting	60,000	51,813	42,978	8,835	
Telephone (excluding equipment acquisition)	7,500	7,500	4,550	2,950	
Natural Gas/Propane	12,500	12,500	10,651	1,849	
Gasoline/Diesel	20,000	20,000	15,308	4,692	
Fire Hyrdants	26,000	26,000	20,928	5,072	
Landfill/Solid Waste Disposal Costs	10,000	10,000	6,100	3,900	
<b>MUNICIPAL COURT COSTS:</b>					
Public Defender:					
Other Expenses	1,200	1,200		1,200	
<b>Total Operations - Within "CAPS "</b>	<b>1,675,021</b>	<b>1,675,021</b>	<b>1,474,860</b>	<b>200,161</b>	
<b>Total Operations - Within "CAPS " including Contingent Detail:</b>	<b>1,675,021</b>	<b>1,675,021</b>	<b>1,474,860</b>	<b>200,161</b>	
Salaries and Wages	434,562	434,562	338,875	95,687	
Other Expenses	1,240,459	1,240,459	1,135,985	104,474	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":</b>					
<b>Statutory Expenditures :</b>					
Social Security System ( O.A.S.I. )	36,000	36,000	27,717	8,283	
Contribution to:					
PERS	42,277	42,277	42,277		
Unemployment Compensation	1,000	1,000	373	627	
<b>Total Deferred Charges and Statutory Expenditures-within "CAPS"</b>	<b>79,277</b>	<b>79,277</b>	<b>70,367</b>	<b>8,910</b>	-
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>1,754,298</b>	<b>1,754,298</b>	<b>1,545,227</b>	<b>209,071</b>	-

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>		
<b>OPERATIONS-EXCLUDED from "CAPS"</b>					
Aid to Library Aid	5,000	5,000	3,427	1,573	
<b>Total Other Operations-Excluded from "CAPS"</b>	<u>5,000</u>	<u>5,000</u>	<u>3,427</u>	<u>1,573</u>	
<b>Public and Private Programs Offset by Revenues-: Excluded from "CAPS"</b>					
Matching Funds for Grants - Municipal Alliance:	1,200	1,200		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				0	
Warren County Department of Human Services(Municipal Alliance PY):					
Other Expenses	162	162	162		
Recycling Tonnage Grant Program:					
Other Expenses	5,683	5,683	5,683		
Recycling Tonnage Grant Program(PY):					
Other Expenses				0	
Oxford Second Presbyterian Church Reimbursement Grant:					
Other Expenses		382,000	382,000		
County Colonial Church Reimbursement Grant:					
Other Expenses		322,600	322,600		
<b>Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"</b>	<u>15,942</u>	<u>720,542</u>	<u>719,342</u>	<u>1,200</u>	
<b>Total Operations-Excluded from "CAPS"</b>	<u>20,942</u>	<u>725,542</u>	<u>722,769</u>	<u>2,773</u>	
<b>Detail:</b>					
Salaries and Wages	270	270	270		
Other Expenses	20,672	725,272	722,499	2,773	
<b>Capital Improvements-Excluded from "CAPS":</b>					
Capital Improvement Fund	31,500	31,500	31,500		
<b>Total Capital Improvements-Excluded from "CAPS"</b>	<u>31,500</u>	<u>31,500</u>	<u>31,500</u>		

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 6

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<b>Municipal Debt Service-Excluded from "CAPS":</b>					
Payment of Bond Principal	98,000	98,000	98,000		
Interest on Bonds	25,540	25,540	25,450	\$	90
<b>Total Municipal Debt Service</b>	123,540	123,540	123,450		90
<b>Deferred Charges-Excluded from "CAPS":</b>					
Deferred Charges to Future Taxtion - Unfunded: Grant Fund Overexpenditure	1,200	1,200	1,200		
Deferred Charges to Future Taxtion - Unfunded: Speed Bump - Pequest Rd	1,797	1,797	1,797		
Lake Dock and Playground	3,340	3,340	3,340		
Public Works Garage	35,394	35,394	35,394		
<b>Total Deferred Charges</b>	41,731	41,731	41,731		
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>217,713</b>	<b>922,313</b>	<b>919,450</b>	<b>2,773</b>	<b>90</b>
Subtotal General Appropriations	1,972,011	2,676,611	2,464,677	211,844	90
Reserve For Uncollected Taxes	247,102	247,102	247,102		
<b>TOTALS</b>	<b>\$2,219,113</b>	<b>\$2,923,713</b>	<b>\$2,711,779</b>	<b>\$211,844</b>	<b>\$90</b>

Budget	A-2	\$ 2,219,113		A	A-1
Appropriation 40A:4-87	A-2	704,600			
		<u>\$ 2,923,713</u>			

	<u>REF.</u>				
Reserve for State Grants	A-18	\$ 719,342			
Capital Improvements	C-3	31,500			
Deferred Charges	A/C	41,731			
Reserve for Encumbrances	A-11	1,672,104			
Reserve for Uncollected Taxes	A-2	247,102			
		<u>\$ 2,711,779</u>			

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

TRUST FUND  
COMPARATIVE BALANCE SHEET

B

<b>ASSETS</b>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
<b>Dog License Fund:</b>			
Cash and Cash Equivalents	B-2	\$ 656	\$ 1,096
<b>Total Dog License Fund</b>		<u>656</u>	<u>1,096</u>
<b>Other Trust Funds:</b>			
Cash and Cash Equivalents	B-2	109,981	104,162
Amount Due from Current Fund	B-6	<u>105,715</u>	<u>66,742</u>
<b>Total Other Trust Funds</b>		<u>215,696</u>	<u>170,904</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 216,352</u></b>	<b><u>\$ 172,000</u></b>

**LIABILITIES, RESERVES AND FUND BALANCE**

<b>Dog License Fund:</b>			
Reserve for Dog Fund Expenditures	B-3	\$ 651	\$ 803
Amount Due State of New Jersey	B-4	-	5
Amount Due Current Fund	B-5	<u>5</u>	<u>288</u>
<b>Total Dog License Fund</b>		<u>656</u>	<u>1,096</u>
<b>Other Trust Fund:</b>			
Reserve for Tax Sale Premiums and Outside Liens	B-7	109,600	71,300
Reserve for Developer's Escrow Trust	B-8	37,042	27,676
Reserve for Payroll Trust	B-9	12,774	8,740
Reserve for Tot Lot Escrow	B-10	42,558	42,494
Reserve for COAH Deposits	B-11	1	1
Reserve for State Unemployment Insurance	B-12	1,764	6,234
Reserve for Lake Trust	B-13	<u>11,957</u>	<u>14,459</u>
<b>Total Other Trust Fund</b>		<u>215,696</u>	<u>170,904</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 216,352</u></b>	<b><u>\$ 172,000</u></b>

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

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

C

<b>ASSETS</b>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
Cash and Cash Equivalents	C-2	\$ 90	\$ 90
Amount Due Current Fund	C-3	541,985	499,876
Deferred Charges to Future Taxation:			
Funded	C-4	1,235,000	1,333,000
Unfunded	C-5	<u>517,698</u>	<u>225,729</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 2,294,773</u></b>	<b><u>\$ 2,058,695</u></b>

**LIABILITIES, RESERVES AND FUND BALANCE**

Capital Improvement Fund	C-6	154,605	140,605
State of New Jersey EDA Loan	C-8	18,000	36,000
Bonds Payable	C-10	1,217,000	1,297,000
Improvement Authorizations:			
Funded	C-7	32,302	14,802
Unfunded	C-7	741,431	434,740
Various Reserves	C-9	131,434	131,434
Fund Balance	C-1	<u>1</u>	<u>4,114</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 2,294,773</u></b>	<b><u>\$ 2,058,695</u></b>

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, 2012	C	\$ 4,114
<b>Decreased by:</b>		
General Capital Fund Balance Anticipated as Revenue in Current Fund Budget	C-3	<u>4,113</u>
Balance December 31, 2013	C	<u>\$ 1</u>

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

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET

D

<b>ASSETS</b>	<u>REF.</u>	<u>BALANCE</u> 12/31/13	<u>BALANCE</u> 12/31/12
<b>Operating Fund:</b>			
Cash and Cash Equivalents	D-4	\$ 417,594	\$ 455,259
Receivables with Full Reserves:			
Consumer Accounts Receivable and Liens	D-6	211,028	181,158
Amount Due Current Fund	D-8	-	2,840
Deferred Charge - Emergency Appropriation	D-1:3	40,000	-
Deferred Charge - Overexpended Appropriations	D-1:3	<u>70,814</u>	<u>45,865</u>
<b>Total Operating Fund</b>		<u>739,436</u>	<u>685,122</u>
<b>Capital Fund:</b>			
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>
<b>Total Capital Fund</b>		<u>3,392,663</u>	<u>3,392,663</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 4,132,099</u></b>	<b><u>\$ 4,077,785</u></b>

**LIABILITIES, RESERVES AND FUND BALANCE**

<b>Operating Fund:</b>			
Liabilities:			
Appropriation Reserves	D-3:7	\$ 8,640	\$ 7,237
Encumbrances	D-3	-	1,246
Due Sewer Capital Fund	D	348,009	348,009
Accrued Interest on Bonds	D	9,029	9,029
Amount Due Current Fund	D-8	3,026	-
Prepaid User Charges	D-9	62,477	70,193
Sewer Rent Overpayments	D-5	3,912	-
Reserve for Receivables	D	211,028	181,158
Fund Balance	D-1	<u>93,315</u>	<u>68,250</u>
<b>Total Operating Fund</b>		<u>739,436</u>	<u>685,122</u>
<b>Capital Fund:</b>			
Loans Payable	D-11	535,412	578,631
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	2,475,855	2,432,636
Reserve for Deferred Amortization	D	33,387	33,387
Reserve for Capital Improvements	D	<u>117,312</u>	<u>117,312</u>
<b>Total Capital Fund</b>		<u>3,392,663</u>	<u>3,392,663</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 4,132,099</u></b>	<b><u>\$ 4,077,785</u></b>

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

<b>REVENUE AND OTHER INCOME REALIZED</b>	<u>REF.</u>	<u>YEAR</u> <u>12/31/13</u>	<u>YEAR</u> <u>12/31/12</u>
Operating Surplus	D-2	\$ 22,385	\$ 60,963
Rents	D-2	1,030,071	997,000
Miscellaneous	D-2	646	4,214
Other Credits to Income:			
Appropriations Lapsed	D-7	<u>6,721</u>	<u>12,192</u>
<b>Total Income</b>		<b><u>1,059,823</u></b>	<b><u>1,074,369</u></b>
<b>EXPENDITURES</b>			
Salary and Wages	D-3	26,000	29,155
Operating Expenses	D-3	970,517	907,673
Statutory Expenditures	D-3	2,100	2,100
Debt Service	D-3	78,706	78,717
Deferred Charges	D-3	45,864	44,811
Surplus-General Budget	D-3	<u>-</u>	<u>34,339</u>
<b>Total Expenditures</b>		<b><u>1,123,187</u></b>	<b><u>1,096,795</u></b>
Excess in Revenues		(63,364)	(22,426)
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>110,814</u>	<u>45,865</u>
Statutory Excess to Fund Balance		47,450	23,439
<b>Balance January 1</b>	D	<u>68,250</u>	<u>105,774</u>
		115,700	129,213
Decreased by:			
Utilized as Anticipated Revenue		<u>22,385</u>	<u>60,963</u>
<b>Balance December 31</b>	D	<b><u>\$ 93,315</u></b>	<b><u>\$ 68,250</u></b>

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	\$ 22,385	\$ 22,385	
Rents	985,786	1,030,071	\$ 44,285
Miscellaneous	4,214	646	(3,568)
Total Sewer Utility Revenue	\$ 1,012,385	\$ 1,053,102	\$ 40,717
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>RESERVED</u>	<u>CANCELED</u>	<u>OVER-</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>		<u>EXPENDED</u>
Salary and Wages	\$ 26,000	\$ 26,000	\$ 19,460	\$ 6,540	
Other Expenses-Sewer Treatment	837,703	852,005	922,819		\$ 70,814
Other Expenses	22,000	47,698	47,698		
Social Security	2,000	2,000	-	2,000	
Unemployment Compensation	100	100	-	100	
Debt Service:					
Bond Anticipation Note Principal	43,219	43,219	43,219		
Interest on Bond Anticipation Notes	35,499	35,499	35,487	\$ 12	
Deferred Charges - Overexpenditures	45,864	45,864	45,864		
<b>Total Sewer Utility Appropriations</b>	<b>\$ 1,012,385</b>	<b>\$ 1,052,385</b>	<b>\$ 1,114,547</b>	<b>\$ 8,640</b>	<b>\$ 12</b>
					<b>\$ 70,814</b>

REF.	D-2		D	D-1	D:D-1
Original Budget	D-2	\$ 1,012,385			
Emergency Appropriation	D:D-1	<u>40,000</u>			
		<u>\$ 1,052,385</u>			
			D-4		
			\$ 1,036,364		
			D-8		
			32,319		
			Deferred Charges		
			<u>45,864</u>		
			<u>\$ 1,114,547</u>		

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

PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET

E

<b>ASSETS</b>	REF.	BALANCE 12/31/13	BALANCE 12/31/12
Cash and Cash Equivalents	E-1	\$ 6,154	\$ 6,161
<b>TOTAL ASSETS</b>		<b><u>\$ 6,154</u></b>	<b><u>\$ 6,161</u></b>

**LIABILITIES AND RESERVES**

Reserve for Public Assistance	\$ 6,154	\$ 6,144
Due Current Fund	-	17
<b>TOTAL LIABILITIES AND RESERVES</b>	<b><u>\$ 6,154</u></b>	<b><u>\$ 6,161</u></b>

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

GENERAL FIXED ASSETS  
STATEMENT OF GENERAL FIXED ASSETS  
DECEMBER 31, 2013

F

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</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	544,644	544,644
Construction in Progress	243,761	243,761
Total General Fixed Assets	<u>\$ 6,006,333</u>	<u>\$ 6,006,333</u>
Investment In General Fixed Assets	<u>\$ 6,006,333</u>	<u>\$ 6,006,333</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, 2013

**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, 2013

**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, 2013

**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, 2013

**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, 2013

**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, 2013

**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, 2013

**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, 2013

**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, 2013, 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, 2013, cash and cash equivalents of the municipality consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking	<u>\$ 1,882,376</u>	<u>\$1,882,376</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2013, was \$1,882,376 and the bank balance was \$1,911,649. 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 \$1,632,376 was covered by collateral pool.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**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:

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Paid</b>	<b>Ending Balance</b>
<b>Long Term Debt:</b>				
State of New Jersey-EDA Loan	36,000		\$ 18,000	\$ 18,000
Bonds Payable	1,297,000		80,000	1,217,000
Sanitary Sewer System Loan	578,631		43,219	535,412
Compensated absences payable	None			None
Total Long-Term Debt	<u>\$ 1,911,631</u>	-	<u>\$ 141,219</u>	<u>\$ 1,770,412</u>

**Summary of Municipal Debt**

	YEAR <u>2013</u>	YEAR <u>2012</u>	YEAR <u>2011</u>
<b>Issued</b>			
General:			
Bonds and Notes	\$ 1,235,000	\$ 1,333,000	\$ 1,031,151
Sewer Utility:			
Bonds and Notes	535,412	578,631	619,270
Total Deductions			
Net Debt Issued	<u>1,770,412</u>	<u>1,911,631</u>	<u>1,650,421</u>
<b><u>Authorized But Not Issued</u></b>			
General:			
Bonds and Notes	517,698	225,729	585,229
Sewer Utility:			
Bonds and Notes	NONE	NONE	NONE
Total Authorized But Not Issued	<u>517,698</u>	<u>225,729</u>	<u>585,229</u>
<b>Net Bonds and Notes Issued and Authorized But Not Issued</b>	<u><u>\$ 2,288,110</u></u>	<u><u>\$ 2,137,360</u></u>	<u><u>\$ 2,235,650</u></u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**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 0.879%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 4,845,000	\$ 4,845,000	
Sewer Debt	535,412	535,412	-
General Debt	1,752,698	-	\$ 1,752,698
	<u>\$ 7,133,110</u>	<u>\$ 5,380,412</u>	<u>\$ 1,752,698</u>

Net Debt \$ 1,752,698 Divided by Equalized Valuation Basis per  
N.J.S.A. 40A:2-2 as amended, \$ 199,426,508 equals 0.879%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 6,979,928
Net Debt	1,752,698
Remaining Borrowing Power	\$ 5,227,230

**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>
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	145,000	15,236	57,940	20,778
2018-2023	607,000	31,545	276,919	44,110
	<u>\$ 1,235,000</u>	<u>\$ 132,596</u>	<u>\$ 535,412</u>	<u>\$ 179,207</u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**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, 2013, was \$18,000. 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 \$95,000 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, 2013, was \$1,217,000. 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, 2013 is \$535,412.

	Debt <u>Outstanding</u>
Total Bonded and Loan Debt Issued	<u>\$1,770,412</u>

As of December 31, 2013, there were \$517,698 in bonds and notes authorized, not issued.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 4: GENERAL FIXED ASSETS**

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

	Balance <u>1/1/13</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/13</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	544,644	-		544,644
Construction in Progress	243,761			243,761
	<u>\$ 6,006,333</u>	<u>-</u>	<u>-</u>	<u>\$ 6,006,333</u>

**Note 5: FUND BALANCES APPROPRIATED**

Fund Balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014, were as follows:

	Introduced <u>Budget</u>
Current Fund	\$233,000
Sewer Utility Fund	None

**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, 2013, the following deferred charges are required to be raised in succeeding budgets.

	<u>Balance</u> <u>12/31/12</u>	<u>Raised in</u> <u>2013 Budget</u>	<u>Resulting</u> <u>from 2013</u> <u>Operations</u>	<u>Balance</u> <u>12/31/13</u>
Sewer Fund - Emergency Appropriations			\$ 40,000	\$ 40,000
Sewer Fund - Overexpenditures	\$ 45,865	\$ 45,865	70,814	70,814
	<u>\$ 45,865</u>	<u>\$ 45,865</u>	<u>\$ 110,814</u>	<u>\$ 110,814</u>

The appropriations in the 2014 Budget are not less than that required by statute.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**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:

	<b>TOTAL DEFERRED TAX <u>12/31/13</u></b>	<b>LOCAL DISTRICT SCHOOL TAX BALANCE <u>12/31/13</u></b>	<b>BALANCE <u>12/31/12</u></b>
Balance of Tax	\$ 1,848,390	\$ 1,833,778	
Deferred	<u>1,764,936</u>	<u>1,764,936</u>	
Tax Payable	<u>\$ 83,454</u>	<u>\$ 68,842</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, 2013

**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.

<b><u>Three-Year Trend Information for PERS and PFRS</u></b>			
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>
2013	\$42,277	100%	-0-
2012	\$41,418	100%	-0-
2011	\$101,555	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, 2012 there were 97,661 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, 2013

**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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

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, 2013

**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, 2013:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 6,916	\$ 706,621
Federal/State Grants Fund	55,036	-
Animal Control Fund	-	5
Other Trust Funds	105,715	-
General Capital Fund	541,985	-
Sewer Operating Fund	-	351,035
Sewer Capital Fund	348,009	-
	<u>\$ 1,057,661</u>	<u>\$ 1,057,661</u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**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, 2013, 2012, and 2011, were \$16,980, \$20,024, and \$19,975, respectively, which equaled the required contributions for each year. There were approximately two retired participants eligible at December 31, 2013, 2012, and 2011.

**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, 2012	A	\$ 1,423,899
<b>Increased by Receipts:</b>		
Void Checks	A-1	\$ 4,510
Miscellaneous Revenue Not Anticipated	A-2	31,792
Collector	A-5	6,073,332
Revenue Accounts Receivable	A-9	1,098,921
Senior Citizens/Veterans Deductions	A-16	23,846
Federal/State Grant Funds	A-17:19	276,516
State Marriage Fees	A-21	325
Interfund Return	A-1	<u>2,178</u>
		<u>7,511,420</u>
		8,935,319
<b>Decreased by Disbursements:</b>		
Refund of Prior Year Revenue	A-1	8,209
2012 Appropriation Reserves	A-10	70,451
Reserve for Encumbrances	A-11	1,684,370
Interfund Advance	A/B/C	98,309
County Taxes	A-14	1,426,007
Local District School Tax	A-15	3,682,168
Federal/State Grant Funds	A-18	361,823
State Marriage Fees	A-21	325
Outside Liens	A-22	<u>255,756</u>
		<u>7,587,418</u>
Balance December 31, 2013	A	<u>\$ 1,347,901</u>

CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

**Received:**

Interest and Costs on Taxes	A-2	\$ 25,596	
Miscellaneous	A-2	1,022	
Taxes Receivable	A-6	5,630,767	
Tax Title Liens	A-7	358	
2014 Prepaid Taxes	A-12	32,140	
Tax Overpayments	A-13	3,521	
Outside Liens	A-22	269,128	
Tax Sale Premiums	B	<u>110,800</u>	<u>\$ 6,073,332</u>

**Decreased by Disbursements:**

Payments to Treasurer	A-4		<u>\$ 6,073,332</u>
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CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>		
Balance December 31, 2012	A		\$732,836
<b>Increased by:</b>			
Transfers from Taxes Receivable	A-6	\$ 49,123	
Interest and Costs		<u>644</u>	<u>49,767</u>
			782,603
<b>Decreased by:</b>			
Paid	A-5	358	
Canceled		<u>4,494</u>	<u>4,852</u>
Balance December 31, 2013	A		<u>\$777,751</u>

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

A-8

	<u>REF.</u>	
Balance December 31, 2012	A	<u>\$ 1,141,400</u>
Balance December 31, 2013	A	<u>\$ 1,141,400</u>

CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>ACCRUED</u> <u>IN 2013</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>12/31/13</u>
Alcoholic Beverage Licenses			\$ 3,898	\$ 3,898	
Municipal Court:					
Fines and Costs	A-2	\$ 715	12,974	13,105	\$ 584
Trailer Park Fees			18,260	18,260	
Host Community Benefits-Refuse Center		53,176	611,646	612,747	52,075
Cell Tower Rent	A-2		91,569	91,569	
General Capital Fund Balance	A-2		4,113	4,113	
Consolidated Municipal Property Tax Relief Aid	A-2		7,618	7,618	
Energy Receipts Tax	A-2		170,880	170,880	
Interest on Investments and Deposits	A-2		1,731	1,731	
Solid Waste Collection Fee	A-2		175,000	175,000	
Totals		<u>\$ 53,891</u>	<u>\$ 1,097,689</u>	<u>\$ 1,098,921</u>	<u>\$ 52,659</u>
	REF.	A	A-2	A-4	A

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2012

A-10

	<u>BALANCE</u> <u>12/31/12</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	\$ 7,871	\$ 7,871	\$ 5,278	\$ 2,593
Computerization:				
Other Expenses	3,338	3,338	3,000	338
Finance:				
Other Expenses	2,486	2,486	567	1,919
Audit Services:				
Other Expenses	1,625	2,650	2,650	
Tax Assessment:				
Other Expenses	2,180	2,180	157	2,023
Legal:				
Other Expenses	13,417	13,417	4,819	8,598
Engineering Services:				
Other Expenses	257	5,839	5,839	
Aid to Vol. Fire Co.		4,538	4,538	
First Aid Contribution		10,000	10,000	
Streets and Road Maintenance:				
Salaries and Wages	31,071	21,236	-	21,236
Other Expenses	16,256	16,256	4,074	12,182
Buildings and Grounds:				
Other Expenses	15,908	15,908	2,383	13,525
Vehicle Maintenance:				
Other Expenses	708	2,614	2,614	
Board of Health:				
Salaries and Wages	510	510	126	384
Recreation:				
Other Expenses	7,500	7,500	86	7,414
Electricity	7,215	7,215	5,369	1,846
Telephone (excluding equipment acquisition)	4,896	4,896	541	4,355
Fire Hydrants	3,445	4,185	4,185	
Gas (Natural or Propane):	2,860	2,860	2,538	322
Gasoline	7,235	7,235	726	6,509
Landfill Solid Waste	13,957	1	-	1
Municipal Court Other Expense	10,961	10,961	10,961	
Other Accounts - No Change	79,763	79,763	-	79,763
<b>TOTALS</b>	<b><u>\$ 233,459</u></b>	<b><u>\$ 233,459</u></b>	<b><u>\$ 70,451</u></b>	<b><u>\$ 163,008</u></b>

REF.

A

A

A-4

A-1

Appropriation Reserve	\$ 198,404
Encumbrances	35,055
	<u>\$ 233,459</u>

CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-11

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 36,141
<b>Increased by:</b>		
Added Purchase Orders		\$ 12,266
Transfer from Current Year Appropriations	A-3	<u>1,672,104</u>
		<u>1,684,370</u>
		1,720,511
<b>Decreased by:</b>		
Canceled		1,086
Transferred to Appropriation Reserve	A-10	35,055
Cash Disbursements	A-4	<u>1,684,370</u>
		<u>\$ 1,720,511</u>

CURRENT FUND  
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-12

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 24,827
<b>Increased by:</b>		
2014 Taxes Collected in Advance	A-5	<u>32,140</u>
		56,967
<b>Decreased by:</b>		
Applied to 2013 Taxes Receivable	A-6	<u>24,827</u>
Balance December 31, 2013	A	<u>\$ 32,140</u>

CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

A-13

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 827
<b>Increased by:</b>		
2013 Tax Overpayments	A-5	<u>3,521</u> 4,348
Balance December 31, 2013	A	<u>\$ 4,348</u>

CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE

A-14

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 4,718
<b>Increased by:</b>		
2013 Levy:		
County Taxes	A-1:6	\$1,230,071
County Library Taxes	A-1:6	100,871
County Open Space Tax	A-1:6	89,798
County Added and Omitted Taxes	A-1:6	<u>549</u>
		<u>1,421,289</u>
		1,426,007
<b>Decreased by:</b>		
Payments	A-4	<u>\$ 1,426,007</u>

CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-15

	<u>REF.</u>		
<b>Balance December 31, 2012:</b>			
School Tax Payable	A	\$ 68,842	
School Tax Deferred		<u>1,764,936</u>	\$ 1,833,778
<b>Increased by:</b>			
Levy - School Year July 1, 2013 to June 30, 2014	A-6		<u>3,696,780</u>
			5,530,558
<b>Decreased by:</b>			
Payments	A-4		<u>3,682,168</u>
<b>Balance December 31, 2013:</b>			
School Tax Payable	A	83,454	
School Tax Deferred		<u>1,764,936</u>	<u>\$ 1,848,390</u>
<b>2013 Liability for Local District School Tax:</b>			
Tax Paid			\$ 3,682,168
Tax Payable 12/31/13			<u>1,848,390</u>
			5,530,558
Less -- Tax Payable 12/31/12			<u>1,833,778</u>
<b>Amount Charged to 2013 Operations</b>	A-1		<u>\$ 3,696,780</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, 2012	A	\$ 3,630
<b>Increased by:</b>		
Received in Cash From State	A-4	<u>23,846</u> 27,476
<b>Decreased by:</b>		
Senior Citizens Deductions per Tax Billings		\$ 19,000
Veterans Deductions per Tax Billings		4,846
Senior Citizens Deductions Disallowed by Tax Collector		<u>          -</u> <u>23,846</u>
Balance December 31, 2013	A	<u>\$ 3,630</u>

CURRENT FUND  
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-17

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/13</u>
Recycling Grant		\$ 1,312	\$ 1,312	
Municipal Alliance		3,692	3,452	\$ 240
County Colonial Church Grant		322,600	177,334	145,266
Oxford Second Presb. Church		382,000	44,548	337,452
Alcohol Rehab. Grant		270		270
NJDOT-Buckley Avenue	\$ 45,194		42,307	2,887
Clean Communities		4,935	4,935	
<b>Totals</b>	<b>\$ 45,194</b>	<b>\$ 714,809</b>	<b>\$ 273,888</b>	<b>\$ 486,115</b>
REF.	A	A-2	A-4	A

CURRENT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-18

	<u>BALANCE</u> <u>12/31/12</u>	TRANSFER FROM 2013 BUDGET <u>APPROPRIATIONS</u>	APPROPRIATION BY <u>40A:4-87</u>	<u>EXPENDED</u>	<u>BALANCE</u> <u>12/31/13</u>
Clean Communities	\$ 4,461	\$ 4,935		\$ 1,876	\$ 7,520
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	194	3,692		3,886	-
Municipal Alliance - Local	1,200			143	1,057
Stormwater Grant	6,050				6,050
Alcohol Rehab Grant	1,883	432			2,315
Emergency Service Grant	9,668				9,668
Recycling Tonnage Grant	5,780	5,683		327	11,136
NJDOT-Buckley Avenue	140,000			133,281	6,719
County Colonial Church Grant			\$ 322,600	177,334	145,266
Oxford Second Presb. Chruch			382,000	44,548	337,452
Wastewater Management Grant	12				12
Highlands-Incentive Planning	1,308			428	880
<b>Totals</b>	<b>\$ 181,004</b>	<b>\$ 14,742</b>	<b>\$ 704,600</b>	<b>\$ 361,823</b>	<b>\$ 538,523</b>
	A	A-3	A-3	A-4	A

CURRENT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-19

	BALANCE <u>12/31/12</u>	TRANSFER TO 2013 BUDGET <u>APPROPRIATIONS</u>	<u>RECEIVED</u>	BALANCE <u>12/31/13</u>
Alcohol Rehabilitation Grant	\$ 162	\$ 162		
Clean Communities	-		\$ 759	\$ 759
Tonnage Grant	4,371	4,371	1,869	1,869
<b>Totals</b>	<b>\$ 4,533</b>	<b>\$ 4,533</b>	<b>\$ 2,628</b>	<b>\$ 2,628</b>
	A	A-18	A-4	A

CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES

A-20

REF.

Balance December 31, 2012

A    \$ 18,164

Balance December 31, 2013

A    \$ 18,164

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

	A-21	
	<u>REF.</u>	
Balance December 31, 2012	A	\$ 100
<b>Increased by:</b>		
Marriage License Fees	A-4	<u>325</u>
		425
<b>Decreased by:</b>		
Payments to State of New Jersey	A-4	<u>325</u>
Balance December 31, 2013	A	<u>\$ 100</u>

CURRENT FUND  
SCHEDULE OF AMOUNT DUE OUTSIDE LIEN HOLDERS

A-22

REF.

**Increased by:**

Outside Liens Collected

A-5 \$269,128  
269,128

**Decreased by:**

Outside Liens Refunded

A-4 \$255,756

Balance December 31, 2013

A \$ 13,372

# **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, 2012	B	\$ 1,096	\$ 104,162
<b>Increased by Receipts:</b>			
Dog License Fees	B-3	3,771	
State Dog License Fees	B-4	630	
Amount Due Current Fund	B-5:6	5	54
Developer's Escrow Deposit Disbursements	B-8		41,509
Payroll Trust	B-9		460,819
Tot Lot Escrow	B-10		64
Unemployment Trust	B-12		5,011
Lake Trust	B-13		28,163
<b>Total Receipts</b>		4,406	535,620
		5,502	639,782
<b>Decreased by Disbursements:</b>			
Administrative Expenses	B-3	3,923	
State Dog License Fees	B-4	635	
Amount Due Current Fund	B-5:6	288	727
Developer's Escrow Deposit Disbursements	B-8		32,143
Payroll Trust	B-9		456,785
Unemployment Trust	B-12		9,481
Lake Trust	B-13		30,665
<b>Total Disbursements</b>		4,846	529,801
Balance December 31, 2013	B	\$ 656	\$ 109,981

TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 803
<b>Increased by:</b>		
Dog License Fees Collected	B-2	<u>3,771</u> 4,574
<b>Decreased by:</b>		
Administrative Expenses Paid by Current Fund	B-5	-
Administrative Expenses	B-2	<u>\$ 3,923</u> <u>3,923</u>
Balance December 31, 2013	B	<u>\$ 651</u>

**LICENSE FEES COLLECTED**

CY 2012		\$ 5,577
CY 2011		<u>5,324</u>
		<u>\$ 10,901</u>

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

B-4

	<u>REF.</u>		
Balance December 31, 2012	B	\$	5
<b>Increased by:</b>			
Collected in 2013:			
State Board of Health Fees	B-2		<u>630</u>
			635
<b>Decreased By:</b>			
Payments	B-2	\$	<u>635</u>

TRUST FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND  
DOG LICENSE FUND

B-5

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 288
<b>Increased by:</b>		
Interest Credits Due Current Fund	B-2	<u>5</u> 293
<b>Decreased by:</b>		
Prior Year Interfund Returned	B-2	<u>288</u>
Balance December 31, 2013	B	<u><u>\$ 5</u></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, 2012	B		\$ 66,742
<b>Increased by:</b>			
Interfund Returned - Developer's Escrow Trust	B-2	\$ 727	
Tax sale Premiums Received in Current Fund	B-7	<u>110,800</u>	<u>111,527</u>
			178,269
<b>Decreased by:</b>			
Interest Credits Due Current Fund - Escrow Trust	B-2	54	
Tax sale Premiums Paid from Current Fund	B-7	<u>72,500</u>	<u>72,554</u>
Balance December 31, 2013	B		<u>\$ 105,715</u>

**ANALYSIS OF BALANCE**

Interest Credits Due Current Fund - Developer's Escrow Trust	\$ (54)
Interest Credits Due Current Fund - Payroll Trust	<u>(3,831)</u>
Total Interfund Payable	(3,885)
Interest Credits Due Current Fund - Tax Premiums	<u>109,600</u>
Total Interfund Receivable	109,600
Total Interfund Receivable/(Payable)	<u>\$ 105,715</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

B-7

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 71,300
<b>Increased by:</b>		
Premiums Received	B-6	<u>110,800</u>
		182,100
<b>Decreased by:</b>		
Premium Payments	B-6	<u>72,500</u>
Balance December 31, 2013	B	<u>\$ 109,600</u>

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

B-8

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 27,676
<b>Increased by:</b>		
Escrow Deposits	B-2	<u>41,509</u>
		69,185
<b>Decreased by:</b>		
Escrows Returned	B-2	<u>32,143</u>
Balance December 31, 2013	B	<u>37,042</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR PAYROLL TRUST

B-9

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 8,740
<b>Increased by:</b>		
Receipts of Gross Payroll and Employer Taxes	B-2	<u>460,819</u>
		469,559
<b>Decreased by:</b>		
Disbursements of Net Payroll and Payroll Taxes	B-2	<u>456,785</u>
Balance December 31, 2013	B	<u>\$ 12,774</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR TOT LOT ESCROW

B-10

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 42,494
<b>Increased by:</b>		
Receipts	B-2	<u>    64</u> 42,558
Balance December 31, 2013	B	<u>\$ 42,558</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR COAH TRUST

B-11

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 1
Balance December 31, 2013	B	\$ <u>1</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-12

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 6,234
<b>Increased by:</b>		
Payroll Deductions	B-2	<u>5,011</u>
		11,245
<b>Decreased by:</b>		
Unemployment Claims Expense	B-2	<u>9,481</u>
Balance December 31, 2013	B	<u>\$ 1,764</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR LAKE TRUST

B-13

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 14,459
<b>Increased by:</b>		
Recreation Receipts	B-2	<u>28,163</u>
		42,622
<b>Decreased by:</b>		
Transfer to Current Fund to Reimburse Salaries and Other Expense	B-2	<u>30,665</u>
Balance December 31, 2013	B	<u>\$ 11,957</u>

# **GENERAL CAPITAL FUND SCHEDULES**

GENERAL CAPITAL FUND  
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>	
Balance December 31, 2012	C	<u>\$ 90</u>
Balance December 31, 2013	C	<u>\$ 90</u>

GENERAL CAPITAL FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-3

	<u>REF.</u>		
Balance December 31, 2012	C	\$	(499,876)
<b>Increased by:</b>			
General Capital Fund Balance Anticipated as Revenue in Current Fund Budget	C-1	\$	4,113
Improvement Authorizations Paid by Current Fund	C-7	<u>25,809</u>	<u>29,922</u>
			(469,954)
<b>Decreased by:</b>			
Budget Appropriation - Deferred Charges	C-5	40,531	
Budget Appropriation - Capital Improvement Fund	C-6	<u>31,500</u>	<u>72,031</u>
Balance December 31, 2013	C	\$	<u>(541,985)</u>

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

	<u>REF.</u>	C-4
Balance December 31, 2012	C	\$ 1,333,000
<b>Decreased by:</b>		
2013 Current Fund Budget Appropriations NJEDA Principal	C-8	\$ 18,000
2013 Current Fund Budget Appropriations Bond Principal	C-10	<u>80,000</u>
		<u>98,000</u>
Balance December 31, 2013	C	<u>\$ 1,235,000</u>
		C-8 \$ 18,000
		C-10 <u>1,217,000</u>
		<u>\$ 1,235,000</u>

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

C-5

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE 12/31/12	2013 AUTHORIZATIONS	BUDGET APPROPRIATION DEFERRED CHARGE	BALANCE 12/31/13	ANALYSIS OF BALANCE	
						AUTHORIZED NOT ISSUED	BOND ANTICIPATION NOTES
2000-10	Construction of a Public Works Garage	\$ 35,394		\$ 35,394			
2005-08	Acquisition of Real Property-Quenzel Property	14,000			\$ 14,000	\$ 14,000	-
2007-07	Acquisition of Dump Truck and Property	150			150	150	-
2008-03	Speed Bump Removal on Pequest Road	8,985		1,797	7,188	7,188	-
2008-04	Lake Dock and Playground Repairs	16,700		3,340	13,360	13,360	-
2011-09	Improvements to Furnace Brook Dam, Kaufman Drive, Drainage for Wash. Ave and Kepps Drive, New DPW Truck	150,500			150,500	150,500	-
2013-08	Asbestos Removal and Demolition of Building and Site Restoration at 50 Wall Street		\$ 332,500		332,500	332,500	-
		<b>\$ 225,729</b>	<b>\$ 332,500</b>	<b>\$ 40,531</b>	<b>\$ 517,698</b>	<b>\$ 517,698</b>	<b>-</b>
	REF.	C	C-7	C-3	C		

GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>REF.</u>	
Balance December 31, 2012	C	\$ 140,605
<b>Increased by:</b>		
Budget Appropriation - Capital Improvement Fund	C-3	<u>31,500</u>
		172,105
<b>Decreased by:</b>		
Funded Improvement Authorizations	C-7	<u>17,500</u>
Balance December 31, 2013	C	<u>\$ 154,605</u>

GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-7

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE NO.</u>	<u>AMOUNT</u>	<u>BALANCE 12/31/12</u>		<u>DEFERRED CHARGES</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>PAID OR CHARGED</u>	<u>BALANCE 12/31/13</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		414,973			\$ 25,809	-	389,164
Asbestos Removal and Demolition of Building and Site Restoration at 50 Wall Street	2013-08	350,000			\$ 332,500	\$ 17,500		17,500	332,500
			<b>\$ 14,802</b>	<b>\$ 434,740</b>	<b>\$ 332,500</b>	<b>\$ 17,500</b>	<b>\$ 25,809</b>	<b>\$ 32,302</b>	<b>\$ 741,431</b>
REF.			C	C	C-5	C-6	C-3	C	C

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

C-8

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORD#</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE 12/31/12</u>	<u>DECREASED</u>	<u>BALANCE 12/31/13</u>
New Jersey Economic Development Authority Loan Program - Acquisition of Land and New Municipal Building	10/1/94	93-10	\$360,000	10/1/2014	\$ 18,000	1.5%	\$ 36,000	\$ 18,000	\$ 18,000
							<b>\$ 36,000</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>
							C	C-4	C

REF.

GENERAL CAPITAL FUND  
SCHEDULE OF VARIOUS RESERVES

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>12/31/13</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-10

<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 12/31/12</u>	<u>DECREASED</u>	<u>BALANCE 12/31/13</u>
General Obligation Bonds	9/13/12	\$ 1,297,000	9/1/14	\$ 95,000	2.000%	\$ 1,297,000	\$ 80,000	\$ 1,217,000
			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%			

<b>\$ 1,297,000</b>	<b>\$ 80,000</b>	<b>\$ 1,217,000</b>
---------------------	------------------	---------------------

C

C-4

C

# **SEWER UTILITY FUND**

SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

D-4

	<u>REF.</u>	<u>OPERATING</u>	
Balance December 31, 2012	D		\$ 455,259
<b>Increased by Receipts:</b>			
Collector	D-5	\$ 1,201,268	
Miscellaneous Revenues	D-2	<u>646</u>	<u>1,201,914</u>
			1,657,173
<b>Decreased by Disbursements:</b>			
2013 Appropriations	D-3	1,036,364	
2012 Appropriation Reserve	D-7	1,762	
Garbage Fees Paid to Current Fund	D	175,000	
Interfund Advanced to Current Fund	D-8	<u>26,453</u>	<u>1,239,579</u>
Balance December 31, 2013	D		<u>\$ 417,594</u>

SEWER UTILITY FUND  
SCHEDULE OF CASH - COLLECTOR

D-5

	<u>REF.</u>		
<b>Increased by Receipts:</b>			
Garbage Collection Fees		\$ 175,000	
Rent Overpaid	D	3,912	
Consumer Accounts Receivable	D-6	<u>1,022,356</u>	<u>\$ 1,201,268</u>
<b>Decreased by Disbursements:</b>			
Payment to Treasurer	D-4		<u>\$ 1,201,268</u>

SEWER UTILITY FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>REF.</u>	
Balance December 31, 2012	D	\$ 181,158
<b>Increased by:</b>		
Sewer Rents Levied		<u>1,122,419</u>
		1,303,577
<b>Decreased by:</b>		
Prepayments Applied	D-9	\$ 70,193
Collection	D-5	<u>1,022,356</u>
		<u>1,092,549</u>
Balance December 31, 2013	D	<u>\$ 211,028</u>

SEWER UTILITY FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2012

D-7

	<u>BALANCE</u> <u>12/31/12</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	\$ 8,483	\$ 8,483	\$ 1,762	\$ 6,721
<b>TOTALS</b>	<b><u>\$ 8,483</u></b>	<b><u>\$ 8,483</u></b>	<b><u>\$ 1,762</u></b>	<b><u>\$ 6,721</u></b>

REF.	D		D-4	D-1
------	---	--	-----	-----

Appropriation Reserve	\$ 7,237
Encumbrances	<u>1,246</u>
	<b><u>\$ 8,483</u></b>

SEWER UTILITY FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND

D-8

	<u>REF.</u>	
Balance December 31, 2012	D	\$ 2,840
<b>Increased by:</b>		
Interfund Advanced to Current Fund	D-4	<u>26,453</u>
		29,293
<b>Decreased by:</b>		
Operating Expenditures Paid by Current Fund	D-3	<u>32,319</u>
Balance December 31, 2013	D	<u>\$ (3,026)</u>

SEWER UTILITY FUND  
SCHEDULE OF PREPAID USER CHARGES

D-9

	<u>REF.</u>	
Balance December 31, 2012	D	\$ 70,193
<b>Increased by:</b>		
2014 Fees Collected in Advance	D	<u>62,477</u>
		132,670
<b>Decreased by:</b>		
Applied to 2013 User Fees Receivable	D-6	<u>70,193</u>
Balance December 31, 2013	D	<u>\$ 62,477</u>

SEWER UTILITY FUND  
SCHEDULE OF FIXED CAPITAL  
DECEMBER 31, 2013

D-10

	<u>BALANCE</u> <u>12/31/12</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/13</u>
Sanitary Sewerage Collection System	\$ 2,946,604			\$ 2,946,604
Sewer Line Camera System	10,745			10,745
Pump Replacements, Repairs and Supplies	9,834			9,834
	<b>\$ 2,967,183</b>	-	-	<b>\$ 2,967,183</b>

REF.      D

D

SEWER UTILITY FUND  
SCHEDULE OF FIXED CAPITAL-AUTHORIZED AND UNCOMPLETED  
DECEMBER 31, 2013

D-11

	<u>BALANCE</u> <u>12/31/12</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/13</u>
Sanitary Sewerage Collection System	\$ 44,084			\$ 44,084
Sewer Infiltration	16,500			16,500
Sewer Infiltration	16,887			16,887
	<b>\$ 77,471</b>	-	-	<b>\$ 77,471</b>

REF.      D

D

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 12/31/12</u>	<u>DECREASED</u>	<u>BALANCE 12/31/13</u>
Construction of Sanitary Sewer System	5/16/1997	\$ 1,002,000	4/15/14- 4/15/22	\$ 39,359 *	6.250%	\$ 578,631	\$ 43,219	\$ 535,412
						<b>\$ 578,631</b>	<b>\$ 43,219</b>	<b>\$ 535,412</b>

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 NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORIGINAL AMOUNT</u>	BALANCE FUNDED <u>12/31/12</u>	BALANCE FUNDED <u>12/31/13</u>
78-7	Construction of Sanitary Sewer Collection System	\$ 2,988,000	\$ 44,084	\$ 44,084
			<b>\$ 44,084</b>	<b>\$ 44,084</b>
	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, 2012	E	\$ 6,161	\$ 6,161
<b>Increased by Receipts:</b>			
Interest Credits		10	10
Total Receipts		<u>10</u>	<u>10</u>
		<b><u>6,171</u></b>	<b><u>6,171</u></b>
<b>Decreased by Disbursements</b>			
Interfund Returned		17	17
		<u>17</u>	<u>17</u>
Balance December 31, 2013	E	<b><u>\$ 6,154</u></b>	<b><u>\$ 6,154</u></b>

## **SCHEDULE OF GENERAL FIXED ASSETS**

GENERAL FIXED ASSETS  
SCHEDULE OF ADDITIONS AND DELETIONS  
DECEMBER 31, 2013

F-1

	<u>BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u>
	<u>12/31/12</u>			<u>12/31/13</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			544,644
Construction in Progress	243,761			243,761
Total General Fixed Assets	<u>\$ 6,006,333</u>	-	-	<u>\$ 6,006,333</u>
 Investment In General Fixed Assets	 <u>\$ 6,006,333</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 2, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2013, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2012, 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 2, 2013 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, 2013, include real property taxes from the 2013 tax levy.

The last tax sale was held on July 27, 2013 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>
2013	73
2012	77
2011	77

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 13, 2013. 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>
2013 Property Tax	Positive	1,141	60	20
2014 Property Tax	Positive	1,141	60	20
2013 Delinquent Tax	Negative	127	25	5
2013 Sewer Charges	Positive	117	25	3

**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 2013 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 2013</u>	<u>%</u>	<u>YEAR 2012</u>	<u>%</u>
Fund Balance Utilized	\$ 237,193	2.98%	\$ 237,193	3.16%
Miscellaneous - From Other Than				
Local Property Tax Levies	2,046,369	25.70%	1,521,222	20.27%
Collection of Delinquent Taxes and				
Tax Title Liens	127,179	1.60%	141,154	1.88%
Collection of Current Tax Levy	<u>5,552,618</u>	<u>69.73%</u>	<u>5,605,747</u>	<u>74.69%</u>
<b>Total Income</b>	<u>7,963,359</u>	<u>100.00%</u>	<u>7,505,316</u>	<u>100.00%</u>

**EXPENDITURES**

Budget Expenditures:				
Municipal Purposes	2,676,521	34.29%	2,065,796	28.73%
County Taxes	1,421,289	18.21%	1,450,813	20.18%
Local and Regional Taxes	3,696,780	47.36%	3,667,557	51.01%
Other Expenditures	<u>11,235</u>	<u>0.14%</u>	<u>6,167</u>	<u>0.09%</u>
<b>Total Expenditures</b>	<u>\$7,805,825</u>	<u>100.00%</u>	<u>\$7,190,333</u>	<u>100.00%</u>
Excess (Deficit) Revenue Over Expenditures	157,534		314,983	
Fund Balance January 1	353,887		276,097	
Less:				
Utilization as Anticipated Revenue	<u>237,193</u>		<u>237,193</u>	
Fund Balance December 31	<u>\$ 274,228</u>		<u>\$ 353,887</u>	

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-**  
**SEWER UTILITY FUND**

**REVENUE AND OTHER INCOME REALIZED**

	<u>YEAR 2013</u>	<u>%</u>	<u>YEAR 2012</u>	<u>%</u>
Operating Surplus	\$ 22,385	2.11%	\$ 60,963	5.67%
Rents	1,030,071	97.19%	997,000	92.80%
Miscellaneous	646	0.06%	4,214	0.39%
Other Credits to Income	<u>6,721</u>	<u>0.63%</u>	<u>12,192</u>	<u>1.13%</u>
<b>Total Income</b>	1,059,823	100.00%	1,074,369	100.00%

**EXPENDITURES**

Budget Expenditures:				
Operating	<u>1,123,187</u>	100.00%	<u>1,096,795</u>	100.00%
<b>Total Expenditures</b>	1,123,187	100.00%	1,096,795	100.00%

Excess (Deficit) Revenue Over Expenditures	(63,364)		(22,426)	
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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>110,814</u>		<u>45,865</u>	
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Statutory Excess to Fund Balance	47,450		23,439	
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Fund Balance January 1	68,250		105,774	
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Less:

Utilization as Anticipated Revenue	<u>22,385</u>		<u>60,963</u>	
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Fund Balance December 31	<u>\$ 93,315</u>		<u>\$ 68,250</u>	
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**Comparative Schedule of Tax Rate Information**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	<u>\$2.838</u>	<u>\$2.802</u>	<u>\$2.693</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.344	\$0.326	\$0.309
County	\$0.694	\$0.701	\$0.678
Local School	\$1.800	\$1.775	\$1.706

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2013	\$205,291,700
2012	\$206,577,857
2011	\$206,894,596

**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>
2013	\$5,828,418	\$5,552,618	95.26%
2012	\$5,806,389	\$5,605,673	96.54%
2011	\$5,576,724	\$5,370,047	96.29%

**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>
2013	\$777,751	\$183,806	\$961,557	16.50%
2012	\$732,836	\$129,820	\$862,656	14.86%
2011	\$655,901	\$147,236	\$803,137	14.40%

**Property Acquired by Tax Title Lien Liquidation**

No properties have been acquired in 2013 by foreclosure or deed as a result of liquidation of tax title liens.

**Comparative Schedule of Fund Balances**

<b><u>Current Fund</u></b>		<b><u>Utilized</u></b>
<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>In Budget of Succeeding Year</u> <u>Regular</u>
2013	\$ 274,228	\$ 233,000
2012	\$ 353,887	\$ 237,193
2011	\$ 276,097	\$ 237,193
2010	\$ 343,649	\$ 247,976
2009	\$ 595,721	\$ 467,000

**Sewer Utility Fund**

2013	\$ 93,315	None
2012	\$ 68,250	\$ 22,385
2011	\$ 105,774	\$ 60,963
2010	\$ 178,055	\$ 134,000
2009	\$ 158,338	\$ 125,000

**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>
John D. Ort	Mayor		
Keith Gibbons	Committeeperson		
Jade White	Committeeperson		
Sheila L. Oberly	Clerk		
Lisa Gerickont-Truppa	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>
2013	\$94,016

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.



## **ARDITO & Co., LLP**

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Anthony Ardito, CPA, RMA, CMFO, PSA  
Douglas R. Williams, CPA, 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 regulatory-basis financial statements of the Township of Oxford in the County of Warren, State of New Jersey, as of and for the years ended December 31, 2013 and 2012, 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 March 31, 2014, 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 accounting principles generally accepted in the United States of America.

**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.

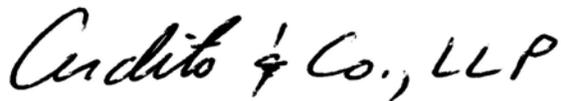
**Compliance and Other Matters**

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  
March 31, 2014



Certified Public Accountant  
Registered Municipal Accountant No.524  
ARDITO & CO., LLP  
Frenchtown, New Jersey  
March 31, 2014

## **SCHEDULE OF FEDERAL/STATE AWARDS**

**SCHEDULE OF STATE AWARDS**  
FOR THE YEAR ENDED DECEMBER 31, 2013

STATE GRANTOR/ PROGRAM TITLE	ACCOUNT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/13	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/13
<b><u>DEPT. OF COMMUNITY AFFAIRS</u></b>									
Municipal Alliance Program N.J.S.40A:11-5(a)	N/A	\$ 3,692	2013	A		\$ 3,452		\$ 3,692	\$ (240)
Municipal Alliance Program N.J.S.40A:11-5(a)	N/A		Prior Years	A	\$ 194			194	
<b><u>DEPT. OF ENVIR. PROTECTION</u></b>									
Solid Waste Admin.-Clean Communities Program	4900-765-178900	5,694	2013	A		5,694			5,694
			Prior Years	A	4,461			1,876	2,585
<b><u>DEPT. OF HUMAN SERVICES</u></b>									
Payments to Municipalities for Cost of General Assistance (State Share)	75050-150-158010-60	N/A	N/A	E	6,161		(7)		6,154
<b><u>DEPT. OF TRANSPORTATION</u></b>									
NJ Transportation Fund Authority Act	Buckley Avenue	140,000	2012	A	94,806	42,307		133,281	3,832
<b><u>OTHER AIDS</u></b>									
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	2,045				2,045
Emergency Services Grant	N/A			A	9,668				9,668
Recycling Tonnage Grant	N/A	3,181	2013	A	10,151	3,181		327	13,005
Waste Water Management Grant	N/A			A	12				12
Highlands Incentive Planning Grant	N/A	14,049	2011	A	1,308			428	880
Oxford Second Presb. Church	N/A	382,000	2013	A		177,334		177,334	-
County Colonial Church	N/A	322,600	2013	A		44,548		44,548	-
<b>TOTAL STATE ASSISTANCE</b>					<b>\$ 145,304</b>	<b>\$ 276,516</b>	<b>\$ (7)</b>	<b>\$ 361,680</b>	<b>\$ 60,133</b>

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, 2013

**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**

2012-1 (\*) 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 2013**

2012-2 (\*) 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 2013**

2012-3 (\*) I recommend that the township establish a garbage utility fund in order to properly segregate garbage and sewer user fees.

**STATUS - Finding Repeated in 2013**

2012-4 (\*) I recommend that the Township implement controls to ensure budget appropriations are not over-expended.

**STATUS - Finding Repeated in 2013**

2012-5 (\*) I recommend that all interfund loans be transferred back to their respective funds before the end of the calendar year.

**STATUS - Finding Repeated in 2013**

(\*) - Finding Repeated in Current Year

**SCHEDULE OF FINDINGS AND RESPONSES**  
**GENERAL FINDINGS**

**SCHEDULE OF FINDINGS AND RESPONSES**

**GENERAL FINDINGS**

YEAR ENDED DECEMBER 31, 2013

**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 2013 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**

2013-1 (\*) As of December 31, 2013, there were seventy-seven (73) outstanding tax title liens in the amount of \$777,751. Property tax levies on these properties are added to liens in excess of \$49,000 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.

2013-2 (\*) 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.

2013-3 (\*) 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.

2013-4 (\*) The sewer fund budget was over-expended by \$70,814.

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

2013-5 (\*) Various interfund balances in excess of \$1,057,661 existed as of December 31, 2013.

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

(\*) Prior Year Finding