

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

**REPORT OF AUDIT  
DECEMBER 31, 2018**



TOWNSHIP OF OXFORD

TABLE OF CONTENTS

**PART I - REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

<b><u>AUDITORS' REPORTS</u></b>		<b><u>PAGE</u></b>
Independent Auditor's Report		8-10
<b><u>FINANCIAL STATEMENTS</u></b>		
<b><u>CURRENT FUND</u></b>	<b><u>EXHIBIT</u></b>	
Comparative Balance Sheet	A	12-13
Comparative Statement of Operations and Change in Fund Balance	A-1	14
Statement of Revenues	A-2	15-18
Statement of Expenditures	A-3	19-24
<b><u>TRUST FUND</u></b>		
Comparative Balance Sheet	B	25
<b><u>GENERAL CAPITAL FUND</u></b>		
Comparative Balance Sheet	C	26
Schedule of Fund Balance	C-1	27
<b><u>SEWER UTILITY FUND</u></b>		
Comparative Balance Sheet	D	28
Comparative Statement of Operations and Change in Fund Balance	D-1	29
Statement of Revenues	D-2	30
Statement of Expenditures	D-3	31
<b><u>PUBLIC ASSISTANCE FUND</u></b>		
Comparative Balance Sheet	E	32
<b><u>GENERAL FIXED ASSETS</u></b>		
Statement of General Fixed Assets	F	33
<b><u>NOTES TO FINANCIAL STATEMENTS</u></b>		35-59

TOWNSHIP OF OXFORD

TABLE OF CONTENTS

**PART II - SUPPLEMENTARY INFORMATION**

<b><u>CURRENT FUND</u></b>	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
Schedule of Cash – Treasurer	A-4	61
Schedule of Cash - Collector	A-5	62
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	63
Schedule of Tax Title Liens	A-7	64
Schedule of Property Acquired for Taxes (at Assessed Valuation)	A-8	65
Schedule of Revenue Accounts Receivable	A-9	66
Schedule of Appropriation Reserves - 2017	A-10	67
Schedule of Reserve for Encumbrances	A-11	68
Schedule of Taxes Collected in Advance	A-12	69
Schedule of Tax Overpayments	A-13	70
Schedule of County Taxes Payable	A-14	71
Schedule of Local District School Tax Payable	A-15	72
Schedule of Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-16	73
Schedule of State/Federal Grants Receivable	A-17	74
Schedule of Appropriated Reserves for State Grants	A-18	75
Schedule of Unappropriated Reserves for State Grants	A-19	76
Schedule of Various Reserves	A-20	77
Schedule of Reserve for Amount Due State - Marriage License Fees	A-21	78
Schedule of Reserve for Outside Lien Holders	A-22	79
Schedule of Deferred Charges to Future Taxation	A-23	80
<b><u>TRUST FUND</u></b>	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
Schedule of Cash - Treasurer	B-2	82
Schedule of Reserve for Dog Fund Expenditures	B-3	83
Schedule of Amount Due to State of New Jersey Department of Health	B-4	84
Schedule of Amount Due Current Fund - Dog License Fund	B-5	85
Schedule of Amount Due Current Fund - Other Trust Funds	B-6	86
Schedule of Reserve for Tax Sale Premiums	B-7	87
Schedule of Reserve for Developer's Escrow Trust Deposits	B-8	88
Schedule of Reserve for Payroll Trust Fund Deposits	B-9	89
Schedule of Reserve for Tot Lot Escrow Trust Deposits	B-10	90
Schedule of Reserve for COAH Trust Deposits	B-11	91
Schedule of Reserve for Unemployment Trust Fund Deposits	B-12	92
Schedule of Reserve for Lake Trust	B-13	93

TOWNSHIP OF OXFORD

TABLE OF CONTENTS

**PART II - SUPPLEMENTARY INFORMATION**

<b><u>GENERAL CAPITAL FUND</u></b>	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
Schedule of Cash - Treasurer	C-2	95
Schedule of Amount Due Current Fund	C-3	96
Schedule of Deferred Charges to Future Taxation-Funded	C-4	97
Schedule of Deferred Charges to Future Taxation-Unfunded	C-5	98
Schedule of Capital Improvement Fund	C-6	99
Schedule of Improvement Authorizations	C-7	100
Schedule of Various Reserves	C-8	101
Schedule of Serial Bonds Payable	C-9	102
Schedule of Bond Anticipation Notes	C-10	103

<b><u>SEWER UTILITY FUND</u></b>	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
Schedule of Cash - Treasurer	D-4	105
Schedule of Cash - Collector	D-5	106
Schedule of Consumer Accounts Receivable	D-6	107
Schedule of Appropriation Reserves-2017	D-7	108
Schedule of Amount Due Current Fund	D-8	109
Schedule of Sewer Rent Overpayments	D-9	110
Schedule of Fixed Capital	D-10	111
Schedule of Loans Payable	D-11	112
Schedule of Improvement Authorizations	D-12	113

<b><u>PUBLIC ASSISTANCE FUND</u></b>		
Schedule of Cash - Treasurer	E-1	115

<b><u>GENERAL FIXED ASSETS</u></b>		
Schedule of Additions and Deletions	F-1	117

**PART III - SUPPLEMENTARY INFORMATION**

	<b><u>PAGE</u></b>
General Comments	120-128
Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	129-130
Schedule of Federal/State Awards	132
Notes to Federal/State Awards	133
Status of Prior Audit Findings	134-135
Schedule of Findings and Responses	136-137



**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

## **AUDITORS' REPORTS**





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

---

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA  
Douglas R. Williams, CPA, RMA, PSA

### 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, 2018 and 2017, and the related comparative statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis, and statement of expenditures-regulatory basis of the various funds, and the related notes to the financial statements for the year ended December 31, 2018, 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 accordance 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.

We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group, or fixed assets of the utility general capital account. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual cost. We are, therefore, unable to express an opinion as to the general fixed asset account group and the utility general capital fixed assets at December 31, 2018 stated at \$6,346,333 and \$2,967,183 respectively, and \$6,162,304 and \$2,967,183 respectfully for 2017.

### ***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 paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2018 and 2017, or the results of its operations and changes in its fund balances for the years then ended.

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

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the general fixed asset account group and utility fixed assets been audited, 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, 2018 and 2017, and the results of operations and changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the years then ended, in accordance 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.

-Continued-

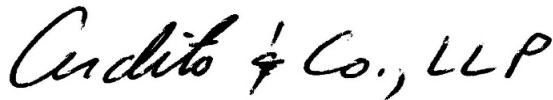
The supplementary information exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements-regulatory basis. Such information has been subjected to the auditing procedures applied 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.

Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the Supplementary information referred to above.

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

In accordance with *Government Auditing Standards* , we have also issued our report dated April 30, 2019, 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  
April 30, 2019



Certified Public Accountant  
Registered Municipal Accountant No.524  
ARDITO & CO., LLP  
Frenchtown, New Jersey  
April 30, 2019

## **FINANCIAL STATEMENTS**

CURRENT FUND  
COMPARATIVE BALANCE SHEET

A  
Sheet 1

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/18</u>	<u>BALANCE</u> <u>12/31/17</u>
<b>Cash And Cash Equivalents:</b>			
Cash - Treasurer	A-4	\$ 2,949,732	\$ 2,342,110
Subtotal		<u>2,949,732</u>	<u>2,342,110</u>
<b>Receivables And Other Assets With Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-6	214,652	173,996
Tax Title Liens Receivable	A-7	428,163	851,820
Property Acquired for Taxes	A-8	2,207,100	1,749,900
Revenue Accounts Receivable	A-9	56,391	58,904
Amount Due From Dog License Fund	B	<u>8,610</u>	<u>5,116</u>
Subtotal		<u>2,914,916</u>	<u>2,839,736</u>
<b>Deferred Charges:</b>			
Special Emergency Authorizations	A-23	<u>38,330</u>	<u>57,495</u>
<b>Federal And State Grant Fund:</b>			
Amount Due From Current Fund	A	202,300	219,299
Federal/State Grants Receivable	A-17	<u>17,887</u>	<u>25,187</u>
Subtotal		<u>220,187</u>	<u>244,486</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 6,123,165</u></b>	<b><u>\$ 5,483,827</u></b>

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

CURRENT FUND  
COMPARATIVE BALANCE SHEET

A  
Sheet 2

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/18</u>	<u>BALANCE</u> <u>12/31/17</u>
<b>Liabilities:</b>			
Appropriation Reserves	A-3:10	\$ 147,194	\$ 139,645
Amount Due To Grants Fund	A	202,300	219,299
Amount Due To Other Trust	B	117,866	128,466
Amount Due To General Capital Fund	C	653,764	601,917
Amount Due To Sewer Utility Fund	D	36,854	18,505
Taxes Collected In Advance	A-12	20,322	66,081
Tax Overpayments	A-13	24,244	20,529
Local District School Taxes Payable	A-15	186,637	140,292
Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-16	3,831	3,630
Reserve for Various	A-20	514,131	470,756
Amount Due to State of New Jersey for Marriage License Fees	A-21	25	50
Amount Due Outside Liens	A-22	4,694	3,377
Subtotal		1,911,862	1,812,547
Reserve For Receivables And Other Assets	A	2,914,916	2,839,736
Fund Balance	A-1	1,076,200	587,058
Subtotal		5,902,978	5,239,341
<b>Federal And State Grant Fund:</b>			
Reserve For State Grants - Appropriated	A-18	158,905	213,542
Reserve For State Grants - Unappropriated	A-19	61,282	30,944
Subtotal		220,187	244,486
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 6,123,165</b>	<b>\$ 5,483,827</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>	YEAR <u>2018</u>	YEAR <u>2017</u>
Fund Balance Utilized	A-2	\$ 138,000	\$ 138,000
Miscellaneous Revenue Anticipated	A-2	1,649,324	1,381,769
Receipts From Delinquent Taxes	A-2	497,479	199,119
Receipts From Current Taxes	A-2	6,048,299	5,939,443
Non-Budget Revenues	A-2	78,286	54,625
<u>Other Credits To Income:</u>			
Unexpended Balance of Appropriation Reserves	A-10	97,667	89,378
Tax Overpayments Canceled	A-13	<u>8,044</u>	<u>-</u>
<b>TOTAL INCOME</b>		<u>8,517,099</u>	<u>7,802,334</u>
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	425,719	381,172
Other Expenses	A-3	1,332,162	1,319,920
Deferred Charges and Statutory Expenditures	A-3	73,854	71,912
Operations Excluded from "CAPS":			
Other Expenses	A-3	158,555	26,651
Capital Improvements	A-3	125,000	75,000
Municipal Debt Service	A-3	206,818	197,914
Deferred Charges and Statutory Expenditures	A-3	21,965	27,102
County Taxes	A-14	1,288,635	1,280,782
Amount Due County For Added and Omitted Taxes	A-14	2,074	207
Local District School Taxes	A-15	4,163,145	4,070,455
Refund of Prior Year Revenue	A-4	<u>92,030</u>	<u>92,591</u>
<b>TOTAL EXPENDITURES</b>		<u>7,889,957</u>	<u>7,543,706</u>
Excess (Deficit) Revenue Over Expenditures		627,142	258,628
Statutory Excess to Fund Balance		627,142	258,628
<b>Fund Balance January 1</b>	A	<u>587,058</u>	<u>466,430</u>
		1,214,200	725,058
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>138,000</u>	<u>138,000</u>
<b>Fund Balance December 31</b>	A	<u><b>\$ 1,076,200</b></u>	<u><b>\$ 587,058</b></u>

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 1

	<u>REF.</u>	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>DEFICIT</u>
<b>Anticipated Surplus-Cash Surplus</b>	A-1	\$ 138,000	\$ 138,000	
<b>Miscellaneous Revenues</b>				
<b>LOCAL REVENUES:</b>				
Alcoholic Beverages Licenses	A-9	3,100	4,326	\$ 1,226
Municipal Court Fines and Costs	A-9	9,800	15,136	5,336
Interest and Costs On Taxes	A-5	26,000	32,802	6,802
Interest on Investments and Deposits	A-9	250	11,465	11,215
Trailer Park Fees	A-9	20,000	20,375	375
Host Community Benefits-Refuse Center	A-9	600,000	731,010	131,010
<b>TOTAL LOCAL REVENUES</b>		<u>659,150</u>	<u>815,114</u>	<u>155,964</u>
<b>STATE AID REVENUES:</b>				
Energy Receipts Tax	A-9	178,498	178,498	-
<b>TOTAL STATE AID REVENUES</b>		<u>178,498</u>	<u>178,498</u>	<u>-</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 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR DEFICIT</u>
<b>FEDERAL AND STATE GRANT REVENUES:</b>				
Clean Communities Grant	A-17	6,304	6,304	
Alcohol and Education Grant	A-19	257	257	
Recycling Tonnage Grant	A-19	1,895	1,895	
NJDEA - Oxwall Tool	A-17	113,116	113,116	
NJDOT Grant - Pequest Road Section 1	A-19	28,791	28,791	
Municipal Alliance on Alcoholism and Drug Abuse	A-17	3,992	3,992	
<b>Total Federal and State Grant Revenues</b>		<b>154,355</b>	<b>154,355</b>	
<b>Other Special Items:</b>				
Cell Tower Rent	A-9	92,000	106,857	14,857
Sewer Utility Operating Surplus Anticipated	A-9	219,500	219,500	-
Solid Waste Collection Fee	A-9	175,000	175,000	-
<b>Total Special Items Of Revenues</b>		<b>486,500</b>	<b>501,357</b>	<b>14,857</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	A-2	<b>1,478,503</b>	<b>1,649,324</b>	<b>170,821</b>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	A-6:7	165,000	497,479	332,479
<b>Amount To be Raised by Taxes For Support Of Municipal Budget:</b>				
Local Tax For Municipal Purposes	A-2	917,635	949,065	31,430
<b>Total General Revenues</b>		<b>2,699,138</b>	<b>3,233,868</b>	<b>534,730</b>
<b>Non-Budget Revenues:</b>				
Other Non-Budget Revenues	A-2		78,286	78,286
		<b>\$ 2,699,138</b>	<b>\$ 3,312,154</b>	<b>\$ 613,016</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		\$ 6,027,799
State of New Jersey, Senior Citizens and Veterans Deductions		<u>20,500</u>
	A-1	6,048,299

**Allocated To:**

School and County Taxes		<u>5,453,854</u>
-------------------------	--	------------------

A-14:16

Deficiency Supported by Municipal Revenues		594,445
--	--	---------

Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"		<u>354,620</u>
---	--	----------------

A-3

<b>Amount For Support Of Municipal Budget Appropriations</b>		<u>\$ 949,065</u>
--	--	-------------------

A-2

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 4

**ANALYSIS OF NON-BUDGET REVENUES**

REF.

Miscellaneous Revenue Not Anticipated:

**Treasurer:**

Subdivision Fees		\$	300	
Certified Copies			170	
Marriage Licenses			27	
Street Openings			100	
Zoning Fees			1,455	
Homeowner Mail			246	
Land Rent			5,400	
Cable TV Fees			9,207	
Donations			44,253	
Vacant Property Fees			12,500	
Driveway			50	
Miscellaneous	A-4		1,836	\$ 75,544

**Collector:**

Miscellaneous			2,742	2,742
				\$ 78,286

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>BUDGET</u>	<u>APPROPRIATION BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<b>GENERAL GOVERNMENT FUNCTIONS:</b>					
General Administration:					
Salaries and Wages:					
Governing Body	\$ 12,954	\$ 12,954	\$ 12,698	\$ 256	
Municipal Clerk	68,834	68,834	67,382	1,452	
Registrar	4,500	4,500	4,500	-	
Other Expenses:					
Computerization	10,000	11,000	10,940	60	
Miscellaneous Other Expenses	30,000	30,000	23,322	6,678	
Election:					
Other Expenses	5,000	5,000	687	4,313	
Financial Administration (Treasury):					
Salaries and Wages	23,482	23,482	22,907	575	
Other Expenses	6,500	6,500	4,397	2,103	
Audit Services:					
Other Expenses	15,000	15,000	15,000	-	
Revenue Administration (Tax Collection):					
Salaries and Wages	10,826	10,826	10,826	-	
Other Expenses	4,000	4,000	3,916	84	
Tax Assessment Administration:					
Salaries and Wages	17,813	17,813	17,366	447	
Other Expenses	3,000	3,000	1,770	1,230	
Legal Services (Legal Dept.):					
Other Expenses	49,000	49,000	38,949	10,051	
Engineering Services:					
Other Expenses	50,000	50,000	34,103	15,897	

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 MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<b>LAND USE ADMINISTRATION:</b>					
Planning Board:					
Salaries and Wages	18,360	18,360	14,280	4,080	
Other Expenses:					
Legal Services	4,000	4,000	4,000	-	
Miscellaneous Other Expenses	3,000	3,000	2,825	175	
Public Defender:					
Salaries and Wages	1,657	1,657	1,200	457	
Zoning Costs:					
Salaries and Wages	3,848	3,848	3,813	35	
Other Expenses	100	100	73	27	
Municipal Court:					
Other Expenses	43,562	43,562	43,561	1	
<b>INSURANCE:</b>					
General Liability Insurance	42,000	42,137	42,137	-	
Workmens' Compensation Insurance	38,000	38,000	37,539	461	
Employee Group Insurance	130,000	130,000	126,517	3,483	
Unemployment Insurance	5,000	5,000	114	4,886	
<b>PUBLIC SAFETY FUNCTIONS:</b>					
Police:					
Salaries and Wages	9,937	9,937	8,328	1,609	
Other Expenses:					
Miscellaneous Other Expenses - Washington Twp. Services	607,000	607,000	603,060	3,940	
Aid to Volunteer Fire Companies	42,500	42,500	42,500	-	
Contribution to First Aid Organizations	17,500	17,500	17,500		
Office of Emergency Management:					
Salaries and Wages	1,877	1,877	1,869	8	
Other Expenses	600	600	-	600	

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>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	
<b>PUBLIC WORKS FUNCTIONS:</b>				
Streets and Road Maintenance:				
Salaries and Wages	226,909	226,909	204,267	22,642
Other Expenses	40,000	40,000	35,864	4,136
Recycling Program:				
Salaries and Wages	883	883	883	-
Buildings and Grounds:				
Salaries and Wages	4,417	4,417	4,394	23
Other Expenses	40,000	34,863	23,281	11,582
Vehicle Maintenance:				
Other Expenses	20,000	20,000	17,991	2,009
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>				
Public Health Services (Board of Health):				
Salaries and Wages	552	552	140	412
Other Expenses	100	100	-	100
Animal Control:				
Salaries and Wages	3,570	3,570	1,700	1,870
Other Expenses	2,100	2,100	-	2,100
<b>PARK AND RECREATION FUNCTIONS:</b>				
Recreation Services:				
Salaries and Wages	15,300	15,300	-	15,300
Other Expenses:				
Contribution - Oxford Youth Assoc.	2,000	2,000	2,000	-
Contribution - Young at Heart Club	1,000	1,000	1,000	-
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>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<b>OTHER COMMON OPERATING FUNCTIONS(Unclassified):</b>					
Snow removal Trust	10,000	10,000	10,000	-	
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>					
Electricity and Street Lighting	43,000	43,000	35,413	7,587	
Telephone (excluding equipment acquisition)	8,000	8,000	7,679	321	
Natural Gas/Propane	8,000	8,000	3,681	4,319	
Gasoline/Diesel	13,000	13,000	12,650	350	
Fire Hydrants	23,000	23,000	23,000	-	
Landfill/Solid Waste Disposal Costs	10,000	14,000	13,077	923	
<b>MUNICIPAL COURT COSTS:</b>					
Public Defender:					
Other Expenses	1,200	1,200	-	1,200	
<b>Total Operations - Within "CAPS "</b>	<b>1,757,881</b>	<b>1,757,881</b>	<b>1,615,099</b>	<b>142,782</b>	
<b>Total Operations - Within "CAPS " including Contingent</b>	<b>1,757,881</b>	<b>1,757,881</b>	<b>1,615,099</b>	<b>142,782</b>	
<b>Detail:</b>					
Salaries and Wages	425,719	425,719	376,553	49,166	
Other Expenses	1,332,162	1,332,162	1,238,546	93,616	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":</b>					
<b>Statutory Expenditures :</b>					
Social Security System ( O.A.S.I. )	33,000	33,000	29,311	3,689	
Contribution to:					
PERS	39,854	39,854	39,854		
Unemployment Compensation	1,000	1,000	277	723	
<b>Total Deferred Charges and Statutory Expenditures-within "CAPS"</b>	<b>73,854</b>	<b>73,854</b>	<b>69,442</b>	<b>4,412</b>	<b>-</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>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>1,831,735</b>	<b>1,831,735</b>	<b>1,684,541</b>	<b>147,194</b>
<b>OPERATIONS-EXCLUDED from "CAPS"</b>				
Aid to Library Aid	3,000	3,000	3,000	
<b>Total Other Operations-Excluded from "CAPS"</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>
<b>Public and Private Programs Offset by Revenues-: Excluded from "CAPS"</b>				
Clean Communities Program:				
Other Expenses	6,304	6,304	6,304	
Recycling Tonnage Grant:				
Other Expenses - Prior Yr. Unappropriated	1,895	1,895	1,895	
Warren County Department of Human Services (Municipal Alliance):				
Other Expenses	3,992	3,992	3,992	
Local Share	1,200	1,200	1,200	
Alcohol Education Rehabilitation Fund	257	257	257	
NJDEP/NJEDA - HDSRF Grant - Former Oxwall Tool Co.	113,116	113,116	113,116	
NJ DOT Pequest Road Add'l - PY Unapprop.	28,791	28,791	28,791	
<b>Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"</b>	<b>155,555</b>	<b>155,555</b>	<b>155,555</b>	<b>-</b>
<b>Total Operations-Excluded from "CAPS"</b>	<b>158,555</b>	<b>158,555</b>	<b>158,555</b>	<b>-</b>
<b>Detail:</b>				
Salaries and Wages				
Other Expenses	158,555	158,555	158,555	-
<b>Capital Improvements-Excluded from "CAPS":</b>				
Capital Improvement Fund	125,000	125,000	125,000	
<b>Total Capital Improvements-Excluded from "CAPS"</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	

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



CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 6

	<u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	
<b>Municipal Debt Service-Excluded from "CAPS":</b>				
Payment of Bond Principal	145,000	145,000	145,000	
Payment of Bond Anticipation Notes	41,563	41,563	41,563	-
Interest on Bonds	15,500	15,500	15,236	\$ 264
Interest on Notes	5,200	5,200	5,019	181
<b>Total Municipal Debt Service</b>	<b>207,263</b>	<b>207,263</b>	<b>206,818</b>	<b>445</b>
<b>Deferred Charges-Excluded from "CAPS":</b>				
Deferred Charges to Future Taxtion - Unfunded:				
Property Acquisition - Quenzel	2,800	2,800	2,800	
Special Emergency-5 year	19,165	19,165	19,165	
<b>Total Deferred Charges</b>	<b>21,965</b>	<b>21,965</b>	<b>21,965</b>	
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>512,783</b>	<b>512,783</b>	<b>512,338</b>	<b>- 445</b>
Subtotal General Appropriations	2,344,518	2,344,518	2,196,879	147,194 445
Reserve For Uncollected Taxes	354,620	354,620	354,620	
<b>TOTALS</b>	<b>\$2,699,138</b>	<b>\$2,699,138</b>	<b>\$2,551,499</b>	<b>\$147,194 445</b>

Adopted Budget	A-2	\$ 2,699,138		A	A-1
		\$ 2,699,138			

	<u>REF.</u>		
Reserve for State Grants	A-18	\$	155,555
Capital Improvements	C-3		125,000
Deferred Charges to Future Taxation	C		2,800
Deferred Charges - Special Emergency	A-23		19,165
Reserve for Encumbrances	A-11		1,894,359
Reserve for Uncollected Taxes	A-2		354,620
		\$	2,551,499

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

TRUST FUND  
COMPARATIVE BALANCE SHEET

B

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/18</u>	<u>BALANCE</u> <u>12/31/17</u>
<b>Dog License Fund:</b>			
Cash and Cash Equivalents	B-2	\$ 13,241	\$ 8,220
<b>Total Dog License Fund</b>		<u>13,241</u>	<u>8,220</u>
<b>Other Trust Funds:</b>			
Cash and Cash Equivalents	B-2	118,702	186,078
Amount Due from Current Fund	B-6	<u>117,866</u>	<u>128,466</u>
<b>Total Other Trust Funds</b>		<u>236,568</u>	<u>314,544</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 249,809</b></u>	<u><b>\$ 322,764</b></u>

**LIABILITIES, RESERVES AND FUND BALANCE**

<b>Dog License Fund:</b>			
Reserve for Dog Fund Expenditures	B-3	\$ 4,629	\$ 3,104
Due State of New Jersey	B-4	2	-
Amount Due Current Fund	B-5	<u>8,610</u>	<u>5,116</u>
<b>Total Dog License Fund</b>		<u>13,241</u>	<u>8,220</u>
<b>Other Trust Fund:</b>			
Reserve for Tax Sale Premiums and Outside Liens	B-7	113,800	124,400
Reserve for Developer's Escrow Trust	B-8	34,637	37,371
Reserve for Payroll Trust	B-9	18,906	44,953
Reserve for Tot Lot Escrow	B-10	0	42,811
Reserve for COAH Deposits	B-11	9,638	1
Reserve for State Unemployment Insurance	B-12	21,817	21,817
Reserve for Lake Trust	B-13	<u>37,770</u>	<u>43,191</u>
<b>Total Other Trust Fund</b>		<u>236,568</u>	<u>314,544</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><b>\$ 249,809</b></u>	<u><b>\$ 322,764</b></u>

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

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

C

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/18</u>	<u>BALANCE</u> <u>12/31/17</u>
Cash and Cash Equivalents	C-2	\$ 91	\$ 91
Amount Due Current Fund	C-3	653,764	601,917
Deferred Charges to Future Taxation:			
Funded	C-4	607,000	752,000
Unfunded	C-5	<u>479,874</u>	<u>444,237</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 1,740,729</u></b>	<b><u>\$ 1,798,245</u></b>

**LIABILITIES, RESERVES AND FUND BALANCE**

Capital Improvement Fund	C-6	\$ 75,781	\$ 139,581
Improvement Authorizations:			
Funded	C-7	151,779	45,879
Unfunded	C-7	443,008	438,037
Various Reserves	C-8	133,410	131,434
Bonds Payable	C-9	607,000	752,000
Bond Anticipation Notes	C-10	329,374	290,937
Fund Balance	C-1	<u>377</u>	<u>377</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 1,740,729</u></b>	<b><u>\$ 1,798,245</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, 2017	C	<u>\$ 377</u>
Balance December 31, 2018	C	<u>\$ 377</u>

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

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET

D

ASSETS	REF.	BALANCE <u>12/31/18</u>	BALANCE <u>12/31/17</u>
<b>Operating Fund:</b>			
Cash and Cash Equivalents	D-4	\$ 1,057,700	\$ 1,056,567
Receivables with Full Reserves:			
Consumer Accounts Receivable and Liens	D-6	419,829	447,743
Amount Due Current Fund	D-8	<u>36,854</u>	<u>18,505</u>
<b>Total Operating Fund</b>		<u>1,514,383</u>	<u>1,522,815</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 Operating 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>		<u><b>\$ 4,907,046</b></u>	<u><b>\$ 4,915,478</b></u>

**LIABILITIES, RESERVES AND FUND BALANCE**

<b>Operating Fund:</b>			
Liabilities:			
Appropriation Reserves	D-3:7	\$ 18,854	\$ 129,160
Encumbrances	D-3:7	-	-
Due Sewer Capital Fund	D	348,009	348,009
Accrued Interest on Bonds	D	9,029	9,029
Sewer Rent Overpayments	D-9	6,550	6,550
Reserve for Receivables	D	419,829	447,743
Fund Balance	D-1	<u>712,112</u>	<u>582,324</u>
<b>Total Operating Fund</b>		<u>1,514,383</u>	<u>1,522,815</u>
<b>Capital Fund:</b>			
Loans Payable	D-11	253,786	317,332
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	2,757,481	2,693,935
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>		<u><b>\$ 4,907,046</b></u>	<u><b>\$ 4,915,478</b></u>

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

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

D-1

<b>REVENUE AND OTHER INCOME REALIZED</b>	<u>REF.</u>	<u>YEAR</u> <u>12/31/18</u>	<u>YEAR</u> <u>12/31/17</u>
Operating Surplus	D-2		
Rents	D-2	\$ 1,239,225	1,259,874
Miscellaneous	D-2	6,871	5,186
Other Credits to Income:			
Appropriations Lapsed	D-7	<u>128,618</u>	<u>110,216</u>
<b>Total Income</b>		<b><u>1,374,714</u></b>	<b><u>1,375,276</u></b>
<b>EXPENDITURES</b>			
Salary and Wages	D-3	28,000	28,000
Operating Expenses	D-3	919,000	1,020,000
Statutory Expenditures	D-3	2,650	2,650
Debt Service	D-3	75,776	75,777
Deferred Charges	D-3	-	-
Surplus-General Budget	D-3	<u>219,500</u>	<u>135,000</u>
<b>Total Expenditures</b>		<b><u>1,244,926</u></b>	<b><u>1,261,427</u></b>
Excess in Revenues		129,788	113,849
Statutory Excess to Fund Balance		129,788	113,849
<b>Balance January 1</b>	D	<u>582,324</u>	<u>468,475</u>
Decreased by:		712,112	582,324
Utilized as Anticipated Revenue		<u>-</u>	<u>-</u>
<b>Balance December 31</b>	D	<b><u>\$ 712,112</u></b>	<b><u>\$ 582,324</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>
Rents	\$ 1,242,927	\$ 1,239,225	\$ (3,702)
Miscellaneous	2,000	6,871	4,871
Total Sewer Utility Revenue	\$ 1,244,927	\$ 1,246,096	\$ 1,169

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Salary and Wages	\$ 28,000	\$ 28,000	\$ 20,983	\$ 7,017
Other Expenses-Sewer Treatment	894,000	894,000	886,231	7,769
Other Expenses	25,000	25,000	20,932	4,068
Social Security	2,500	2,500	2,500	-
Unemployment Compensation	150	150	150	-
Debt Service:				
Loan Principal	63,547	63,547	63,546	
Interest on Loans	12,230	12,230	12,230	
Surplus to Current Fund Budget	219,500	219,500	219,500	
<b>Total Sewer Utility Appropriations</b>	<b>\$ 1,244,927</b>	<b>\$ 1,244,927</b>	<b>\$ 1,226,072</b>	<b>\$ 18,854</b>

REF.

D-2

D

D-4	\$ 1,202,287
D-8	<u>23,785</u>
	<u>\$ 1,226,072</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>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/18</u>	<u>BALANCE</u> <u>12/31/17</u>
Cash and Cash Equivalents	E-1	\$ 6,190	\$ 6,190
<b>TOTAL ASSETS</b>		<b><u>\$ 6,190</u></b>	<b><u>\$ 6,190</u></b>

**LIABILITIES AND RESERVES**

Reserve for Public Assistance	\$ 6,190	\$ 6,190
<b>TOTAL LIABILITIES AND RESERVES</b>	<b><u>\$ 6,190</u></b>	<b><u>\$ 6,190</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, 2018

F

	<u>BALANCE</u>	<u>BALANCE</u>
	<u>12/31/18</u>	<u>12/31/17</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	884,644	700,615
Construction in Progress	243,761	243,761
Total General Fixed Assets	<u>\$ 6,346,333</u>	<u>\$ 6,162,304</u>
Investment In General Fixed Assets	<u>\$ 6,346,333</u>	<u>\$ 6,162,304</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, 2018

**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 fund types 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. The Animal Control Fund (Dog Fund) records the receipts and expenditures related to dog licensing. The Other Trust Fund includes various revenues and expenditures that can not be reasonably estimated for budgeting purposes. The State of New Jersey allows accounting treatment as a trust fund through an official approval process known as dedication by rider.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**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, 2018

**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, 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 after the eleventh day of the eleventh month in the year in which they are due, 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 requires 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, 2018

**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, 2018

**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, 2018

**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, 2018

**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, 2018

**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, 2018, 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, 2018, cash and cash equivalents of the municipality consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking	<u>\$ 4,145,656</u>	<u>\$4,145,656</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2018, was \$4,145,656 and the bank balance was \$4,135,546. 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 \$3,885,546 was covered by collateral pool.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**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>				
Bonds Payable	\$ 752,000		\$ 145,000	\$ 607,000
Bond Anticipation Notes	290,937	\$ 80,000	41,563	329,374
Sanitary Sewer System Loan	317,332		63,546	253,786
Compensated absences payable	None			None
<b>Total Long-Term Debt</b>	<b>\$1,360,269</b>	<b>\$ 80,000</b>	<b>\$ 250,109</b>	<b>\$ 1,190,160</b>

**Summary of Municipal Debt**

	YEAR <u>2018</u>	YEAR <u>2017</u>	YEAR <u>2016</u>
<b>Issued</b>			
General:			
Bonds and Notes	\$ 936,374	\$ 1,042,937	\$ 1,219,500
Sewer Utility:			
Bonds and Notes	253,786	317,332	378,378
Total Deductions			
Net Debt Issued	1,190,160	1,360,269	1,597,878
<b><u>Authorized But Not Issued</u></b>			
General:			
Bonds and Notes	150,500	153,300	161,237
Sewer Utility:			
Bonds and Notes	NONE	NONE	NONE
Total Authorized But Not Issued	150,500	153,300	161,237
<b>Net Bonds and Notes Issued and Authorized But Not Issued</b>	<b>\$ 1,340,660</b>	<b>\$ 1,513,569</b>	<b>\$ 1,759,115</b>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**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 0.626%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 3,300,000	\$ 3,300,000	
Sewer Debt	253,786	253,786	-
General Debt	1,086,874	-	\$ 1,086,874
	\$ 4,640,660	\$ 3,553,786	\$ 1,086,874

Net Debt \$ 1,086,874 Divided by Equalized Valuation Basis per  
N.J.S.A. 40A:2-2 as amended, \$ 173,656,223 equals 0.626%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 6,077,968
Net Debt	1,086,874
Remaining Borrowing Power	\$ 4,991,094

**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>
2019	\$ 145,000	\$ 12,337	\$ 66,150	\$ 9,626
2020	150,000	9,436	68,838	6,938
2021	155,000	6,436	71,680	4,096
2022	157,000	3,336	47,118	1,158
	\$ 607,000	\$ 31,545	\$ 253,786	\$ 21,818

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 3: LONG-TERM DEBT (Continued)**

**Bonded Debt Issued and Outstanding**

*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 2.0%-2.125%, 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, 2018, was \$607,000 Outstanding loan principal and interest is paid from the Current Fund of the Township.

*Contruccion of Sanitary Sewer System Loan* - On May 29, 2015, the municipality and Fulton Bank of New Jersey agreed on a restated unsecured loan, originally dated May 15, 1997 in the amount of \$465,399. The loan originally had an interest rate of 6.25%, which was restated to 4.0% with bi-annual principal installments ranging from \$28,425 to \$10,182, which began October 1, 2015 and continue through October 1, 2022. The Principal Balance of the loan as of December 31, 2018 is \$253,786.

**Bond Anticipation Notes**

The Township has outstanding at December 31, 2018, a bond anticipation note in the amount of \$249,374 payable to the Town of East Brunswick. This note matures on June 24, 2019. The interest rate on the note was 2.29% Principal and interest on these notes are paid from the current fund budget of the Township.

	<u>Debt Outstanding</u>
Total Bonded and Loan Debt Issued	<u>\$1,190,160</u>

As of December 31, 2018, there were \$161,237 in bonds and notes authorized, not issued.

**Note 4: GENERAL FIXED ASSETS - (Unaudited)**

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

	<u>Balance 1/1/2018</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance 12/31/2018</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	700,615	\$ 184,029		884,644
Construction in Progress	243,761			243,761
	<u>\$ 6,162,304</u>	<u>\$ 184,029</u>	<u>-</u>	<u>\$ 6,346,333</u>

See Independent Auditor's Report on pages 2-4.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 5: FUND BALANCES APPROPRIATED**

Fund Balances at December 31, 2018, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2019, were as follows:

	Introduced <u>Budget</u>
Current Fund	\$324,093
Sewer Utility Fund	\$100,000

**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, 2018, the following deferred charges are required to be raised in succeeding budgets.

	<u>Balance</u> <u>12/31/17</u>	<u>Raised in</u> <u>2018 Budget</u>	<u>Resulting from</u> <u>2018</u> <u>Operations</u>	<u>Balance</u> <u>12/31/18</u>
Current Fund - Special Emergencies	\$ 57,495	\$ 19,165	-	\$ 38,330
	<u>\$ 57,495</u>	<u>\$ 19,165</u>	<u>-</u>	<u>\$ 38,330</u>

Special Emergency Deferred Charges will be raised in subsequent budgets over a five year period. The appropriations in the 2019 Budget are not less than that required by statute.

**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</b> <b>DEFERRED</b> <b>TAX</b> <b><u>12/31/18</u></b>	<b>LOCAL DISTRICT</b> <b><u>SCHOOL TAX</u></b> <b>BALANCE</b> <b><u>12/31/18</u></b>	<b>BALANCE</b> <b><u>12/31/17</u></b>
Balance of Tax		\$ 2,081,573	\$ 2,035,228
Deferred		<u>1,894,936</u>	<u>1,894,936</u>
Tax Payable		<u>\$ 186,637</u>	<u>\$ 140,292</u>
Tax Deferred	<u>\$ 1,894,936</u>		

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 8: PENSION PLANS**

Description of Plans - All required employees of the municipality are covered by either the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Plan (DCRP) which have 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, all obligations of both Systems 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. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

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

The following represents the membership tiers for PERS:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1 /60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.



NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 8: PENSION PLANS - (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.

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 (PERS) 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 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS. The current PERS rate is 6.5% of covered payroll.

Summary of Significant Accounting Policies - New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability or related deferred outflows or inflows of resources on their balance sheets, or related plan pension expense. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Accordingly, the municipality's portion of the net pension liability, related outflows and inflows of resources, and pension expense are for disclosure purposes only and do not effect the municipality's regulatory basis fund balance, statement of revenues and expenditures, or operations. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense as required by GASB No. 68, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the municipality disclosed a liability of \$1,001,451 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The municipality's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2018 and 2017. At June 30, 2018, the municipality's proportion was 0.00430% which was an increase of 0.00003% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the municipality's portion of the plan's pension expense was \$50,945. At June 30, 2018, deferred outflows of resources and deferred inflows of resources for PERS relating to the municipality's proportionate share are from the following sources:

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 8: PENSION PLANS (Continued)**

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 23,505	
Changes of assumptions	261,816	\$ 201,018
Net difference between projected and actual earnings on pension plan investments	48,194	
Changes in proportion and differences between municipality contributions and proportionate share of contributions	23,399	68,454
Total	<u>\$ 356,914</u>	<u>\$ 269,472</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense of the plan as follows:

	<u>Year Ended June 30:</u>
2019	\$66,200
2020	\$99,898
2021	\$60,533
2022	(\$80,509)
2023	(\$58,680)
Total	<u>\$87,442</u>

	<u>6/30/2017</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$8,685,338,380	\$6,424,455,842
Collective deferred inflows of resources	870,133,595	5,700,625,981
Collective net pension liability (Non State - Local Group)	\$29,617,131,759	\$23,278,401,588
municipality's proportionate share of net pension liability	\$1,263,916	\$1,001,451
municipality's proportion %	0.00426752%	0.00430206%

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 8: PENSION PLANS (Continued)**

*Actuarial assumptions* - The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation:	2.25%
Salary Increases:	
Through 2026	1.65%-4.15% based on age
Therafter	2.65%-5.15% based on age
Investment Rate of Return:	7.00%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2013 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 8: PENSION PLANS (Continued)**

Discount rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on contribution rate in the most recent fiscal year.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate - The following presents the Municipality's proportionate share of the net pension liability measured as of June 30, 2018, calculated using the discount rate of 5.00%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Municipality's proportionate share of the net pension liability	\$ 1,242,368	\$1,001,451	\$ 800,737

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 8: PENSION PLANS (Continued)**

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Three-Year Trend Information for PERS**

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Contribution</u>	<u>Percentage</u> <u>of Contribution</u> <u>Paid</u>
2018	\$39,854	100%
2017	\$37,912	100%
2016	\$35,742	100%

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 9: OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

*Summary of Significant Accounting Policies* - New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net OPEB liability or related deferred outflows or inflows of resources on their balance sheets, or related OPEB expense. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 75 information in the Notes to the Financial Statements. Accordingly, the municipality's portion of the net OPEB liability, related outflows and inflows of resources, and OPEB expense are for disclosure purposes only and do not effect the municipality's regulatory basis fund balance, statement of revenues and expenditures, or operations. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense as required by GASB No. 75, information about the fiduciary net position of the plan and additions to/deductions from plan fiduciary net position have been determined on the same basis as they are reported by the plan.

*General Information About the OPEB Plan* - The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 9: OTHER POST-EMPLOYMENT BENEFITS (OPEB)-Continued**

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Allocation Methodology** - GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation, the total OPEB liabilities for the years ended June 30, 2017 and 2016 were \$8,695,413,135 and \$9,025,878,097, respectively, while for the nonspecial funding situation, the total OPEB liabilities were \$11,720,375,604 and \$12,691,586,354, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2016 through June 30, 2017.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2018, the municipality disclosed a liability of \$1,362,141 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The municipality's proportion of the net OPEB liability is based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2016 through June 30, 2017. At June 30, 2017, the municipality's proportion was 0.00667% which was an decrease of 0.00175% from its proportion measured as of June 30, 2016.

For the State fiscal year ended June 30, 2017, the municipality's portion of the plan's OPEB expense was \$45,741. At June 30, 2017, deferred outflows of resources and deferred inflows of resources for OPEB relating to the municipality's proportionate share are from the following sources:

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 9: OTHER POST-EMPLOYMENT BENEFITS (OPEB)-Continued**

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	-	151,186
Net difference between projected and actual earnings on OPEB plan investments	\$ 233	
Changes in proportion and differences between municipality contributions and proportionate share of contributions	-	333,546
Total	<u>\$ 233</u>	<u>\$ 484,732</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense of the plan as follows:

	<u>Year Ended June 30:</u>
2018	(\$68,740)
2019	(\$68,740)
2020	(\$68,740)
2021	(\$68,740)
2022	(\$68,927)
Thereafter	<u>(\$140,612)</u>
Total	<u>(\$484,499)</u>

	<u>6/30/2016</u>	<u>6/30/2017</u>
Collective deferred outflows of resources - Non Special Funding	Not Available	\$953,985,371
Collective deferred inflows of resources - Non Special Funding	Not Available	2,448,925,323
Collective net OPEB liability - Non Special Funding	\$12,691,586,354	\$11,720,375,604
Municipality's proportionate share of net OPEB liability	\$1,829,914	\$1,362,141
Municipality's proportion %	0.008426%	0.006672%

**Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:**

	<u>Non Special</u> <u>Funding</u> <u>Situation</u>
Collective Plan Members June 30, 2017	60,231
Collective Plan Members June 30, 2016	55,482
Municipality's Plan Members June 30, 2017	7
Municipality's Plan Members June 30, 2016	8



NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 9: OTHER POST-EMPLOYMENT BENEFITS (OPEB)-Continued**

**Actuarial assumptions** - The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.50%
Salary Increases:	
Through 2026	1.65%-8.98% based on age and plan enrolled in
Thereafter	2.65%-9.98% based on age and plan enrolled in

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2016 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan - the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

**Health Care Trend Assumptions** - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Discount Rate** - The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 9: OTHER POST-EMPLOYMENT BENEFITS (OPEB)-Continued**

**Sensitivity of the Municipality's proportionate share of the net OPEB liability to changes in the discount rate** - The following presents the Municipality's proportionate share of the net OPEB liability measured as of June 30, 2018, calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(2.58%)</u>	<u>(3.28%)</u>	<u>(4.58%)</u>
Municipality's proportionate share of the net OPEB liability	\$1,606,686	\$1,362,141	\$ 1,168,099
	June 30, 2016		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(2.58%)</u>	<u>(3.28%)</u>	<u>(4.58%)</u>
Municipality's proportionate share of the net OPEB liability	\$2,180,946	\$1,829,914	\$ 1,554,157

**Sensitivity of the Municipality's proportionate share of the net OPEB liability to changes in the Health Care trend rate** - The following presents the Municipality's proportionate share of the net OPEB liability measured as of June 30, 2018, calculated using the health care trend rate as disclosed above, as well as what the Municipality's proportionate share of the net OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	<u>1% Decrease</u>	<u>Current Health Care Cost Tend Rate</u>	<u>1% Increase</u>
Municipality's proportionate share of the net OPEB liability	\$1,131,979	\$1,362,141	\$ 1,661,839
	June 30, 2016		
	<u>1% Decrease</u>	<u>Current Health Care Cost Tend Rate</u>	<u>1% Increase</u>
Municipality's proportionate share of the net OPEB liability	\$1,516,587	\$1,829,914	\$ 2,240,994

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**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 calendar 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.

**Note 12: OTHER REQUIRED DISCLOSURES**

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, 2018:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 8,610	\$ 973,930
Federal/State Grants Fund	202,300	-
Animal Control Fund	-	8,610
Other Trust Funds	117,866	-
General Capital Fund	653,764	-
Sewer Operating Fund	-	348,009
Sewer Capital Fund	348,009	-
	<u>\$ 1,330,549</u>	<u>\$ 1,330,549</u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note 12: OTHER REQUIRED DISCLOSURES - (CONTINUED)**

The general capital fund and the sewer capital fund do not maintain cash balances and instead utilize the current fund cash account for their respective activities. This township policy creates long term interfund balances that may not be liquidated in the current period due to the nature of capital projects which may span multiple years.

**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: TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. The municipality has not entered into any tax abatement agreements.

**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, 2017	A	\$	2,342,110
<b>Increased by Receipts:</b>			
Miscellaneous Revenue Not Anticipated	A-2		75,544
Collector	A-5		6,593,885
Revenue Accounts Receivable	A-9		1,242,667
Senior Citizens/Veterans Deductions	A-16		20,701
Federal/State Grant Funds	A-17:19		191,424
Various Reserves	A-20		44,000
State Marriage Fees	A-21		225
Interfund Return	C		51,847
Interfund Return	D		10,029
			8,230,322
			10,572,432
<b>Decreased by Disbursements:</b>			
2017 Appropriation Reserves	A-10		41,978
Reserve for Encumbrances	A-11		1,894,359
Interfund Advance-Other Trust	B		14,094
Refund Overpaid Taxes	A-13		4,169
County Taxes	A-14		1,290,709
Local District School Tax	A-15		4,116,800
Federal/State Grant Funds	A-18		209,623
Reserve for Various	A-20		625
State Marriage Fees	A-21		250
Outside Liens	A-22		50,093
			7,622,700
Balance December 31, 2018	A	\$	2,949,732

CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

**Received:**

Interest and Costs on Taxes	A-2	\$	32,802	
Miscellaneous	A-2		2,742	
Taxes Receivable	A-6		6,113,143	
Tax Title Liens	A-7		338,546	
2019 Prepaid Taxes	A-12		20,322	
Tax Overpayments	A-13		23,436	
Sewer Rents Due Sewer Fund	D-8		11,484	
Outside Liens	A-22		<u>51,410</u>	\$ <u>6,593,885</u>

**Decreased by Disbursements:**

Payments to Treasurer	A-4			\$ <u>6,593,885</u>
-----------------------	-----	--	--	---------------------

CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

A-6

YEAR	BALANCE	ADDED	2018	CASH COLLECTIONS		TRANSFERRED	OVERPAID	CANCELLED	BALANCE
	12/31/17	TAXES	LEVY	2017	2018	TO TAX TITLE LIENS	APPLIED		12/31/18
2009	\$ 112							\$ 112	-
2015	122				\$ 112			10	-
2016	107				107				-
2017	173,655	\$ 18,440			154,040	\$ 33,240	\$ 4,674		\$ 141
	173,996	18,440	-	-	154,259	33,240	4,674	122	141
2018			\$ 6,380,088	\$ 66,081	5,979,384	34,985	2,834	82,293	214,511
<b>TOTALS</b>	<b>\$ 173,996</b>	<b>\$ 18,440</b>	<b>\$ 6,380,088</b>	<b>\$ 66,081</b>	<b>\$ 6,133,643</b>	<b>\$ 68,225</b>	<b>\$ 7,508</b>	<b>\$ 82,415</b>	<b>\$ 214,652</b>

REF.	A			A-12		A-7		A-13		A
------	---	--	--	------	--	-----	--	------	--	---

REF.

State of New Jersey -- Senior Citizens  
and Veterans Deductions  
Received by Collector

A-2	\$ 20,500
A-5	<u>6,113,143</u>
	<u>\$ 6,133,643</u>

**ANALYSIS OF PROPERTY TAX LEVY:**

**Tax Yield:**

General Purpose Tax	\$ 6,369,950
Added Taxes (54:4-63.1 et.seq.)	<u>10,138</u>
	<u>\$ 6,380,088</u>

**Tax Levy:**

	REF.	
Local District School Tax	A-15	\$ 4,163,145
County Taxes:		
County Tax (Abstract)	A-14	\$ 1,144,432
County Library Tax (Abstract)	A-14	91,306
County Open Space Tax	A-14	52,897
Due County for Added and Omitted Taxes(54.4-63.1.et.seq.)	A-14	<u>2,074</u> 1,290,709
Local Tax for Municipal Purposes	A-2	917,635
Add: Additional Tax Levied		<u>8,599</u> <u>\$ 6,380,088</u>



CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>		
Balance December 31, 2017	A	\$	851,820
<b>Increased by:</b>			
Transfers from Taxes Receivable	A-6	\$	68,225
Interest and Costs		<u>4,092</u>	<u>72,317</u>
			924,137
<b>Decreased by:</b>			
Canceled			19,313
Paid	A-5		338,546
Transfer to Foreclosed Property	A-8		<u>138,115</u>
			<u>495,974</u>
Balance December 31, 2018	A	\$	<u><u>428,163</u></u>

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

A-8

	<u>REF.</u>	
Balance December 31, 2017	A	<u>\$ 1,749,900</u>
<b>Increased by:</b>		
Adjustment to Assessed Valuation		\$ 319,085
Transfer from Tax Tilt Liens Foreclosed	A-7	<u>138,115</u>
		<u>457,200</u>
Balance December 31, 2018	A	<u>\$ 2,207,100</u>

CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/17</u>	<u>ACCRUED</u> <u>IN 2018</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>12/31/18</u>
Alcoholic Beverage Licenses			\$ 4,326	\$ 4,326	
Municipal Court:					
Fines and Costs	A-2	\$ 833	15,544	15,136	\$ 1,241
Trailer Park Fees			20,375	20,375	
Host Community Benefits-Refuse Center	A-2	58,071	728,089	731,010	55,150
Cell Tower Rent	A-2		106,857	106,857	
Energy Receipts Tax	A-2		178,498	178,498	
Interest on Investments and Deposits	A-2		11,465	11,465	
Solid Waste Collection Fee	A-2		175,000	175,000	
Totals		<u>\$ 58,904</u>	<u>\$ 1,240,154</u>	<u>\$ 1,242,667</u>	<u>\$ 56,391</u>
	REF.	A	A-2	A-4	A

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2017

A-10

	<u>BALANCE</u> <u>12/31/17</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	\$ 2,883	\$ 2,883	\$ 1,468	\$ 1,415
Computerization	4,862	4,862	3,398	1,464
Tax Collector:				
Other Expenses	277	277	61	216
Legal:				
Other Expenses	5,888	5,888	1,934	3,954
Engineering Services:				
Other Expenses	14,049	14,049	2,603	11,446
Planning Board:				
Legal Services	1,392	1,392	180	1,212
Streets and Road Maintenance:				
Other Expenses	2,209	2,209	2,055	154
Buildings and Grounds:				
Other Expenses	11,998	11,998	11,581	417
Vehicle Maintenance	10,239	10,239	2,405	7,834
Recreation				
Other Expenses	4,936	4,936	800	4,136
Oxford Youth Assoc.	1,500	1,500	1,500	-
Telephone (excluding equipment acquisition)	375	375	272	103
Gas (Natural or Propane):	2,623	2,623	1,469	1,154
Fire Hydrants	1,352	1,352	1,352	-
Gasoline	1,801	1,801	1,263	538
COAH Trust Fund	9,637	9,637	9,637	-
Other Accounts - No Change	63,624	63,624		63,624

TOTALS	\$ 139,645	\$ 139,645	\$ 41,978	\$ 97,667
--------	------------	------------	-----------	-----------

REF.

A

A

A-4

A-1

Appropriation Reserve	\$ 139,645
Prior Year Encumbrances	-
	\$ 139,645

CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-11

REF.

**Increased by:**

Transfer from Current Year Appropriations

A-3

\$ 1,894,359

1,894,359

**Decreased by:**

Cash Disbursements

A-4

\$ 1,894,359

\$ 1,894,359

CURRENT FUND  
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-12

	<u>REF.</u>	
Balance December 31, 2017	A	\$ 66,081
<b>Increased by:</b>		
2019 Taxes Collected in Advance	A-5	<u>20,322</u>
		86,403
<b>Decreased by:</b>		
Applied to 2018 Taxes Receivable	A-6	<u>66,081</u>
Balance December 31, 2018	A	<u>\$ 20,322</u>

CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

A-13

	<u>REF.</u>	
Balance December 31, 2017	A	\$ 20,529
<b>Increased by:</b>		
2018 Tax Overpayments	A-5	<u>23,436</u>
		43,965
<b>Decreased by:</b>		
Taxes Applied	A-6	\$ 7,508
Cancelled	A-1	8,044
Refunded	A-4	<u>4,169</u>
		<u>19,721</u>
Balance December 31, 2018	A	<u>\$ 24,244</u>

CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE

A-14

REF.

**Increased by:**

2018 Levy:

County Taxes	A-1:6	\$1,144,432	
County Library Taxes	A-1:6	91,306	
County Open Space Tax	A-1:6	52,897	
County Added and Omitted Taxes	A-1:6	<u>2,074</u>	
			<u>\$ 1,290,709</u>
			1,290,709

**Decreased by:**

Payments	A-4		<u>\$ 1,290,709</u>
----------	-----	--	---------------------



CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-15

	<u>REF.</u>		
<b>Balance December 31, 2017:</b>			
School Tax Payable	A	\$ 140,292	
School Tax Deferred		<u>1,894,936</u>	\$ 2,035,228
<b>Increased by:</b>			
Levy - School Year July 1, 2018 to June 30, 2019	A-6		<u>4,163,145</u>
			6,198,373
<b>Decreased by:</b>			
Payments	A-4		<u>4,116,800</u>
<b>Balance December 31, 2018:</b>			
School Tax Payable	A	186,637	
School Tax Deferred		<u>1,894,936</u>	<u>\$ 2,081,573</u>
<b>2018 Liability for Local District School Tax:</b>			
Tax Paid			\$ 4,116,800
Tax Payable 12/31/18			<u>2,081,573</u>
			6,198,373
Less -- Taxes Deferred Current Year			-
Less -- Tax Payable 12/31/17			<u>2,035,228</u>
<b>Amount Charged to 2018 Operations</b>	A-1		<u>\$ 4,163,145</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, 2017	A	\$ 3,630
<b>Increased by:</b>		
Received in Cash From State	A-4	<u>20,701</u>
		24,331
<b>Decreased by:</b>		
Senior Citizens Deductions per Tax Billings		\$ 15,500
Veterans Deductions per Tax Billings		5,200
Senior Citizens Deductions Disallowed by Tax Collector		<u>(200)</u> <u>20,500</u>
Balance December 31, 2018	A	<u>\$ 3,831</u>

CURRENT FUND  
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-17

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/17</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/18</u>
Municipal Alliance	-	\$ 3,992	3,735	\$ 257	-
Highlands Sec 15 Grant	\$ 15,000				\$ 15,000
NJDOT-Buckley Avenue	2,887				2,887
Clean Communities	-	6,304	5,992	312	-
NJDEP & NJEDA Hazzardous Site Grant	7,300	113,116	120,416		-
Totals	<b>\$ 25,187</b>	<b>\$ 123,412</b>	<b>\$ 130,143</b>	<b>\$ 569</b>	<b>\$ 17,887</b>
REF.	A	A-2	A-4	A-18	A

CURRENT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-18

	<u>BALANCE</u> <u>12/31/17</u>	<u>TRANSFER</u> <u>FROM</u> <u>2018 BUDGET</u> <u>APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/18</u>
Clean Communities	\$ 15,488	\$ 6,304	\$ 2,918	\$ 312	\$ 18,562
Emergency Management Council	2,957				2,957
Beamguides rails and strip	5,085				5,085
Hazards Emergency Operations Planning	2,406				2,406
Municipal Alliance - County	5,796	3,992	2,700	257	6,831
Municipal Alliance - Local	-	1,200	1,200		-
Stormwater Grant	5,232				5,232
Alcohol Rehab Grant	2,703	257			2,960
Emergency Service Grant	9,668				9,668
Recycling Tonnage Grant	17,680	1,895	167		19,408
NJDOT-Buckley Avenue	6,522				6,522
Private Donations	5,000				5,000
Wastewater Management Grant	12				12
Highlands-Sec 15	10,479				10,479
NJDEP & NJEDA Hazzardous Site Grant	12,418	113,116	87,400		38,134
NJ DOT Grant - Pequest Road Sec 1	112,096	28,791	115,238		25,649
<b>Totals</b>	<b>\$ 213,542</b>	<b>\$ 155,555</b>	<b>\$ 209,623</b>	<b>\$ 569</b>	<b>\$ 158,905</b>

A

A-3

A-4

A-17

A

CURRENT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-19

	<u>BALANCE</u> <u>12/31/17</u>	<u>TRANSFER</u> <u>TO</u> <u>2018 BUDGET</u> <u>APPROPRIATIONS</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/18</u>
Alcohol Rehabilitation Grant	\$ 258	\$ 257	\$ 72	\$ 73
Clean Communities	-			-
Municipal Alliance	-			-
Recycling Tonnage Grant	1,895	1,895		-
NJ DOT Grant - Pequest Road-Sec 1	28,791	28,791	38,709	38,709
NJ DOT Grant - Pequest Road-Sec 2			22,500	22,500
<b>Totals</b>	<b>\$ 30,944</b>	<b>\$ 30,943</b>	<b>\$ 61,281</b>	<b>\$ 61,282</b>
	A	A-2:18	A-4	A

CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES

A-20

REF.

Balance December 31, 2017	A	\$ 470,756
<b>Increased by:</b>		
Sale of Property to Warren County	A-4	<u>44,000</u> 514,756
<b>Decreased by:</b>		
Professional Services - Legal	A-4	<u>625</u>
Balance December 31, 2018	A	<u>\$ 514,131</u>

Revaluation		\$ 9,450
Sale of Municipal Assets		504,673
POAA		<u>8</u>
		<u>\$ 514,131</u>

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

A-21

	<u>REF.</u>	
Balance December 31, 2017	A	\$ 50
<b>Increased by:</b>		
Marriage License Fees	A-4	<u>225</u> 275
<b>Decreased by:</b>		
Payments to State of New Jersey	A-4	<u>250</u>
Balance December 31, 2018	A	<u><u>\$ 25</u></u>

CURRENT FUND  
SCHEDULE OF AMOUNT DUE OUTSIDE LIEN HOLDERS

	A-22
	<u>REF.</u>
Balance December 31, 2017	A    \$    3,377
<b>Increased by:</b>	
Outside Liens Collected	A-5 <u>51,410</u>
	54,787
<b>Decreased by:</b>	
Outside Liens Refunded	A-4 <u>50,093</u>
Balance December 31, 2018	A    \$ <u>4,694</u>



CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES  
SPECIAL EMERGENCY AUTHORIZATIONS

A-23

<u>PURPOSE</u>	<u>DESCRIPTION</u>	<u>DATE AUTHORIZED</u>	<u>NET AMOUNT AUTHORIZED</u>	<u>BALANCE 12/31/17</u>	<u>AMOUNT RAISED IN 2018 BUDGET</u>	<u>BALANCE 12/31/18</u>
Special Emergency (40A:4-53)	Tax Reassessment	8/12/15	\$ 95,825	\$ 57,495	\$ 19,165	\$ 38,330
Totals				<b>\$ 57,495</b>	<b>\$ 19,165</b>	<b>\$ 38,330</b>
REF.				A	A-3	A

## **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, 2017	B	\$ 8,220	\$ 186,078
<b>Increased by Receipts:</b>			
Dog License Fees	B-3	7,123	
State Dog License Fees	B-4	672	
Amount Due Current Fund	B-5:6	0	
Developer's Escrow Deposit Disbursements	B-8		3,750
Payroll Trust	B-9		493,761
COAH Trust	B-11		9,637
Unemployment Trust	B-12		-
Lake Trust	B-13		46,581
<b>Total Receipts</b>		7,795	553,729
		16,015	739,807
<b>Decreased by Disbursements:</b>			
Administrative Expenses	B-3	2,104	
State Dog License Fees	B-4	670	
Amount Due Current Fund	B-5:6		
Developer's Escrow Deposit Disbursements	B-8		6,484
Payroll Trust	B-9		519,808
Tot Lot Escrow	B-10		42,811
Lake Trust	B-13		52,002
<b>Total Disbursements</b>		2,774	621,105
Balance December 31, 2018	B	\$ 13,241	\$ 118,702

TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2017	B	\$ 3,104
<b>Increased by:</b>		
Dog License Fees Collected	B-2	<u>7,123</u> 10,227
<b>Decreased by:</b>		
Salary's & Wages Paid by Current Fund	B-5	\$ 3,494
Administrative Expenditures Paid	B-2	<u>2,104</u> <u>5,598</u>
Balance December 31, 2018	B	<u>\$ 4,629</u>

**LICENSE FEES COLLECTED**

CY 2017		\$ 6,589
CY 2016		<u>6,245</u>
		<u>\$ 12,834</u>

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

B-4

REF.

**Increased by:**

Collected in 2018:

State Board of Health Fees

B-2    \$ 672  
          672

**Decreased By:**

Payments

B-2    670

Balance December 31, 2018

B    \$ 2

TRUST FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND  
DOG LICENSE FUND

B-5

	<u>REF.</u>	
Balance December 31, 2017	B	\$ 5,116
<b>Increased by:</b>		
Salary's & Wages Paid by Current Fund	B-3	<u>3,494</u>
		8,610
Balance December 31, 2018	B	<u>\$ 8,610</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, 2017	B	\$ 128,466
<b>Increased by:</b>		
Tax Sale Premiums Received in Current Fund	B-7	<u>23,700</u> 152,166
<b>Decreased by:</b>		
Tax Sale Premiums Paid from Current Fund	B-7	<u>34,300</u>
Balance December 31, 2018	B	<u>\$ 117,866</u>

**ANALYSIS OF BALANCE**

Due Current Fund - Lake Recreation	\$ 4,066
Due Current Fund - Tax Premiums	<u>113,800</u>
Total Interfund Receivable	<u>\$ 117,866</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

B-7

	<u>REF.</u>	
Balance December 31, 2017	B	\$ 124,400
<b>Increased by:</b>		
Premium Receipts	B-6	<u>23,700</u>
		148,100
<b>Decreased by:</b>		
Premium Payments	B-6	<u>34,300</u>
Balance December 31, 2018	B	<u>\$ 113,800</u>



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

B-8

	<u>REF.</u>	
Balance December 31, 2017	B	\$ 37,371
<b>Increased by:</b>		
Escrow Deposits	B-2	<u>3,750</u>
		41,121
<b>Decreased by:</b>		
Escrows Returned	B-2	<u>6,484</u>
Balance December 31, 2018	B	<u>\$ 34,637</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR PAYROLL TRUST

B-9

	<u>REF.</u>	
Balance December 31, 2017	B	\$ 44,953
<b>Increased by:</b>		
Receipts of Gross Payroll and Employer Taxes	B-2	<u>493,761</u>
		538,714
<b>Decreased by:</b>		
Disbursements of Net Payroll and Payroll Taxes	B-2	<u>519,808</u>
Balance December 31, 2018	B	<u>\$ 18,906</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR TOT LOT ESCROW

B-10

REF.

Balance December 31, 2017

B     \$    42,811

**Decreased by:**

Funded Improvement Authorizations-Ambulance

B-2    \$    42,811

TRUST FUND  
SCHEDULE OF RESERVE FOR COAH TRUST

B-11

	<u>REF.</u>	
Balance December 31, 2017	B	\$ 1
<b>Increased by:</b>		
Receipts	B-2	_____ 9,637
		9,638
Balance December 31, 2018	B	\$ <u>9,638</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-12

	<u>REF.</u>	
Balance December 31, 2017	B	\$ 21,817
Balance December 31, 2018	B	<u>\$ 21,817</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR LAKE TRUST

B-13

	<u>REF.</u>	
Balance December 31, 2017	B	\$ 43,191
<b>Increased by:</b>		
Recreation Receipts	B-2	<u>46,581</u>
		89,772
<b>Decreased by:</b>		
Transfer to Current Fund to Reimburse Salaries and Other Expense	B-2	<u>52,002</u>
Balance December 31, 2018	B	<u>\$ 37,770</u>

## **GENERAL CAPITAL FUND SCHEDULES**

GENERAL CAPITAL FUND  
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>	
Balance December 31, 2017	C	<u>\$ 91</u>
Balance December 31, 2018	C	<u>\$ 91</u>



GENERAL CAPITAL FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-3

	<u>REF.</u>		
Balance December 31, 2017	C	\$	(601,917)
<b>Increased by:</b>			
Improvement Authorizations Paid by Current Fund	C-7	\$	197,929
Other Authorizations Paid by Current Fund	C-8	835	(403,153)
<b>Decreased by:</b>			
Budget Appropriation - Deferred Charges	C-5	2,800	
Trust Fund Proceeds for Ambulance Received in Current Fund	C-7:8	42,811	
Bond Anticipation Note Proceeds Received in Current Fund - Ambulance	C-10	80,000	
Budget Appropriation - Capital Improvement Fund	C-6	<u>125,000</u>	<u>250,611</u>
Balance December 31, 2018	C	\$	<u>(653,764)</u>

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

	<u>REF.</u>	
Balance December 31, 2017	C	\$ 752,000
<b>Decreased by:</b>		<u>145,000</u>
2018 Current Fund Budget Appropriations Bond Principal	C-9	<u>\$ 607,000</u>
Balance December 31, 2018	C	

C-4

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

C-5

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE 12/31/17	2018 AUTHORIZATIONS	BUDGET APPROPRIATION DEFERRED CHARGE	PAID BY BOND ANTICIPATION NOTE	BALANCE 12/31/18	<u>ANALYSIS OF BALANCE</u>	
							AUTHORIZED NOT ISSUED	BOND ANTICIPATION NOTES
2005-08	Acquisition of Real Property-Quenzel Property	\$ 2,800		\$ 2,800		-	-	-
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; Restated 2014- 05	Asbestos Removal and Demolition of Building and Site Restoration at 50 Wall Street	290,937			\$ 41,563	249,374	-	\$ 249,374
2018-06	Ambulance		\$ 80,000			80,000		80,000
		<b>\$ 444,237</b>	<b>\$ 80,000</b>	<b>\$ 2,800</b>	<b>\$ 41,563</b>	<b>\$ 479,874</b>	<b>\$ 150,500</b>	<b>\$ 329,374</b>
REF.		C	C-7	C-3	C-10	C		C-10

GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>REF.</u>	
Balance December 31, 2017	C	\$ 139,581
<b>Increased by:</b>		
Budget Appropriation - Capital Improvement Fund	C-3	<u>125,000</u>
		264,581
<b>Decreased by:</b>		
Funded Improvement Authorizations	C-7	<u>188,800</u>
Balance December 31, 2018	C	<u>\$ 75,781</u>



GENERAL CAPITAL FUND  
SCHEDULE OF VARIOUS RESERVES

C-8

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/17</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>12/31/18</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
Tot Lot Reserve	-	\$ 2,811	\$ 835	1,976
	<b>\$ 131,434</b>	<b>\$ 2,811</b>	<b>\$ 835</b>	<b>\$ 133,410</b>

REF.

C

C-3

C-3

C

GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

C-9

<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 12/31/17</u>	<u>DECREASED</u>	<u>BALANCE 12/31/18</u>
General Obligation Bonds	9/13/12	\$ 1,297,000	9/1/19	\$ 145,000	2.000%	\$ 752,000	\$ 145,000	\$ 607,000
			9/1/20	150,000	2.000%			
			9/1/21	155,000	2.000%			
			9/1/22	157,000	2.125%			
						<b>\$ 752,000</b>	<b>\$ 145,000</b>	<b>\$ 607,000</b>
						C	C-4	C

GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

C-10

<u>Ordinance</u>	<u>PURPOSE</u>	<u>ORIGINAL ISSUE</u>	<u>ORIGINAL DATE OF ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/17</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE 12/31/18</u>
2013-08; Restated 2014-05	Asbestos Removal and Demolition of Building and Site Restoration at 50 Wall Street	\$ 332,500	7-1-14	6-28-16	6-24-19	2.29%	\$ 290,937		\$ 41,563	\$ 249,374
2018-06	Ambulance	80,000	6-25-18	6-25-18	6-24-19	2.29%		\$ 80,000		80,000
							<b>\$ 290,937</b>	<b>\$ 80,000</b>	<b>\$ 41,563</b>	<b>\$ 329,374</b>
	REF.						C	C-3	C-5	C



**SEWER UTILITY FUND**

SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

D-4

	<u>REF.</u>	<u>OPERATING</u>	
Balance December 31, 2017	D		\$ 1,056,567
<b>Increased by Receipts:</b>			
Collector	D-5	\$ 1,402,741	
Miscellaneous Revenues	D-2	<u>6,871</u>	<u>1,409,612</u>
			2,466,179
<b>Decreased by Disbursements:</b>			
2018 Appropriations	D-3	1,202,287	
2017 Appropriation Reserve	D-7	542	
Interfund Advanced	D-8	30,650	
Garbage Fees Paid to Current Fund	D	<u>175,000</u>	<u>1,408,479</u>
Balance December 31, 2018	D		<u>\$ 1,057,700</u>

SEWER UTILITY FUND  
SCHEDULE OF CASH - COLLECTOR

D-5

REF.

**Increased by Receipts:**

Garbage Collection Fees	\$ 175,000	
Consumer Accounts Receivable	D-6 <u>1,227,741</u>	<u>\$ 1,402,741</u>

**Decreased by Disbursements:**

Payment to Treasurer	D-4	<u>\$ 1,402,741</u>
----------------------	-----	---------------------

SEWER UTILITY FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>REF.</u>	
Balance December 31, 2017	D	\$ 447,743
<b>Increased by:</b>		
Sewer Rents Levied		<u>1,211,311</u>
		1,659,054
<b>Decreased by:</b>		
Sewer Receipts Collected in Current Fund	D-8	\$ 11,484
Collection	D-5	<u>1,227,741</u>
		<u>1,239,225</u>
Balance December 31, 2018	D	<u>\$ 419,829</u>

SEWER UTILITY FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2017

D-7

	<u>BALANCE</u> <u>12/31/17</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-Sewer Treatment	\$ 124,135	\$ 124,135		\$ 124,135
Other Expenses	5,025	5,025	\$ 542	4,483
<b>TOTALS</b>	<b><u>\$ 129,160</u></b>	<b><u>\$ 129,160</u></b>	<b><u>\$ 542</u></b>	<b><u>\$ 128,618</u></b>

REF.

D

D-4

D-1

Appropriation Reserve	\$ 129,160
Encumbrances	<u>-</u>
	<b><u>\$ 129,160</u></b>

SEWER UTILITY FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND

D-8

	<u>REF.</u>		
Balance December 31, 2017	D	\$	18,505
<b>Increased by:</b>			
Interfund Advanced	D-4	\$	30,650
Sewer Receipts Collected in Current Fund	D-6		42,134
			<u>60,639</u>
<b>Decreased by:</b>			
Operating Expenditures Paid by Current Fund	D-3		<u>23,785</u>
Balance December 31, 2018	D	\$	<u><u>36,854</u></u>

CURRENT FUND  
SCHEDULE OF SEWER RENT OVERPAYMENTS

D-9

	<u>REF.</u>	
Balance December 31, 2017	D	\$ 6,550
Balance December 31, 2018	D	<u>\$ 6,550</u>

SEWER UTILITY FUND  
SCHEDULE OF FIXED CAPITAL  
DECEMBER 31, 2018

D-10

	<u>BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u>
	<u>12/31/17</u>			<u>12/31/18</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, 2018

D-11

	<u>BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u>
	<u>12/31/17</u>			<u>12/31/18</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 12/31/17</u>	<u>DECREASED</u>	<u>BALANCE 12/31/18</u>
Construction of Sanitary Sewer System	5/16/1997	\$ 1,002,000	4/01/19- 4/01/22	\$ 37,888 *	4.000%	\$ 317,332	\$ 63,546	\$ 253,786
						<b>\$ 317,332</b>	<b>\$ 63,546</b>	<b>\$ 253,786</b>
						D	D-3	C

\* - Semi-annual amount including principal and interest payable on April 1 and October 1.

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-12

ORDINANCE NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE FUNDED 12/31/17</u>	<u>BALANCE FUNDED 12/31/18</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>	P.A.T.F. <u>#2</u>	<u>FUND</u> <u>TOTAL</u>
Balance December 31, 2017	E	\$ 6,190	\$ 6,190
Balance December 31, 2018	E	<b>\$ 6,190</b>	<b>\$ 6,190</b>

**SCHEDULE OF GENERAL FIXED ASSETS**

GENERAL FIXED ASSETS  
SCHEDULE OF ADDITIONS AND DELETIONS  
DECEMBER 31, 2018

F-1

	<u>BALANCE</u>		<u>DELETIONS</u>	<u>BALANCE</u>
	<u>12/31/17</u>	<u>ADDITIONS</u>		<u>12/31/18</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	700,615	\$ 184,029		884,644
Construction in Progress	243,761			243,761
Total General Fixed Assets	<b><u>\$ 6,162,304</u></b>	<b><u>184,029</u></b>	<b><u>-</u></b>	<b><u>\$ 6,346,333</u></b>
 Investment In General Fixed Assets	 <b><u>\$ 6,162,304</u></b>	 <b><u>184,029</u></b>	 <b><u>-</u></b>	 <b><u>\$ 6,346,333</u></b>

**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, 2015, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$40,000 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 3, 2018, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2018, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2017, 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 3, 2018 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, 2018, include real property taxes from the 2018, 2017, 2015 and 2009 tax levies.

The last tax sale was held on December 6, 2018 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>
2018	61
2017	73
2016	79

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 15, 2018. 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	
			No. of <u>Circular</u>	Total No. <u>Returned</u>
2018 Property Tax	Positive	1,141	60	14
2019 Property Tax	Positive	1,141	60	14
2018 Delinquent Tax	Negative	127	25	10
2018 Sewer Charges	Positive	117	25	7

**N.J.A.C. 5:30-5 (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 2018 Required <u>Implementation</u>	
	<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 2018</u>	<u>%</u>	<u>YEAR 2017</u>	<u>%</u>
Fund Balance Utilized	\$ 138,000	1.62%	\$ 138,000	1.77%
Miscellaneous - From Other Than				
Local Property Tax Levies	1,833,321	21.53%	1,525,772	19.56%
Collection of Delinquent Taxes and				
Tax Title Liens	497,479	5.84%	199,119	2.55%
Collection of Current Tax Levy	<u>6,048,299</u>	<u>71.01%</u>	<u>5,939,443</u>	<u>76.12%</u>
<b>Total Income</b>	<u>8,517,099</u>	<u>100.00%</u>	<u>7,802,334</u>	<u>100.00%</u>

**EXPENDITURES**

Budget Expenditures:				
Municipal Purposes	2,344,073	29.71%	2,099,671	27.83%
County Taxes	1,290,709	16.36%	1,280,989	16.98%
Local and Regional Taxes	4,163,145	52.77%	4,070,455	53.96%
Other Expenditures	<u>92,030</u>	<u>1.17%</u>	<u>92,591</u>	<u>1.23%</u>
<b>Total Expenditures</b>	<u>\$7,889,957</u>	<u>100.00%</u>	<u>\$7,543,706</u>	<u>100.00%</u>
Excess (Deficit) Revenue Over Expenditures	627,142		258,628	
Statutory Excess to Fund Balance	627,142		258,628	
Fund Balance January 1	587,058		466,430	
Less:				
Utilization as Anticipated Revenue	<u>138,000</u>		<u>138,000</u>	
Fund Balance December 31	<u>\$ 1,076,200</u>		<u>\$ 587,058</u>	

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

**REVENUE AND OTHER INCOME REALIZED**

	<u><b>YEAR 2018</b></u>	<u><b>%</b></u>	<u><b>YEAR 2017</b></u>	<u><b>%</b></u>
Operating Surplus	-	0.00%	\$ -	0.00%
Rents	\$ 1,239,225	90.14%	1,259,874	91.61%
Miscellaneous	6,871	0.50%	5,186	0.38%
Other Credits to Income	<u>128,618</u>	<u>9.36%</u>	<u>110,216</u>	<u>8.01%</u>
<b>Total Income</b>	1,374,714	100.00%	1,375,276	100.00%

**EXPENDITURES**

Budget Expenditures:				
Operating	<u>1,244,926</u>	100.00%	<u>1,261,427</u>	100.00%
<b>Total Expenditures</b>	1,244,926	100.00%	1,261,427	100.00%

Excess (Deficit) Revenue Over Expenditures	129,788		113,849	
--	---------	--	---------	--

Statutory Excess to Fund Balance	129,788		113,849	
----------------------------------	---------	--	---------	--

Fund Balance January 1	582,324		468,475	
------------------------	---------	--	---------	--

Less:

Utilization as Anticipated Revenue	<u>-</u>		<u>-</u>	
------------------------------------	----------	--	----------	--

Fund Balance December 31	<u>\$ 712,112</u>		<u>\$ 582,324</u>	
--------------------------	-------------------	--	-------------------	--

**Comparative Schedule of Tax Rate Information**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Tax Rate</u>	<u>\$4.016</u>	<u>\$3.927</u>	<u>\$3.950</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.578	\$0.564	\$0.547
County	\$0.814	\$0.806	\$0.846
Local School	\$2.624	\$2.557	\$2.557

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2018	\$158,614,300
2017	\$159,171,600
2016	\$158,795,800

**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>
2018	\$6,380,088	\$6,048,299	94.79%
2017	\$6,251,677	\$5,939,443	95.00%
2016	\$6,294,428	\$5,951,471	94.55%

**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>
2018	\$428,163	\$214,652	\$642,815	10.08%
2017	\$851,820	\$173,996	\$1,025,816	16.41%
2016	\$882,571	\$212,521	\$1,095,092	17.40%

**Property Acquired by Tax Title Lien Liquidation**

\$2,207,100 in properties have been acquired 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>
2018	\$ 1,076,200	\$ 374,093
2017	\$ 587,058	\$ 138,000
2016	\$ 466,430	\$ 138,000
2015	\$ 195,663	\$ 99,838
2014	\$ 206,889	\$ 206,888
2013	\$ 274,228	\$ 233,000
2012	\$ 353,887	\$ 237,193

**Sewer Utility Fund**

2018	\$ 712,112	\$ 100,000
2017	\$ 582,324	None
2016	\$ 468,475	None
2015	\$ 300,047	None
2014	\$ 175,259	\$ 24,000
2013	\$ 93,315	None
2012	\$ 68,250	\$ 22,385

**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>
Robert Nyland	Mayor		
Bill Ryan	Committeeperson		
Doug Ort	Committeeperson		
Sheila L. Oberly	Clerk		



<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Lisa Gerickont-Truppa	Collector; Tax Search Officer	\$1,000,000	Public Alliance Joint Insurance Fund
Dawn Stanchina	Certified Municipal Finance Officer	\$1,000,000	Public Alliance Joint Insurance Fund
Richard Motyka	Assessor		
Michael Lavery	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>
2018	\$95,124

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**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: anthony@arditoandcompany.com

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, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Township of Oxford's basic financial statements, and have issued our report thereon dated April 30, 2019, 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

April 30, 2019



Certified Public Accountant

Registered Municipal Accountant No.524

ARDITO & CO., LLP

Frenchtown, New Jersey

April 30, 2019

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

**SCHEDULE OF STATE AWARDS**  
FOR THE YEAR ENDED DECEMBER 31, 2018

STATE GRANTOR/ PROGRAM TITLE	ACCOUNT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/18	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/18
<b><u>DEPT. OF COMMUNITY AFFAIRS</u></b>									
Municipal Alliance Program									
N.J.S.40A:11-5(a)	N/A	\$ 3,735	2018	A		\$ 3,735			\$ 3,735
Municipal Alliance Program									
N.J.S.40A:11-5(a)	N/A		Prior Years	A	\$ 5,796			\$ 2,700	3,096
<b><u>DEPT. OF ENVIR. PROTECTION</u></b>									
Solid Waste Admin.-Clean Communities Program	4900-765-178900	5,992	2018	A		5,992			5,992
			Prior Years	A	15,488			2,918	12,570
Hazzardous Site Grant		86,060	2016	A	5,118	7,300		12,418	-
Hazzardous Site Grant		113,116	2018	A		113,116		74,982	38,134
<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	6,183				6,183
<b><u>DEPT. OF TRANSPORTATION</u></b>									
NJ Transportation Fund Authority Act	Pequest Road Sec 1	148,791	2016	A	140,887	38,709		115,238	64,358
NJ Transportation Fund Authority Act	Pequest Road Sec 2	90,000	2018	A		22,500			22,500
NJ Transportation Fund Authority Act	Buckley Avenue	65,000	2015	A	3,635				3,635
<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	5,232				5,232
Alcohol Rehabilitation Grant	N/A	162	2012	A	2,341				2,341
Alcohol Rehabilitation Grant	N/A	363	2016	A	363				363
Alcohol Rehabilitation Grant	N/A	258	2017	A	258				258
Alcohol Rehabilitation Grant	N/A	72	2,018	A		72			72
Emergency Services Grant	N/A			A	9,668				9,668
Recycling Tonnage Grant	N/A	3,129	2014	A	14,551			167	14,384
Recycling Tonnage Grant	N/A	3,113	2016	A	3,129				3,129
Recycling Tonnage Grant	N/A	1,895	2017	A	1,895				1,895
Waste Water Management Grant	N/A			A	12				12
Highlands Incentive Planning Grant	N/A	14,049	2011	A	-				-
Highlands Sec 15 Grant	N/A	15,000	2015	A	(4,521)				(4,521)
TOTAL STATE ASSISTANCE					<b>\$ 220,483</b>	<b>\$ 191,424</b>	<b>\$ -</b>	<b>\$ 208,423</b>	<b>\$ 203,484</b>

**Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 15-08.**

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, 2018

**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 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 Uniform Guidance, Audits of States, Local Governments and Nonprofit Organizations. However, the Township was not subject to the single audit provisions of Federal OMB Uniform Guidance or New Jersey OMB Circular NJOMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2018 as grant expenditures were less than the single audit thresholds of \$750,000, identified in the Circulars.

**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

2017-1 (\*) 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 2018**

2017-2 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 Corrected in 2018**

2017-3 (\*) I recommend that all interfund loans be transferred back to their respective funds before the end of the calendar year.

**STATUS - Finding Repeated in 2018**

2017-4 We recommend that the Collector's cash book deposits be reconciled to the bank statements on a monthly basis.

**STATUS - Finding Corrected in 2018**

2017-5 (\*) reserves.

**STATUS - Finding Repeated in 2018**

(\*) - Finding Repeated in Current Year

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

**SCHEDULE OF FINDINGS AND RESPONSES**

**GENERAL FINDINGS**

YEAR ENDED DECEMBER 31, 2018

**Summary of Auditor's Results**

A modified report was issued on the Township's financial statements prepared on an other comprehensive basis of accounting as a result of the general fixed assets account group not being included in the scope of the audit.

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 Uniform Guidance and New Jersey OMB Circular NJOMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2018 as grant expenditures were less than the single audit thresholds of \$750,000, 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**

2018-1 (\*) As of December 31, 2018, there were sixty-one (61) outstanding tax title liens in the amount of \$428,163. Property tax levies on these properties are added to liens in excess of \$68,000 annually, of which the township has to bear the full cost of the related local school and county tax levies. In 2018, the township foreclosed on fourteen properties and is making significant progress in liquidating the municipal liens.

We recommend that that the township continue its efforts to liquidate tax title liens in order to get such properties back on a taxpaying basis and transfer foreclosed properties from lien status to foreclosed status.

2018-2 (\*) Various interfund balances in excess of \$1,330,549 existed as of December 31, 2018. The largest interfund balance is the amount the current fund owes to the general capital fund (\$653,764) which continues to accrue since the general capital fund does not utilize an active cash bank account.

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

2018-3 (\*) Various aged grant receivables and spending reserve balances exist as of December 31, 2018.

We recommend that the township investigate the disposition of aged grant receivables and reserves.

(\*) Prior Year Finding