

TOWNSHIP OF OLDMANS

COUNTY OF SALEM

REPORT OF AUDIT

For the Year Ended December 31, 2015

TOWNSHIP OF OLDMANS

TABLE OF CONTENTS

	<u>PAGE NO.</u>
AUDITOR'S REPORTS	
Independent Auditor's Report	1-3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4-5
CURRENT FUND - Exhibits	
A Statements of Assets, Liabilities, Reserves and Fund Balance	6
A-1 Comparative Statements of Operations and Changes in Fund Balance	7
A-2 Statement of Revenues	8-10
A-3 Statement of Expenditures	11-17
TRUST FUND - Exhibit	
B Statements of Assets, Liabilities, Reserves and Fund Balance	18
GENERAL CAPITAL FUND - Exhibit	
C Statements of Assets, Liabilities, Reserves and Fund Balance	19
C-1 Schedule of Fund Balance	20
WATER UTILITY FUND - Exhibits	
D Statements of Assets, Liabilities, Reserves and Fund Balance	21
D-1 Comparative Statements of Operations and Changes in Fund Balance	22
D-2 Statement of Capital Fund Balance	23
D-3 Statement of Revenues	24
D-4 Statement of Expenditures	25

PAYROLL ACCOUNT - Exhibit

F	Statements of Assets, Liabilities, Reserves and Fund Balance	26
---	--	----

GENERAL FIXED ASSETS - Exhibits

G	Statements of General Fixed Assets	27
---	------------------------------------	----

NOTES TO FINANCIAL STATEMENTS 28-48**CURRENT FUND - Exhibits**

A-4	Schedule of Cash - Chief Financial Officer	49
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	50
A-6	Schedule of Tax Title Liens	51
A-7	Schedule of Revenue Accounts Receivable	52
A-8	Schedule of Appropriation Reserves - 2013	53-56
A-9	Schedule of Local District School Taxes	57
A-10	Schedule of State Grants Receivable	58
A-11	Schedule of Reserve for State and Federal Grants Unappropriated	59
A-12	Schedule of Reserve for State and Federal Grants Appropriated	60

TRUST FUND - Exhibits

B-1	Schedule of Cash - Chief Financial Officer	61
B-2	Schedule of Cash - Collector	62
B-3	Schedule of Reserve for Dog Fund Expenditures	63
B-4	Schedule of Reserve for Tax Title Lien Redemptions	64
B-5	Schedule of Premium Received at Tax Sale	65

GENERAL CAPITAL FUND - Exhibits

C-2	Schedule of Cash - Chief Financial Officer	66
C-3	Analysis of Cash	67
C-4	Schedule of Deferred Charges to Future Taxation - Unfunded	68
C-5	Schedule of Capital Improvement Fund	69
C-6	Schedule of Improvement Authorizations	70
C-7	Statement of Reserve for Various Capital Projects	71
C-8	Schedule of Bond Anticipation Notes	72
C-9	Schedule of Bonds and Notes Authorized But Not Issued	73

WATER UTILITY FUND - Exhibits

D-5	Schedule of Cash - Chief Financial Officer	74
D-6	Analysis of Capital Cash	75
D-7	Schedule of Consumer Accounts Receivable	76
D-8	Schedule of Fixed Capital	77
D-9	Schedule of Appropriation Reserves - 2014	78
D-10	Schedule of Improvement Authorizations	79
D-11	Schedule of Preliminary Expenses - Water System Improvements	80
D-12	Schedule of Capital Improvement Fund	81
D-13	Schedule of Reserve for Amortization	82
D-14	Schedule of Bonds and Notes Authorized But Not Issued	83

PAYROLL ACCOUNT - Exhibits

F-1	Schedule of Cash - Chief Financial Officer	84
F-2	Schedule of Payroll Deductions Payable	85

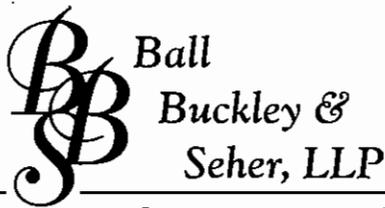
PAGE NO.

GENERAL COMMENTS	86-87
OTHER COMMENTS	88
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	89
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT	90-91
OFFICIALS IN OFFICE AND SURETY BONDS	92
APPRECIATION	93

TOWNSHIP OF OLDMANS

**REPORT OF EXAMINATION ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA**

For the Year Ended December 31, 2015



CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Oldmans
County of Salem
Pedricktown, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Oldmans, County of Salem, State of New Jersey, as of December 31, 2015 and 2014, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 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 of Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the Township on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion of U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2015, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended December 31, 2015, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2016, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

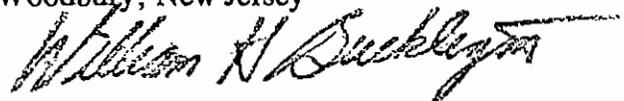
Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's financial statements as a whole. The accompanying supplemental schedules and information presented in the "General Comments", "Other Comments", and "Schedule of Findings and Questioned Costs" sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, is fairly stated in all material respects, in relation to the financial statements as a whole.

Respectfully submitted,

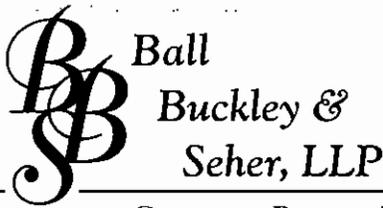
Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants
Woodbury, New Jersey



William H. Buckley, III
Registered Municipal Accountant #46
Certified Public Accountant

July 13, 2016



CERTIFIED PUBLIC ACCOUNTANTS



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

The Honorable Mayor and Members
of the Township Committee
Township of Oldmans
County of Salem
Pedricktown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Oldmans, County of Salem, State of New Jersey as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 13, 2016. That report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiencies as items 2010-2, 2012-1, 2014-1, and 2014-2.

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 grants 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of prior year audit findings and questioned costs as items 2010-2, 2012-1, 2014-1, and 2014-2.

Township's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

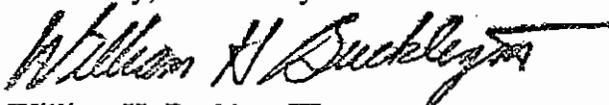
Purpose of this Report

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* and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants
Woodbury, New Jersey



William H. Buckley, III
Registered Municipal Accountant #46
Certified Public Accountant

July 13, 2016

CURRENT FUND

TOWNSHIP OF OLDMANS
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE
REGULATORY BASIS
For the Years Ended December 31, 2015 and 2014

	Ref.	Year 2015	Year 2014
Revenue and other income realized:			
Fund balance utilized	A-2	\$ 730,542.00	\$ 282,367.30
Miscellaneous revenue anticipated	A-2	1,421,677.32	1,276,952.57
Receipts from delinquent taxes	A-2	531,135.93	272,289.52
Receipts from current taxes	A-2	5,582,968.91	5,130,945.69
Non-budget revenue	A-2	36,811.47	37,305.51
Other credits to income:			
Appropriation reserves lapsed	A-8	70,034.97	58,383.40
Prior year interfunds liquidated		690.53	0.00
Total income		<u>8,373,861.13</u>	<u>7,058,243.99</u>
Expenditures:			
Budget operations:			
Operations:			
Salaries and wages	A-3	312,770.00	252,460.00
Other expenses	A-3	1,025,018.41	640,718.37
Capital improvements	A-3	475,000.00	60,000.00
Deferred charges and statutory expenditures	A-3	53,542.00	60,473.45
Debt service	A-3	168,704.00	172,096.00
County taxes	A-5	2,426,964.99	2,323,556.99
Due county for added and omitted taxes	A-5	240,386.16	41,174.09
Local district school tax	A-9	2,716,494.00	2,606,630.00
Prior period adjustment tax overpayments		0.00	37.38
Prior period adjustment tax sale premium		1,500.00	0.00
Interfunds created		0.00	660.97
Total expenditures		<u>7,420,379.56</u>	<u>6,157,807.25</u>
Excess or (deficit) in revenue		953,481.57	900,436.74
Expenditures included above which are by statute			
deferred charges to budget of succeeding year	A	0.00	0.00
Statutory excess to fund balance		953,481.57	900,436.74
Fund balance - January 1	A	1,742,700.37	1,124,630.93
		2,696,181.94	2,025,067.67
Decreased by utilization as anticipated revenue	A-2	730,542.00	282,367.30
Fund balance - December 31	A	<u>\$ 1,965,639.94</u>	<u>\$ 1,742,700.37</u>

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS

For the Year Ended December 31, 2015

	Ref.	Anticipated		Excess Or (Deficit)
		Budget	Per N.J.S.A. 40A:4-87	
Fund balance anticipated	A-1	\$ 730,542.00	\$ 0.00	\$ 730,542.00
Miscellaneous revenues:				
Fines and costs - municipal court	A-7	20,000.00	0.00	22,410.93
Interest and costs on taxes	A-4	40,000.00	0.00	40,728.60
Energy receipts tax	A-7	230,610.00	0.00	230,610.00
Uniform construction code fees	A-2	400,000.00	0.00	736,020.00
Clean communities grant	A-10	4,000.00	4,000.00	8,000.00
Municipal alliance on alcoholism and drug abuse	A-10	4,074.00	0.00	4,074.00
Recycling tonnage grant	A-10	19,577.41	0.00	19,577.41
Small cities grant - stormwater Kay Gardens	A-10	358,010.91	0.00	358,010.91
JIF safety awards	A-7	2,505.00	0.00	2,245.47
Total	A-1	1,078,777.32	4,000.00	1,421,677.32
	A-2	100,000.00	0.00	531,135.93
Receipts from delinquent taxes				
Amount to be raised by taxes for support of municipal budget - local taxes for municipal purposes	A-2	425,647.34	0.00	502,960.01
Budget totals		2,334,966.66	4,000.00	3,186,315.26
Non-budget revenues	A-2	0.00	0.00	36,811.47
Total		\$ 2,334,966.66	\$ 4,000.00	\$ 3,223,126.73

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
For the Year Ended December 31, 2015**

ANALYSIS OF REALIZED REVENUES

	<u>Ref.</u>	
Allocations of current tax collections:		
Revenue from collections	A-5	\$ 5,582,968.91
Allocated to:		
School, county, and special district taxes	A-5	5,383,845.15
Balance for support of municipal appropriations		<u>199,123.76</u>
Add: appropriation "reserve for uncollected taxes"	A-3	<u>303,836.25</u>
 Amount for support of municipal budget appropriations	 A-2	 <u>\$ 502,960.01</u>
 Analysis of receipts from delinquent taxes:		
Delinquent tax collections	A-5	\$ 525,342.79
Tax title lien collections	A-6	<u>5,793.14</u>
		<u>\$ 531,135.93</u>
 Uniform construction code fees		
Revenue accounts receivable:	A-7	\$ 737,426.00
Refunded	A-4	<u>1,406.00</u>
	A-2	<u>\$ 736,020.00</u>
 Miscellaneous revenue not anticipated:		
Revenue accounts receivable:		
Cable TV franchise fee	A-7	\$ 5,352.92
Clerk- licenses other	A-7	2,420.00
Construction code official - interest	A-7	99.76
Housing officer	A-7	1,450.00
Zoning officer	A-7	1,310.00
Interest and cost on investments	A-7	4,608.16
Registrar of vital statistics	A-7	<u>269.00</u>
		\$ 15,509.84

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
For the Year Ended December 31, 2015**

	<u>Ref.</u>		
Chief financial officer:			
Sale of recycling bins		\$ 21.25	
Certified list - tax assessor		150.00	
Road opening permits		200.00	
Copies of bid and specification fees		1,200.00	
Sale of surplus equipment		12,500.00	
Administration fee- veteran and senior citizen deduction		675.00	
Polling place rental		100.00	
COAH fees		1,686.00	
Miscellaneous		<u>124.61</u>	
	A-4		\$ 16,656.86
Interest earned on investments - due from other funds and			
Mailing fee homestead rebate		146.40	
Tax sale cost		1,450.25	
Miscellaneous accounts receivable		2,008.88	
Tax penalties		969.24	
Miscellaneous		<u>70.00</u>	
			<u>4,644.77</u>
Total miscellaneous revenue not anticipated	A-2		<u><u>\$ 36,811.47</u></u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2015**

	Appropriations		Expended			Cancelled
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	
\$	14,300.00	\$ 14,300.00	\$ 14,280.00	\$ 0.00	\$ 20.00	\$ 0.00
	2,500.00	2,950.00	2,440.47	500.00	9.53	0.00
	21,000.00	21,300.00	21,102.00	0.00	198.00	0.00
	8,000.00	6,700.00	6,426.80	11.82	261.38	0.00
Financial administration:						
Salaries and wages	48,500.00	48,500.00	48,450.00	0.00	50.00	0.00
Other expenses	10,000.00	10,000.00	9,483.11	59.73	457.16	0.00
Audit services:						
Other expenses	22,000.00	22,500.00	22,349.00	0.00	151.00	0.00
Assessment of taxes:						
Salaries and wages	31,100.00	31,100.00	31,008.00	0.00	92.00	0.00
Other expenses	4,000.00	4,000.00	3,613.18	40.01	346.81	0.00
Collection of taxes:						
Salaries and wages	24,000.00	16,800.00	14,978.83	0.00	1,821.17	0.00
Other expenses	5,500.00	8,500.00	7,916.40	11.86	571.74	0.00
Legal services and costs:						
Other expenses	13,000.00	4,400.00	2,277.00	0.00	2,123.00	0.00
Foreclosure costs:						
Other expenses	5,000.00	3,700.00	3,667.04	0.00	32.96	0.00
Engineering services and costs:						
Other expenses	7,000.00	4,500.00	1,231.94	108.00	3,160.06	0.00
Public buildings and grounds:						
Other expenses	12,000.00	10,000.00	7,348.21	875.65	1,776.14	0.00
Insurance:						
Workmans compensation	37,000.00	36,000.00	35,599.00	0.00	401.00	0.00
Insurance - liability	25,000.00	22,000.00	21,555.00	0.00	445.00	0.00
Unemployment	2,200.00	2,200.00	2,023.03	0.00	176.97	0.00
Grant consultant:						
Other expenses	3,000.00	1,900.00	1,800.00	0.00	100.00	0.00

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2015

	Appropriations		Expended			Cancelled
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	
OPERATIONS WITHIN "CAP"						
Land use administration:						
Zoning board:						
Other expenses	\$ 1,000.00	\$ 1,000.00	\$ 841.85	\$ 0.00	\$ 158.15	\$ 0.00
Planning board:						
Salaries and wages	7,000.00	7,000.00	6,306.00	0.00	694.00	0.00
Other expenses	6,000.00	9,000.00	8,200.04	453.50	346.46	0.00
Public safety functions:						
Fire:						
Fire hydrant service:						
Other expenses	19,000.00	19,000.00	17,397.04	0.00	1,602.96	0.00
Contribution to first aid organization	47,000.00	47,000.00	45,562.02	0.00	1,437.98	0.00
Aid to volunteer ambulance companies	14,000.00	20,700.00	20,630.84	0.00	69.16	0.00
Emergency management services:						
Salaries and wages	3,000.00	3,000.00	2,892.00	0.00	108.00	0.00
Other expenses	1,500.00	2,200.00	52.98	2,099.00	48.02	0.00
Emergency services coordinator:						
Salaries and wages	1,200.00	1,200.00	1,200.00	0.00	0.00	0.00
Public works functions:						
Streets and roads maintenance:						
Salaries and wages	60,000.00	52,800.00	52,646.40	0.00	153.60	0.00
Other expenses	10,000.00	7,000.00	3,595.10	1,631.63	1,773.27	0.00
Vehicle maintenance:						
Other expenses	9,000.00	7,000.00	4,423.21	1,241.28	1,335.51	0.00
Municipal mosquito control:						
Other expenses	500.00	50.00	0.00	0.00	50.00	0.00
Snow removal:						
Salaries and wages	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00
Other expenses	4,000.00	4,000.00	2,995.49	0.00	1,004.51	0.00
Demolition of buildings:						
Other expenses	15,000.00	25,300.00	12,200.00	13,000.00	100.00	0.00

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2015

	Appropriations		Expended				Cancelled
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
OPERATIONS WITHIN "CAP"							
Solid waste collection	\$ 61,000.00	\$ 61,000.00	\$ 55,766.63	\$ 5,083.33	\$ 150.04	\$ 0.00	
Recycling collection	24,000.00	23,500.00	21,492.00	1,972.00	36.00	0.00	
Recycling coordinator:							
Salaries and wages	50.00	50.00	0.00	0.00	50.00	0.00	
Health and human services:							
Animal control officer:							
Other expenses	500.00	400.00	0.00	0.00	400.00	0.00	
Registrar of vital statistics:							
Salaries and wages	320.00	320.00	320.00	0.00	0.00	0.00	
Other expenses	400.00	400.00	31.50	0.00	368.50	0.00	
Parks and recreation functions:							
Parks and recreation:							
Other expenses	2,000.00	2,000.00	1,000.00	1,000.00	0.00	0.00	
Celebration of public events:							
Other expenses	1,000.00	1,000.00	900.00	0.00	100.00	0.00	
Landfill/solid waste costs:							
Landfill/solid waste disposal costs	40,000.00	40,000.00	33,745.19	4,151.19	2,103.62	0.00	
Sanitary landfill:							
Other expenses	12,000.00	12,000.00	5,000.00	1,238.00	5,762.00	0.00	
Uniform construction code:							
State uniform construction code:							
Construction official:							
Salaries and wages	120,000.00	110,000.00	90,761.39	0.00	19,238.61	0.00	
Other expenses	40,000.00	69,100.00	49,562.47	17,349.81	2,187.72	0.00	
Housing officer:							
Salaries and wages	2,500.00	3,000.00	2,949.88	0.00	50.12	0.00	
Other expenses	200.00	200.00	0.00	0.00	200.00	0.00	

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2015

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Cancelled
OPERATIONS WITHIN "CAP"						
Unclassified:						
Water	\$ 2,500.00	\$ 3,100.00	\$ 2,746.71	\$ 138.40	\$ 214.89	\$ 0.00
Street lighting	28,000.00	28,000.00	24,563.29	0.00	3,436.71	0.00
Telephone	5,000.00	5,000.00	3,526.54	0.00	1,473.46	0.00
Heat	8,000.00	6,500.00	4,890.18	0.00	1,609.82	0.00
Gasoline	7,000.00	4,500.00	1,414.75	0.00	3,085.25	0.00
Electricity	12,000.00	12,000.00	11,241.53	0.00	758.47	0.00
JIF safety awards	2,505.00	2,505.00	2,000.78	0.00	504.22	0.00
Contingent	100.00	100.00	0.00	0.00	100.00	0.00
Total operations including contingent within "CAP"	863,375.00	863,275.00	748,404.82	50,965.21	63,904.97	0.00
<i>Detail:</i>						
Salaries and wages	333,970.00	310,370.00	286,894.50	0.00	23,475.50	0.00
Other expenses	529,405.00	552,905.00	461,510.32	50,965.21	40,429.47	0.00
Deferred charges and statutory expenditures:						
Statutory expenditures						
Contribution to:						
Public employees' retirement system	20,542.00	20,542.00	19,992.00	0.00	550.00	0.00
Social security system	26,000.00	26,000.00	23,290.17	0.00	2,709.83	0.00
Total deferred charges and statutory expenditures	46,542.00	46,542.00	43,282.17	0.00	3,259.83	0.00
Total appropriations for municipal purposes within "CAP"	909,917.00	909,817.00	791,686.99	50,965.21	67,164.80	0.00

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2015

	Appropriations		Expended				Cancelled
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
OPERATIONS EXCLUDED FROM "CAP"							
Aid to library	\$ 150.00	\$ 250.00	\$ 250.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00
Emergency services volunteer length of service award program (LOSAP)	17,000.00	17,000.00	0.00	0.00	17,000.00	0.00	0.00
COAH fair share plan:							
Salaries and wages	2,400.00	2,400.00	2,400.00	0.00	0.00	0.00	0.00
Other expenses	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00	0.00
Recycling tax:							
Other expenses	2,400.00	2,400.00	1,919.52	236.58	243.90	0.00	0.00
Interlocal municipal service agreements:							
Joint municipal court	25,000.00	25,000.00	19,154.64	4,845.36	1,000.00	0.00	0.00
Public and private programs offset by revenues:							
Clean communities grant	8,000.00	8,000.00	8,000.00	0.00	0.00	0.00	0.00
Municipal alliance on alcohol and drug abuse	4,074.00	4,074.00	4,074.00	0.00	0.00	0.00	0.00
Recycling tonnage grant	19,577.41	19,577.41	19,577.41	0.00	0.00	0.00	0.00
Small cities grant	358,010.91	358,010.91	358,010.91	0.00	0.00	0.00	0.00
Matching funds for grants	35,801.09	35,801.09	35,801.09	0.00	0.00	0.00	0.00
Total operations excluded from "CAP"	474,413.41	474,513.41	449,187.57	5,081.94	20,243.90	0.00	0.00
<i>Detail:</i>							
Salaries and wages	2,400.00	2,400.00	2,400.00	0.00	0.00	0.00	0.00
Other expenses	472,013.41	472,113.41	446,787.57	5,081.94	20,243.90	0.00	0.00
CAPITAL IMPROVEMENTS							
Capital improvement fund	400,000.00	400,000.00	400,000.00	0.00	0.00	0.00	0.00
Reserve for improvement to municipal roads	5,000.00	5,000.00	5,000.00	0.00	0.00	0.00	0.00
Reserve for purchase of fire truck	10,000.00	10,000.00	10,000.00	0.00	0.00	0.00	0.00
Reserve for purchase of emergency equipment	20,000.00	20,000.00	20,000.00	0.00	0.00	0.00	0.00
Reserve for purchase of dump truck	10,000.00	10,000.00	10,000.00	0.00	0.00	0.00	0.00
Reserve for purchase of EMS vehicle	5,000.00	5,000.00	5,000.00	0.00	0.00	0.00	0.00
Airport survey - preliminary expenses	25,000.00	25,000.00	2,752.65	0.00	22,247.35	0.00	0.00
Total capital improvements	475,000.00	475,000.00	452,752.65	0.00	22,247.35	0.00	0.00

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2015

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Cancelled
MUNICIPAL DEBT SERVICE						
Payment of bond anticipation notes and capital notes	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest on notes	8,800.00	8,800.00	8,704.00	0.00	0.00	96.00
Total municipal debt service	168,800.00	168,800.00	168,704.00	0.00	0.00	96.00
DEFERRED CHARGES						
Deferred charges:						
Special emergency authorization - 5 years	7,000.00	7,000.00	7,000.00	0.00	0.00	0.00
Total deferred charges	7,000.00	7,000.00	7,000.00	0.00	0.00	0.00
Total appropriations for municipal purposes excluded from "CAP"	1,125,213.41	1,125,313.41	1,077,644.22	5,081.94	42,491.25	96.00
Subtotal general appropriations	2,035,130.41	2,035,130.41	1,869,331.21	56,047.15	109,656.05	96.00
Reserve for uncollected taxes	303,836.25	303,836.25	303,836.25	0.00	0.00	0.00
Total general appropriations	\$ 2,338,966.66	\$ 2,338,966.66	\$ 2,173,167.46	\$ 56,047.15	\$ 109,656.05	\$ 96.00
Ref.	A-2		A-3	A	A	
Adopted budget		\$ 2,338,966.66				
		\$ 2,338,966.66				

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
For the Year Ended December 31, 2015

	<u>Ref.</u>	
Paid or charged:		
Federal and state grants	A-12	\$ 425,463.91
Deferred charges:		
Special emergency authorization - 5 years	A	7,000.00
Reserve for uncollected taxes	A-2	303,836.25
Cash disbursed	A-4	<u>1,436,867.30</u>
	A-3	<u>\$ 2,173,167.46</u>

See Accompanying Notes to the Financial Statements

TRUST FUND

**TOWNSHIP OF OLDMANS
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
REGULATORY BASIS
December 31, 2015 and 2014**

ASSETS	Ref.	Balance December 31, 2015	Balance Restated December 31, 2014	Ref.	Balance December 31, 2015	Balance December 31, 2014
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>						
Dog license fund:						
Cash - chief financial officer	B-1	\$ 17,638.95	\$ 10,904.50	A	\$ 2.26	\$ 6.41
Change fund		<u>50.00</u>	<u>50.00</u>		3.00	0.00
		<u>17,688.95</u>	<u>10,954.50</u>	B-3	<u>17,683.69</u>	<u>10,948.09</u>
					<u>17,688.95</u>	<u>10,954.50</u>
Other trust funds:						
Cash - chief financial officer	B-1	471,440.70	388,577.95	A	9,304.60	9,318.65
Cash tax collector	B-2	207.63	227.14		22,589.45	20,071.05
Due from developers		2,367.74	2,517.74		93,594.29	93,360.61
Amount due from current fund		8,631.00	31.00		51,304.12	59,279.04
Amount due from State of New Jersey		372,931.35	372,931.35		582,175.76	475,672.48
Deferred charge - deficit in revolving loan		<u>2,306.96</u>	<u>1,614.96</u>		10,045.24	10,031.01
		<u>857,885.38</u>	<u>765,900.14</u>	B-5	8,600.00	0.00
					31.00	31.00
				B-4	0.00	21.52
					1,779.00	0.00
					<u>78,461.92</u>	<u>98,114.78</u>
					<u>857,885.38</u>	<u>765,900.14</u>
Total all funds		<u>\$ 875,574.33</u>	<u>\$ 776,854.64</u>	Total all funds	<u>\$ 875,574.33</u>	<u>\$ 776,854.64</u>

See Accompanying Notes to the Financial Statements

GENERAL CAPITAL FUND

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
REGULATORY BASIS
December 31, 2015 and 2014**

	Ref.	Balance December 31, 2015	Balance December 31, 2014
<u>ASSETS</u>			
Cash - chief financial officer	C-2	\$ 767,957.50	\$ 243,662.41
Due from State of New Jersey	C-6	4,853.26	42,644.39
Due from current fund	A	0.00	121,359.70
Deferred charges to future taxation - unfunded	C-4	1,370,000.00	1,280,000.00
		<u>\$ 2,142,810.76</u>	<u>\$ 1,687,666.50</u>
 <u>LIABILITIES, RESERVES, AND FUND BALANCE</u>			
Capital improvement fund	C-5	\$ 20,805.82	\$ 25,604.82
Contracts payable		671,213.21	57,747.15
Bond anticipation notes payable	C-8	1,120,000.00	1,280,000.00
Due to current fund		46.03	0.00
Improvement authorizations:			
Funded	C-6	27,419.43	44,987.26
Unfunded	C-6	93,914.95	91,815.95
Reserve for various capital improvements	C-7	184,388.00	162,488.00
Reserve for debt service		13,000.00	13,000.00
Fund balance	C-1	12,023.32	12,023.32
		<u>\$ 2,142,810.76</u>	<u>\$ 1,687,666.50</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
REGULATORY BASIS
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	C	<u>\$ 12,023.32</u>
Balance - December 31, 2015	C	<u>\$ 12,023.32</u>

See Accompanying Notes to the Financial Statements

WATER UTILITY FUND

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN OPERATING FUND BALANCE
REGULATORY BASIS
For the Years Ended December 31, 2015 and 2014**

	Ref.	Year 2015	Year 2014
Revenue and other income realized:			
Fund balance appropriated	D-3	\$ 4,900.00	\$ 1,593.70
Rents	D-3	20,808.59	22,526.24
Miscellaneous revenue anticipated	D-3	6,400.00	6,400.00
Miscellaneous revenue not anticipated	D-3	268.07	19.85
Total income		<u>32,376.66</u>	<u>30,539.79</u>
Expenditures:			
Budget appropriations:			
Operations	D-4	22,126.00	22,000.00
Capital improvements	D-4	8,000.00	8,000.00
Deferred charges and statutory expenditures	D-4	3,174.00	11,604.00
Total expenditures		<u>33,300.00</u>	<u>41,604.00</u>
Excess or (deficit) in revenue		(923.34)	(11,064.21)
Adjustment to income before fund balance:			
Realized from general budget for anticipated deficit		0.00	12,223.45
Statutory excess to fund balance		0.00	1,159.24
Deficit in operations	D	<u>(923.34)</u>	
<u>FUND BALANCE</u>			
Balance - January 1	D	8,554.24	8,988.70
Decreased by:			
Utilization by operating budget	D-1	<u>4,900.00</u>	<u>1,593.70</u>
Balance - December 31	D	<u>\$ 3,654.24</u>	<u>\$ 8,554.24</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
STATEMENT OF CAPITAL FUND BALANCE
REGULATORY BASIS
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	D	<u>\$ 333.74</u>
Balance - December 31, 2015	D	<u>\$ 333.74</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
STATEMENT OF REVENUES
REGULATORY BASIS
For the Year Ended December 31, 2015**

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Fund balance appropriated	D-1	\$ 4,900.00	\$ 4,900.00	\$ 0.00
Rents	D-1	22,000.00	20,808.59	(1,191.41)
Fire hydrant service	D-5	6,400.00	6,400.00	0.00
		<u>33,300.00</u>	<u>32,108.59</u>	<u>(1,191.41)</u>
Non-budget revenues	D-1	0.00	268.07	268.07
	D-4	<u>\$ 33,300.00</u>	<u>\$ 32,376.66</u>	<u>\$ (923.34)</u>
Analysis of realized revenues - rents:				
Consumer accounts receivable	D-7			<u>\$ 20,808.59</u>
Total rents	D-1			<u>\$ 20,808.59</u>
Analysis of miscellaneous revenue not anticipated:				
Cash receipts:				
Interest on investments			\$ 8.57	
Interest on delinquent accounts			171.52	
Turn-on fees			50.00	
Return check fees			<u>20.00</u>	
	D-5			\$ 250.09
Due from water capital fund:				
Interest on investments	D-5			<u>17.98</u>
				<u>\$ 268.07</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2015**

	Appropriations		Expended	
	Budget	Budget After Modifications	Paid Or Charged	Reserved
Operating:				
Salaries and wages	\$ 2,100.00	\$ 2,060.00	\$ 2,058.00	\$ 2.00
Other expenses	20,000.00	20,066.00	20,062.69	3.31
Total operating	<u>22,100.00</u>	<u>22,126.00</u>	<u>22,120.69</u>	<u>5.31</u>
Capital improvements:				
Capital improvement fund	5,000.00	5,000.00	5,000.00	0.00
Capital outlay	3,000.00	3,000.00	2,971.00	29.00
Total capital improvements	<u>8,000.00</u>	<u>8,000.00</u>	<u>7,971.00</u>	<u>29.00</u>
Deferred charges:				
Deferred charges to future taxation - unfunded	3,000.00	3,000.00	3,000.00	0.00
Statutory expenditures:				
Contribution to:				
Social security system	170.00	158.00	157.44	0.56
Unemployment insurance	30.00	16.00	15.70	0.30
Total deferred charges and statutory expenditures	<u>3,200.00</u>	<u>3,174.00</u>	<u>3,173.14</u>	<u>0.86</u>
	<u>\$ 33,300.00</u>	<u>\$ 33,300.00</u>	<u>\$ 33,264.83</u>	<u>\$ 35.17</u>
	Ref.	D-3	D-3	D
		Ref.		
Cash disbursed		D-5	\$ 30,264.83	
Deferred charges to future taxation - unfunded		D	<u>3,000.00</u>	
			<u>\$ 33,264.83</u>	

See Accompanying Notes to the Financial Statements

PAYROLL ACCOUNT

**TOWNSHIP OF OLDMANS
PAYROLL ACCOUNT
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
REGULATORY BASIS
December 31, 2015 and 2014**

	<u>Ref.</u>	<u>Balance December 31, 2015</u>	<u>Balance December 31, 2014</u>
<u>ASSETS</u>			
Cash - chief financial officer	F-1	\$ 16,740.71	\$ 12,352.11
		<u>\$ 16,740.71</u>	<u>\$ 12,352.11</u>
<u>LIABILITIES AND RESERVES</u>			
Payroll taxes payable	F-2	\$ 16,433.66	\$ 11,350.19
Due current fund	A	307.05	1,001.92
		<u>\$ 16,740.71</u>	<u>\$ 12,352.11</u>

See Accompanying Notes to the Financial Statements

GENERAL FIXED ASSETS

**TOWNSHIP OF OLDMANS
GENERAL FIXED ASSETS
STATEMENTS OF GENERAL FIXED ASSETS
REGULATORY BASIS
At December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
General fixed assets:		
Land	\$ 235,300.00	\$ 235,300.00
Buildings	2,125,670.00	2,125,670.00
Equipment	1,417,988.57	1,393,198.57
Total general fixed assets	<u>3,778,958.57</u>	<u>3,754,168.57</u>
Investments in general fixed assets	<u>\$ 3,778,958.57</u>	<u>\$ 3,754,168.57</u>

See Accompanying Notes to the Financial Statements

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Oldmans was incorporated in 1881 and is located in the County of Salem in the State of New Jersey. The Township covers approximately 38.1 square miles with a population, according to the 2010 census, of 1,773. The governing body, the Township Committee, is comprised of three elected members who serve three-year terms.

The Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria to be used to determine which component units should be included in the financial statements of an oversight entity. The primary criterion for including activities within the reporting entity, as set forth in the Statement, is the degree of oversight responsibility maintained by the reporting entity. However, the State of New Jersey, Division of Local Government Services requires the financial statements of the Township to be presented separately. As such, the financial statements of the Township of Oldmans include each board, body, officer, or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S. 40A:5-5.

Except as noted below, the financial statements of the Township of Oldmans include every board, body, officer, or commission supported and maintained wholly or in part by funds appropriated by the Township of Oldmans, as required by N.J.S. 40A:5-5.

B. Description of Funds and Account Groups

The accounting policies of the Township of Oldmans 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 Oldmans accounts for its financial transactions through the following separate funds and accounts as presented below. This presentation differs from the three fund, two account group presentation as required by GAAP.

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Fund - receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

Water Operating Fund - resources and expenditures for water utility operations of a general nature.

Water Capital Fund - receipt and disbursement of funds that provide funds for acquisitions and improvements to certain facilities, other than those acquired in the Water Operating Fund.

Payroll Account - receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

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

TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant policies in New Jersey follow.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and 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 to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in accordance with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as cash liability in the financial statements. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled 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. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. Appropriations for principal payments on outstanding general and utility capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility indebtedness is on the accrual basis.

Property Taxes - Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1, and November 1 of each year. All unpaid taxes levied become delinquent January 1 of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

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.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

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

Compensated Absences - It is the Township's policy not to compensate its employees for unused sick or vacation time.

TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. The Township did not take a physical inventory of the supplies in the utility fund; therefore, no amount is reported on the utility balance sheet.

General Fixed Assets - The Township has developed a fixed asset accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are to be 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 costs is not available, except for land which is valued at assessed value at the time the land is foreclosed or donated. Land purchased by the Township is valued at cost.

No depreciation has been 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.

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

Property and equipment purchased by the Water Utility Fund are recorded in the Water Capital Account at cost and are adjusted for disposals and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization are an accumulation of charges to operations for the costs of acquisitions of property, equipment, and improvements.

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

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

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

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

School Taxes - The municipality is responsible for levying, collecting, and remitting school taxes for the Township of Oldmans School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Salem. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Fund Balance - Fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in futures years budgets, with certain restrictions.

Capitalization of Interest - It is the policy of the Township of Oldmans to treat interest on projects as a current expense and the interest is included in the current operating budget.

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

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

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

Taxes and other receivables are fully reserved.

Interfund receivables in the Current Fund are fully reserved and recognized as a revenue in the year of liquidation.

Unexpended and uncommitted appropriations are reflected as expenditures.

Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.

No provision is made for accumulated vested vacation and sick leave.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

C. Basis of Accounting (Concluded)

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.

Depreciation expense is not calculated on fixed assets.

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

D. Net Pension Liability, Deferred Outflow of Resources, Deferred Inflow of Resources and Expenses Related to Pensions

As previously mentioned, to meet the requirements of the State of New Jersey, the Township follows a basis of accounting other than accounting principles generally accepted in the United States of America. As such, pension expenses for the Public Employees' Retirement System (PERS) and Police and Firemen's Retirement System (PFRS) are appropriated, recorded, and provided for in the year in which they are contractually required to be paid (pay-as-you-go basis). No accrual is made for net position liability, deferred outflows of resources, and deferred inflows of resources for these cost-sharing multiple-employer defined benefit pension plans, and the financial statements are not reported in accordance with the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. See note 11 for required disclosures of these amounts.

NOTE 2 - INVESTMENTS

As of December 31, 2015 and 2014, the Township did not have any investments.

Interest Rate Risk - The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statute 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk - New Jersey Statute 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are bonds of the United States of America, the local unit, or school districts of which the local unit is a part; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The Township places no limit on the amount the Township may invest in any one issuer.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 3 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, escrow trust, or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of December 31, 2015, the Township's bank balances were exposed to custodial credit risk as follows:

Insurance	\$ 589,792.86
Uninsured and collateralized with securities held by pledging financial institutions (GUDPA)	<u>3,163,609.14</u>
	<u>\$ 3,753,402.00</u>

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2015:

	Due To					Total Due From
	Current Fund	Federal and State Grant Fund	Trust Funds Other	Water Capital Fund		
Current fund	\$ 0.00	\$ 49,597.67	\$ 8,631.00	\$ 0.00	\$	58,228.67
Dog license trust fund	2.26	0.00	0.00	0.00		2.26
Other trust fund	9,304.60	0.00	0.00	0.00		9,304.60
General capital fund	46.03	0.00	0.00	0.00		46.03
Water operating fund	3,829.67	0.00	0.00	2,998.75		6,828.42
Water capital fund	15,000.00	0.00	0.00	0.00		15,000.00
Payroll account	307.05	0.00	0.00	0.00		307.05
Total due to	\$ 28,489.61	\$ 49,597.67	\$ 8,631.00	\$ 2,998.75	\$	89,717.03

The interfund with the grant fund is the result of revenues received prior to year end that were not expended. Interest earnings not transferred at year end, amounts kept in the tax title lien redemption account to keep the bank account open, and prior year interest balances carried forward are the interfunds for the other trust funds. In addition to this, the escrow trust fund has an interfund with the current fund for prior year balance adjustments. There is also an interfund with the current fund for POAA funds collected but, due to the immaterial amount of the funds, it was deemed a bank account would not be opened yet. The interfund for the capital fund to the current fund is the result of December interest not being transferred before year end. The water capital fund has an interfund with the water operating fund for both interest not transferred at the end of the year and debt authorized and being raised in future budgets. The water capital fund borrowed funds from the current fund for cash flows purposes and has not yet returned all the funds borrowed. The Chief Financial Officer transfers most of these interfunds after the audit report is received.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 5 - PROPERTY TAXES

The following is a three year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$ 2.389</u>	<u>\$ 2.414</u>	<u>\$ 2.509</u>
Apportionate of Tax Rate:			
Municipal	\$ 0.182	\$ 0.192	\$ 0.183
County	1.021	1.026	1.129
Local school	1.165	1.174	1.173
Farmland preservation/county open space	0.021	0.022	0.024

Assessed Valuation:

2015	\$	233,116,468.00			
2014			\$	221,994,779.00	
2013					\$ 220,066,361.00

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 collections could be an indication of a probable increase in future tax levies.

		Currently	
Year	Tax Levy	Cash Collections	Percentage Of Collection
2015	\$5,757,841.92	\$ 5,582,968.91	96.97%
2014	\$5,369,610.60	\$ 5,130,945.69	95.55%
2013	\$5,602,805.77	\$ 5,293,130.33	94.47%

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.

December 31, Year	Amount Of Tax Title Liens	Amount Of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2015	\$ 144,401.85	\$ 146,299.96	\$ 290,701.81	5.05%
2014	\$ 149,159.43	\$ 275,053.60	\$ 424,213.03	7.90%
2013	\$ 337,129.65	\$ 276,309.19	\$ 613,438.84	10.95%

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 5 - PROPERTY TAXES (Concluded)

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the assessed valuation at time of foreclosure of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 289,300.00
2014	\$ 24,100.00
2013	\$ 24,100.00

NOTE 6 - WATER UTILITY LEVIES

The following is a three year comparison of water utility service charges (rents) for the current and previous two years.

<u>Year</u>	<u>Levy</u>
2015	\$ 21,300.00
2014	\$ 21,079.74
2013	\$ 20,336.18

NOTE 7 - FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent years' budgets.

<u>Year</u>	<u>December 31</u>	<u>Utilized In Budget Of Succeeding Year</u>
Current Fund:		
2015	\$ 1,965,639.94	\$ 864,106.96
2014	\$ 1,742,700.37	\$ 730,542.00
2013	\$ 1,124,630.93	\$ 282,367.30
2012	\$ 917,516.72	\$ 228,500.00
2011	\$ 436,301.05	\$ 176,747.90
Water Utility Fund:		
2015	\$ 3,654.24	\$ 6,500.00
2014	\$ 8,554.24	\$ 4,900.00
2013	\$ 8,988.70	\$ 1,593.70
2012	\$ 13,119.01	\$ 5,200.00
2011	\$ 15,083.94	\$ 6,000.00

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 8 - TAXES COLLECTED IN ADVANCE

Taxes collected in advance, set forth as cash liabilities in the financial statements as follows:

	Balance December 31, 2015	Balance December 31, 2014
Prepaid Taxes	\$ 52,968.95	\$ 53,863.37

NOTE 9 - LONG-TERM DEBT

There is no long-term debt and thus, as of December 31, 2015, there was no debt service requirements on long-term debt in future years.

Summary of Municipal Debt

During the calendar years 2015 and 2014, the following changes occurred in the municipal debt of the Township:

	2015	2014
Bonds and notes issued:		
General Capital Fund	\$ 1,120,000.00	\$ 1,280,000.00
Bonds and notes authorized but not issued:		
General Capital Fund	250,000.00	-
Water Capital Fund	9,000.00	12,000.00
	\$ 1,379,000.00	\$ 1,292,000.00

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 \$1,370,000.00.

	Gross Debt	Deduction	Net Debt
General debt	\$ 1,370,000.00	\$ -	\$ 1,370,000.00
Local school district debt	885,000.00	885,000.00	-
Self-liquidating debt	9,000.00	9,000.00	-
	\$ 2,264,000.00	\$ 894,000.00	\$ 1,370,000.00

Net Debt \$1,370,000.00 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, \$227,191,201.00 = 0.603%.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 9 - LONG-TERM DEBT (Concluded)

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

3 1/2% of equalized valuation basis (municipal)	\$ 7,951,692.04
Net debt	<u>1,370,000.00</u>
Remaining borrowing power	<u>\$ 6,581,692.04</u>

The Township of Oldmans School District, as a K-8 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the district's limitations with voter approval. Any amounts in excess of the limit is treated as an impairment of the municipal limit.

Calculation of "Self-Liquidating Purpose" - Water Utility Per N.J.S. 40A:2-45

Cash receipts from fees, fund balance anticipated, rents or other charges for year	\$ 27,476.66
Deductions:	
Operating and maintenance cost	\$ 22,300.00
Debt service per utility account	<u>3,000.00</u>
Total deductions	<u>25,300.00</u>
Excess in revenue	<u>\$ 2,176.66</u>

The foregoing is not in agreement with the Annual Debt Statement. A revised Statement will be filed by the Chief Financial Officer.

NOTE 10 - BOND ANTICIPATION NOTES

The Township has outstanding at December 31, 2015 and 2014, bond anticipation notes in the general capital fund in the amount of \$1,120,000.00 and \$1,280,000.00, respectively. The December 31, 2015 amount payable to Pennsville National Bank is \$1,120,000.00, bears an interest rate of .78% and matures on May 15, 2016. These funds were for the construction of the new municipal complex.

NOTE 11 - PENSION PLAN

A substantial number of the Township's employees participate in the following defined benefit pension plan: the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. The plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625-0295, <http://www.state.nj.us/treasury/pensions>.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 11 - PENSION PLAN (Continued)

General Information About the Pension Plan

Plan Description

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions

Public Employees' Retirement System

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 10 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 1 - Members who were enrolled prior to July 1, 2007

Tier 2 - Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008

Tier 3 - Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010

Tier 4 - Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011

Tier 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 yet reached the service retirement age for the respective tier.

TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

NOTE 11 - PENSION PLAN (Continued)

General Information About the Pension Plan (Concluded)

Contributions

Public Employees' Retirement System

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.80% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2015 was 12.80% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$21,095.00, which was paid on April 1, 2016. No liability has been accrued in the financial statements for this amount. The Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$20,542.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$15,422.91.

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

Public Employees' Retirement System

At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$550,800.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, which was the measurement date, the Township's proportion was 0.0024536722% which was a decrease of 0.00038123% from its proportion measured as of June 30, 2014.

As previously mentioned, for the year ended December 31, 2015, the Township's contributions to the PERS were \$21,095.00 and were paid on April 1, 2016.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 11 - PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Concluded)

Public Employees' Retirement System (Concluded)

At December 31, 2015, the Township had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflow Of Resources	Deferred Inflow Of Resources
Differences between expected and actual experience	\$ 13,140.00	\$ -
Changes of assumptions	59,152.00	-
Net difference between projected and actual earnings on pension plan investments	-	8,856.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	897.00	6,056.00
Township contributions subsequent to the measurement date	21,095.00	-
	\$ 94,284.00	\$ 14,912.00

\$21,095.00 included in deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the year ending December 31, 2016.

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Fiscal Year Ending June 30,	PERS
2016	\$ (10,609.35)
2017	(10,609.35)
2018	(10,609.35)
2019	(16,897.09)
2020	(9,551.87)
Thereafter	-
	\$ (58,277.00)

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 11 - PENSION PLAN (Continued)

Actuarial Assumptions

Public Employees' Retirement System

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% based on age
Thereafter	3.15% - 5.40% based on age
Investment rate of return	7.90%
Mortality rate table	RP-2000
Period of actuarial experience study upon which actuarial assumptions were based	July 1, 2008 - June 30, 2011

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 2012 based on Projection Scale AA.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 11 - PENSION PLAN (Continued)

Actuarial Assumptions (Concluded)

Public Employees' Retirement System (Concluded)

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 Pension and Benefits, the board of trustees, and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in target asset allocation as of June 30, 2015, the plan's measurement date, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate Of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment grade credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High yield bonds	2.00%	4.03%
Inflation-indexed bonds	1.50%	3.25%
Broad US equities	27.25%	8.52%
Developed foreign equities	12.00%	6.88%
Emerging market equities	6.40%	10.00%
Private equity	9.25%	12.41%
Hedge funds/absolute return	12.00%	4.72%
Real estate (property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global debt ex US	3.50%	(0.40%)
REIT	4.25%	5.12%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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 rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last 5 years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 11 - PENSION PLAN (Continued)

Sensitivity of District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System

The following presents the Township's proportionate share of the net pension liability at June 30, 2015, the plan's measurement date, calculated using a discount rate of 4.90%, as well as what the Township's proportionate share of the net position liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rates used:

	1.00% Decrease (3.90%)	Current Discount Rate (4.90%)	1.00% Increase (5.90%)
Township's proportionate share of the net pension liability	\$ 684,577.30	\$ 550,800.24	\$ 438,642.52

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

Supplementary Pension Information

In accordance with GASB 68, the following information is also presented for the pension plan. These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Public Employees' Retirement System

Schedule of the Township's Proportionate Share of the Net Pension Liability
(Last Two Fiscal Years)

	Measurement Date Ended June 30,	
	2015	2014
Township's proportion of the net pension liability	0.0024536722%	0.0024917952%
Township's proportionate share of the net pension liability	\$ 550,800.24	\$ 466,532.21
Township's covered-employee payroll	\$ 164,815.00	\$ 164,313.00
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	334.19%	283.93%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 11 - PENSION PLAN (Concluded)

Sensitivity of District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Concluded)

Public Employees' Retirement System (Concluded)

Schedule of the Township's Contributions
(Last Two Fiscal Years)

	Fiscal Year Ended June 30,	
	2015	2014
Township's contractually required contribution	\$ 21,095.00	\$ 20,542.00
Township's contribution in relation to the contractually required contribution	<u>(21,095.00)</u>	<u>(20,542.00)</u>
Township's contribution deficiency (excess)	<u>\$ -.</u>	<u>\$ -.</u>
Township's covered-employee payroll	\$ 164,815.00	\$ 164,313.00
Township's contributions as a percentage of its covered-employee payroll	12.80%	12.50%

Other Notes to Supplementary Pension Information

Public Employees' Retirement System

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

NOTE 12 - POST-RETIREMENT BENEFITS

As indicated in Note 11 above, employees of the Township of Oldmans are members of the Public Employees' Retirement System however, as of December 31, 2015, they are not members of the State Health Benefits Plan.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 13 - GENERAL FIXED ASSETS

General fixed asset activity for the years ended December 31, 2015 and 2014 was as follows:

	Balance December 31, 2014	Additions	Disposals/ Adjustments	Balance December 31, 2015
Land	\$ 235,300.00	\$ 0.00	\$ 0.00	\$ 235,300.00
Buildings	2,125,670.00	0.00	0.00	2,125,670.00
Equipment	1,393,198.57	24,790.00	0.00	1,417,988.57
	<u>\$ 3,754,168.57</u>	<u>\$ 24,790.00</u>	<u>\$ 0.00</u>	<u>\$ 3,778,958.57</u>

	Balance December 31, 2013	Adjustment To Appraised Value	Disposals/ Adjustments	Balance December 31, 2014
Land	\$ 235,300.00	\$ 0.00	\$ 0.00	\$ 235,300.00
Buildings	2,167,854.06	(42,184.06)	0.00	2,125,670.00
Equipment	2,595,960.75	(1,202,762.18)	0.00	1,393,198.57
	<u>\$ 4,999,114.81</u>	<u>\$ (1,244,946.24)</u>	<u>\$ 0.00</u>	<u>\$ 3,754,168.57</u>

Water utility plant and equipment for the years ended December 31, 2015 and 2014 was as follows:

	Balance December 31, 2014	Additions	Disposals/ Adjustments	Balance December 31, 2015
Repairs to wells	\$ 21,644.00	\$ 0.00	\$ 0.00	\$ 21,644.00
Transmission and distribution mains	277,390.90	0.00	0.00	277,390.90
	<u>\$ 299,034.90</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 299,034.90</u>

	Balance December 31, 2013	Additions	Disposals/ Adjustments	Balance December 31, 2014
Repairs to wells	\$ 21,644.00	\$ 0.00	\$ 0.00	\$ 21,644.00
Transmission and distribution mains	222,390.90	55,000.00	0.00	277,390.90
	<u>\$ 244,034.90</u>	<u>\$ 55,000.00</u>	<u>\$ 0.00</u>	<u>\$ 299,034.90</u>

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 14 - DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	Balance December 31, 2015	2016 Budget	Balance To Succeeding Budgets
Current Fund:			
Special emergency appropriations:			
Master plan	\$ 21,000.00	\$ 7,000.00	\$ 14,000.00

The appropriations in the 2016 budget are not less than those required by statute.

NOTE 15 - RISK MANAGEMENT

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

The Fund provides the Township with the following coverage:

- General Liability Policy
- Property Policy
- Automobile Policy
- Crime Policy and Excess Crime Policy
- Boiler and Machinery Policy
- Workers' Compensation and Excess Workers Compensation Policy
- Public Officials and Employment Liability Policy

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$250,000.00 based on the line of coverage for each insured event.

The fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund
Post Office Box 488
Marlton, New Jersey 08053

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

NOTE 16 - LITIGATION

It is the Township of Oldmans' Counsel's opinion there exists no litigation or contingent liability that may be pending against the Township of Oldmans that would have an adverse effect on the financial position in the future.

NOTE 17 - CAMP PEDRICKTOWN

In October 2014, the Township resumed ownership of the property known as Camp Pedricktown through a judgement from the Superior Court of New Jersey, Chancery Division, Salem.

The Township entered into negotiations with Salem County Community College to purchase a portion of the property to use as educational facilities. The Township is exploring development opportunities for the balance of the property.

NOTE 18 - LENGTH OF SERVICE AWARD PROGRAM

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance adopted on August 2, 2000 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Oldmans approved the adoption of the LOSAP at the general election on November 7, 2000, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2002. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the Township's financial statements. The LOSAP is handled through the Lincoln Financial Group.

NOTE 19 - JOINT MUNICIPAL COURT

The Township is a member of the Mid-Salem County Municipal Court which includes the Borough of Woodstown, Borough of Elmer, Township of Mannington, Township of Quinton, and the Township of Oldmans. The Borough of Woodstown serves as the lead agency for the joint municipal court. All fines and costs are distributed to the municipality in which the complaint, charge, event, acts, or violation occurred. Each municipality includes a line item in their annual budget to cover their share of the court's administration expenses.

NOTE 20 - SUBSEQUENT EVENTS

Subsequent events were evaluated through July 13, 2016, which is the date that the financial statements were available to be issued.

CURRENT FUND

****SCHEDULES****

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
For the Year Ended December 31, 2015

	Ref.	Regular Fund	State and Federal Grant Fund
Balance - December 31, 2014	A	\$ 2,334,922.92	\$ 16,155.72
Increased by:			
Tax collector:			
Taxes receivable	A-5	\$ 6,025,948.33	\$ 0.00
Tax title liens receivable	A-6	5,793.14	0.00
Interest and cost on taxes	A-2	40,728.60	0.00
Taxes collected in advance	A	52,968.95	0.00
Miscellaneous revenue not anticipated	A-2	4,644.77	0.00
Tax overpayments		9,314.61	0.00
Revenue accounts receivable	A-7	1,008,262.24	0.00
Miscellaneous revenue not anticipated	A-2	16,656.86	0.00
Interest earned on investments		0.00	24.08
State of New Jersey - statutory deduction		28,750.00	0.00
State of New Jersey - marriage licenses		225.00	0.00
Amount due general capital fund		37,791.13	0.00
Renewal of bond anticipation note	Contra	1,120,000.00	0.00
Reserve for election workers	Contra	3,200.00	0.00
Appropriation reserves reimbursed	Contra	1,077.00	0.00
Reserve for state and federal grants- unappropriated	A-11	0.00	1,880.00
State grants receivable	A-10	25,200.19	0.00
Budget appropriations reimbursed		33,343.16	0.00
		<u>8,413,903.98</u>	<u>1,904.08</u>
		10,748,826.90	18,059.80
Decreased by:			
2015 budget appropriations	A-3	1,436,867.30	0.00
2014 appropriation reserves	A-8	136,613.94	0.00
County taxes	A-5	2,426,964.99	0.00
Due county for added taxes	A-5	240,386.16	0.00
Local district school taxes	A-9	2,716,493.50	0.00
Refund of tax overpayments		407.35	0.00
Reserve for insurance claims		12,148.00	0.00
Amount due water operating fund		11,180.45	0.00
Amount due general capital fund		159,150.83	0.00
Payment of bond anticipation note		1,120,000.00	0.00
Reserve for election workers	Contra	3,200.00	0.00
Reserve for master plan		3,847.50	0.00
Reserve for stormwater management plan		237.50	0.00
State of New Jersey - marriage license fees		275.00	0.00
Refund construction code fees	A-2	1,406.00	0.00
Budget appropriations reimbursed	Contra	33,343.16	0.00
Appropriation reserves reimbursed	Contra	1,077.00	0.00
Reserve for state grants	A-12	73,299.29	0.00
		<u>8,376,897.97</u>	<u>0.00</u>
Balance - December 31, 2015	A	<u>\$ 2,371,928.93</u>	<u>\$ 18,059.80</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
For the Year Ended December 31, 2015**

Year	Balance December 31, 2014	Levy	Added Taxes		Collections		Due From State Of New Jersey	Adjustments and Canceled	Transferred To Tax Title Liens	Balance December 31, 2014
			2014	2015	2014	2015				
2010	\$ 25,676.66	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 25,676.66	\$ 0.00	\$ 0.00	0.00
2011	49,180.06	0.00	0.00	0.00	0.00	0.00	49,180.06	0.00	0.00	0.00
2012	1,988.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,988.75
2013	0.00	0.00	174,676.58	0.00	174,676.58	0.00	0.00	0.00	0.00	0.00
2014	198,208.13	0.00	179,240.90	0.00	351,666.21	(1,000.00)	23,122.37	3,660.45	3,660.45	0.00
	275,053.60	0.00	353,917.48	0.00	526,342.79	(1,000.00)	97,979.09	3,660.45	3,660.45	1,988.75
2015	0.00	5,757,841.92	0.00	53,863.37	5,499,605.54	29,500.00	9,850.46	20,711.34	20,711.34	144,311.21
	\$ 275,053.60	\$ 5,757,841.92	\$ 353,917.48	\$ 53,863.37	\$ 6,025,948.33	\$ 28,500.00	\$ 107,829.55	\$ 24,371.79	\$ 24,371.79	\$ 146,299.96

Ref.	A	A-5	A	A-4	A-6	A
------	---	-----	---	-----	-----	---

Analysis of 2015 property tax levy:

Tax yield:

General property tax

Added and rollback taxes (54:4-63.1 et seq.)

\$ 5,569,152.42
<u>188,689.50</u>
<u>\$ 5,757,841.92</u>

Tax levy:

Local district school tax

County tax

County open space preservation tax

Due county for added taxes

Total county taxes

Local tax for municipal purposes levied

Add: additional tax levied

Local tax for municipal purposes levied

A-9	\$ 2,716,494.00
A-1,A-4	\$ 2,378,281.80
A-1,A-4	48,683.19
A	<u>240,386.16</u>
	2,667,351.15
	<u>5,383,845.15</u>
A-2	425,647.34
	<u>(51,650.57)</u>
	<u>373,996.77</u>

\$ 5,757,841.92

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
For the Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	A		\$ 149,159.43
Increased by:			
Transfers from taxes receivable	A-5	\$ 24,371.79	
Special charges - lot cleaning		2,150.16	
Interest and costs on tax sale		971.60	
		27,493.55	
			176,652.98
Decreased by:			
Cash collections	A-2,A-4	5,793.14	
Foreclosure or deeded to the township		26,457.99	
		32,251.13	
Balance - December 31, 2015	A		\$ 144,401.85

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014
For the Year Ended December 31, 2015**

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Lapsed
Salaries and wages:				
Mayor and council	\$ 140.00	\$ 140.00	\$ 0.00	\$ 140.00
Township clerk	708.00	708.00	0.00	708.00
Financial administration	963.00	963.00	0.00	963.00
Assessment of taxes	95.00	95.00	0.00	95.00
Collection of taxes	1,194.00	1,194.00	0.00	1,194.00
Zoning board	880.00	880.00	0.00	880.00
Emergency management services	196.00	196.00	0.00	196.00
Streets and roads maintenance	3,502.91	3,502.91	0.00	3,502.91
Recycling coordinator	50.00	50.00	0.00	50.00
Registrar of vital statistics	4.00	4.00	0.00	4.00
Construction official	1,478.00	1,478.00	150.00	1,328.00
Housing officer	6.00	6.00	0.00	6.00
Other expenses:				
Mayor and council	562.82	562.82	531.28	31.54
Township clerk	1,668.12	1,668.12	398.75	1,269.37
Financial administration	2,831.32	3,031.32	2,926.50	104.82
Annual audit	1,148.00	948.00	0.00	948.00
Assessment of taxes	789.17	789.17	288.00	501.17
Collection of taxes	1,499.56	1,499.56	421.82	1,077.74
Legal services and costs	536.21	536.21	536.00	0.21
Engineering services and costs	3,590.00	3,590.00	1,690.00	1,900.00

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014
For the Year Ended December 31, 2015

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (continued):				
Public buildings and grounds	\$ 3,861.56	\$ 3,861.56	\$ 534.11	\$ 3,327.45
Zoning board	1,532.63	1,532.63	499.72	1,032.91
Planning board	386.59	386.59	0.00	386.59
Insurance:				
Workmans compensation	191.00	191.00	0.00	191.00
Liability	1,692.00	1,692.00	0.00	1,692.00
Unemployment compensation	783.11	783.11	0.00	783.11
Grant coordinator	1,159.09	1,159.09	0.00	1,159.09
Fire hydrant services	2,551.28	2,551.28	913.52	1,637.76
Aid to volunteer fire companies	2,854.52	2,854.52	2,124.08	730.44
Aid to volunteer ambulance companies	1,025.15	1,025.15	0.00	1,025.15
Emergency management services	4,255.47	4,255.47	3,300.00	955.47
Streets and roads maintenance	3,063.08	3,063.08	0.00	3,063.08
Vehicle maintenance	5,204.44	5,204.44	57.40	5,147.04
Municipal mosquito control	500.00	500.00	0.00	500.00
Demolition of buildings	1,650.00	1,650.00	0.00	1,650.00
Solid waste collection	7,074.89	7,074.89	4,055.25	3,019.64
Animal control officer	2,000.00	2,000.00	0.00	2,000.00
Registrar of vital statistics	499.02	499.02	0.00	499.02
Parks and recreation	500.00	500.00	500.00	0.00
Sanitary landfill	2,876.77	2,876.77	0.00	2,876.77

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014
For the Year Ended December 31, 2015

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (continued):				
Trash removal contractor	\$ 5,733.37	\$ 5,733.37	\$ 5,033.33	\$ 700.04
Recycling removal contractor	2,608.00	2,608.00	1,872.00	736.00
Construction official	93,502.67	93,502.67	90,710.63	2,792.04
Housing officer	194.00	194.00	0.00	194.00
Water	352.11	352.11	0.00	352.11
Street lighting	2,470.06	2,470.06	2,393.98	76.08
Telephone	1,589.78	1,589.78	0.00	1,589.78
Heat	2,437.02	2,437.02	0.00	2,437.02
Gasoline	2,671.31	2,671.31	0.00	2,671.31
Electricity	2,296.22	2,296.22	0.00	2,296.22
JIF safety award	388.78	388.78	0.00	388.78
Contingent	100.00	100.00	0.00	100.00
Public employees retirement system	2,126.00	2,126.00	0.00	2,126.00
Social security system	764.19	764.19	0.00	764.19
LOSAP	17,000.00	17,000.00	12,600.00	4,400.00
COAH - fair share plan	392.86	392.86	0.00	392.86

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014
For the Year Ended December 31, 2015**

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (concluded):				
Interlocal municipal service agreement:				
Mid Salem County Municipal Court	\$ 6,519.83	\$ 6,519.83	\$ 5,077.57	\$ 1,442.26
Total	\$ 206,648.91	\$ 206,648.91	\$ 136,613.94	\$ 70,034.97

Ref. A A-8 A-4 A-1

Appropriation reserves \$ 85,510.84
 Encumbrances payable 121,138.07
\$ 206,648.91

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	A	\$ 0.50
Increased by:		
Levy- calendar year 2015	A-1,A-5	<u>2,716,494.00</u>
		2,716,494.50
Decreased by:		
Payments	A-4	<u>2,716,493.50</u>
Balance - December 31, 2015	A	<u><u>\$ 1.00</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE GRANTS RECEIVABLE
For the Year Ended December 31, 2015**

Purpose	Balance December 31, 2014	2015 Revenue	Received	Unappropriated Reserve	Balance December 31, 2015
Recycling tonnage grant	\$ 0.03	\$ 19,577.41	\$ 0.00	\$ 19,577.41	\$ 0.03
Municipal alliance on alcohol and drug abuse	12,014.04	4,074.00	1,964.84	0.00	14,123.20
Clean communities grant	0.00	8,000.00	4,000.00	0.00	4,000.00
Hazardous discharge site remediation fund grant	142,513.00	0.00	0.00	0.00	142,513.00
Small cities grant - stormwater Kay Gardens	0.00	358,010.91	19,235.35	0.00	338,775.56
Salem County wastewater management grant	5,000.00	0.00	0.00	0.00	5,000.00
	<u>\$ 159,527.07</u>	<u>\$ 389,662.32</u>	<u>\$ 25,200.19</u>	<u>\$ 19,577.41</u>	<u>\$ 504,411.79</u>

Ref.

A

A-2

A-4

A-11

A

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 STATE AND FEDERAL GRANT
 SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS UNAPPROPRIATED
 For the Year Ended December 31, 2015

Purpose	Balance December 31, 2014	Received In 2015	Applied to Receivables	Balance December 31, 2015
Municipal alliance on alcohol and drug abuse - program income	\$ 4,130.00	\$ 1,880.00	\$ 0.00	\$ 6,010.00
Recycling tonnage grant	19,577.41	0.00	19,577.41	0.00
	<u>\$ 23,707.41</u>	<u>\$ 1,880.00</u>	<u>\$ 19,577.41</u>	<u>\$ 6,010.00</u>
Ref. A	A-4	A-10	A	

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS APPROPRIATED
For the Year Ended December 31, 2015**

Purpose	Balance December 31, 2014	2015 Appropriations	Expended	Balance December 31, 2015
Clean communities grant	\$ 16,256.31	\$ 8,000.00	\$ 4,231.04	\$ 20,025.27
Municipal alliance on alcohol and drug abuse	11,241.41	4,074.00	4,074.00	11,241.41
Hazardous discharge site remediation fund grant	142,899.13	0.00	0.00	142,899.13
Recycling tonnage grant	14,621.96	19,577.41	17,733.35	16,466.02
Salem County Utilities Authority- recycling grant	376.63	0.00	0.00	376.63
Stormwater management grant	3,653.00	0.00	0.00	3,653.00
Small cities grant - stormwater Kay Gardens	0.00	358,010.91	358,010.91	(0.00)
Comcast technology grant	580.06	0.00	0.00	580.06
Matching funds for grants	8,230.14	35,801.59	1,041.00	42,990.73
Matching funds- small cities rehabilitation grant	15,333.00	0.00	0.00	15,333.00
Municipal alliance on alcohol and drug abuse - program income	703.00	0.00	0.00	703.00
	<u>\$ 213,894.64</u>	<u>\$ 425,463.91</u>	<u>\$ 385,090.30</u>	<u>\$ 254,268.25</u>
	Ref. A	A-3		A
Paid or charged			\$ 73,299.29	
Reserve for encumbrances			146,684.21	
Contracts payable			148,596.12	
Retained percentage due contractor			<u>16,510.68</u>	
			<u>\$ 385,090.30</u>	

TRUST FUND
****SCHEDULES****

TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
For the Year Ended December 31, 2015

	Ref.	Dog License Fund	Trust Fund Other
Balance - December 31, 2014	B	\$ 10,904.50	\$ 388,577.95
Receipts:			
Interest earned		\$ 22.77	\$ 698.40
Escrow deposits		0.00	125,158.86
Snow removal transfer		0.00	1,779.59
Reserve for affordable housing (COAH)		0.00	106,273.50
Dog license fees collected	B-2	6,904.60	0.00
Dog license census fines, late fees, etc.	B-2	4,440.00	0.00
Due to State of New Jersey		848.40	0.00
		12,215.77	233,910.35
Total receipts		23,120.27	622,488.30
Disbursements:			
Due to State of New Jersey		845.40	0.00
Revolving trust fund expenditures		0.00	6,942.00
Due current fund		26.92	136.19
Escrow disbursements		0.00	135,893.32
Reserve for Camp Pedricktown		0.00	8,076.09
Dog fund expenditures	B-2	4,609.00	0.00
		5,481.32	151,047.60
Total disbursements		5,481.32	151,047.60
Balance - December 31, 2015	B	\$ 17,638.95	\$ 471,440.70

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF CASH - COLLECTOR
For the Year Ended December 31, 2015**

	Ref.	Total	Tax Sale Premium Trust Fund
Balance - December 31, 2014	B	\$ 227.14	\$ 227.14
Increased by:			
Deposits for redemption of liens	B-4	24,883.57	24,883.57
Interest on investment		2.31	2.31
		<u>24,885.88</u>	<u>24,885.88</u>
		25,113.02	25,113.02
Decreased by:			
Redemption of liens	B-4	24,883.87	24,883.87
Due to current fund		21.52	21.52
		<u>24,905.39</u>	<u>24,905.39</u>
Balance - December 31, 2015	B	<u>\$ 207.63</u>	<u>\$ 207.63</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
For the Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	B	\$	10,948.09
Increased by:			
Dog license fees collected	B-1	\$	6,904.60
Dog license census fines, late fees, etc.	B-1		<u>4,440.00</u>
			<u>11,344.60</u>
			22,292.69
Decreased by:			
Expenditures under R.S. 4:19-15.11	B-1		<u>4,609.00</u>
Balance- December 31, 2015	B	\$	<u><u>17,683.69</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2013	\$ 9,731.60
2014	<u>8,986.80</u>
	<u><u>\$ 18,718.40</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 21.52
Increased by:		
Tax lien redemptions collected	B-2	24,883.87
		<u>24,905.39</u>
Decreased by:		
Tax lien redemptions disbursed	B-2	\$ 24,883.87
Canceled - due to current fund		21.52
		<u>24,905.39</u>
Balance- December 31, 2015	B	<u><u>\$ 0.00</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF PREMIUM RECEIVED AT TAX SALE
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 0.00
Increased by:		
Due from current fund - prior years tax sale premiums		<u>8,600.00</u>
Balance - December 31, 2015	B	<u>\$ 8,600.00</u>

See Accompanying Auditor's Report

GENERAL CAPITAL FUND

****SCHEDULES****

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
For the Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	C		\$ 243,662.41
Increased by receipts:			
Interest on investments in checking account - due current fund		\$ 504.61	
Due from State of New Jersey		37,791.13	
Due from current fund		121,359.70	
Due from water capital fund		5,874.23	
Reserve for various capital improvements	C-7	50,000.00	
Capital improvement fund	C-5	<u>400,000.00</u>	<u>615,529.67</u>
			859,192.08
Decreased by disbursements:			
Due to current fund		458.58	
Due to water capital fund		5,874.23	
Contracts payable		39,765.02	
Improvement authorizations	C-6	<u>45,136.75</u>	<u>91,234.58</u>
Balance - December 31, 2015	C		<u>\$ 767,957.50</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
ANALYSIS OF CASH
For the Year Ended December 31, 2015**

	<u>Balance December 31, 2015</u>
Capital improvement fund	\$ 20,805.82
Amount due current fund	46.03
Due from State of New Jersey DOT	(4,853.26)
Contracts payable	671,213.21
Reserve for various capital improvements	184,388.00
Reserve for debt service	13,000.00
Fund balance	12,023.32
Improvement authorizations:	
Ordinance	
<u>Number</u>	
11-08 Construction of a new municipal complex	91,815.95
14-03 Improvement to Stumpy Road	9,009.53
14-04 Purchase of computer equipment	8,000.00
15-07 Stormwater drainage improvement	8,240.59
15-08 New construction office building and generator	(247,901.00)
15-13 Purchase of equipment for public safety organizations	2,169.31
	<u>767,957.50</u>
	<u>\$ 767,957.50</u>

Ref. C-2

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
 For the Year Ended December 31, 2015

Improvement Description	Ordinance Number	Balance December 31, 2015	Financed By Bond Anticipation Notes	Analysis Of Balance December 31, 2015	
				Expended	Unexpended Improvement Authorization
Construction of a new municipal complex	2011-08	\$ 1,120,000.00	\$ 1,120,000.00	\$ 0.00	\$ 0.00
New construction department building and generator	2015-8	250,000.00	0.00	247,901.00	2,099.00
		<u>\$ 1,370,000.00</u>	<u>\$ 1,120,000.00</u>	<u>\$ 247,901.00</u>	<u>\$ 2,099.00</u>

Ref.

C

C-8

C-6

C-6

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	C	\$ 25,604.82
Increased by:		
Budget appropriation	C-2	400,000.00
Improvement authorization cancelled	C-6	<u>201.00</u>
		425,805.82
Decreased by:		
Appropriated to finance improvement authorization	C-6	<u>405,000.00</u>
Balance - December 31, 2015	C	<u><u>\$ 20,805.82</u></u>

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2014		Reserve for Capital Projects	2015 Authorizations		Paid or Charged	Contracts Payable	Canceled	Balance December 31, 2015	
				Funded	Unfunded		Bonds and Notes Authorized	Capital Improvement Fund				Funded	Unfunded
11-08	Construction of a new municipal complex	11/2/11	\$ 1,800,000.00	\$ 0.00	\$ 91,815.95	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 91,815.95
12-13	Purchase of computer equipment and upgrades for the finance department, tax collector and offices	12/19/12	15,000.00	1,900.00	0.00	0.00	0.00	0.00	0.00	1,900.00	0.00	0.00	0.00
13-12	Purchase of office equipment	7/9/14	8,000.00	201.00	0.00	0.00	0.00	0.00	0.00	201.00	0.00	0.00	0.00
14-03	Improvement of Stumpy Road	7/9/14	175,000.00	9,009.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,009.53	0.00
14-04	Purchase of computer equipment	7/9/14	8,000.00	8,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00	0.00
14-05	Purchase of public works vehicle and salt box	8/13/14	70,000.00	1,208.00	0.00	0.00	0.00	1,208.00	0.00	0.00	0.00	0.00	0.00
14-12	Purchase of equipment for volunteer public safety organizations	12/10/14	45,000.00	24,668.73	0.00	0.00	0.00	6,822.99	17,845.74	0.00	0.00	(0.00)	0.00
15-07	Stormwater drainage improvement	9/9/15	30,000.00	0.00	0.00	0.00	0.00	145.91	21,613.50	0.00	0.00	8,240.59	0.00
15-08	New construction office building and generator	10/14/15	625,000.00	0.00	0.00	0.00	250,000.00	36,959.85	585,941.15	0.00	0.00	0.00	2,099.00
15-13	Purchase of equipment for volunteer public safety organizations	11/20/15	30,000.00	0.00	0.00	0.00	0.00	0.00	27,830.69	0.00	0.00	2,169.31	0.00
				\$ 44,987.26	\$ 91,815.95	\$ 30,000.00	\$ 250,000.00	\$ 45,136.75	\$ 653,231.08	\$ 2,101.00	\$ 27,419.43	\$ 93,914.95	
			Ref.	C	C	C-7	C-1	C-2	C-7	C	C	C	C
	Reserve for various capital projects		C-7						\$ 1,900.00				
	Capital improvement fund		C-5						201.00				
									\$ 2,101.00				

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 GENERAL CAPITAL FUND
 STATEMENT OF RESERVE FOR VARIOUS CAPITAL PROJECTS
 For the Year Ended December 31, 2015

Reserve For	Balance December 31, 2014	Budget Appropriation	Transfer to Improvement Authorizations	Balance December 31, 2015
Improvement to municipal property	\$ 9,373.47	\$ 0.00	\$ 0.00	\$ 9,373.47
Purchase of municipal property	513.25	0.00	0.00	513.25
Purchase of fire trucks	90,000.00	10,000.00	0.00	100,000.00
Purchase of dump truck	0.00	10,000.00	0.00	10,000.00
Purchase of ambulance	25,007.00	5,000.00	0.00	30,007.00
Purchase of computers	0.00	0.00	(1,900.00)	1,900.00
Improvements to municipal roads	5,598.62	5,000.00	0.00	10,598.62
Public works equipment	4,145.38	0.00	0.00	4,145.38
Purchase of emergency equipment	27,850.28	20,000.00	30,000.00	17,850.28
Total	\$ 162,488.00	\$ 50,000.00	\$ 28,100.00	\$ 184,388.00
	Ref.	C	C-2	C
		Ref.		
Transfer to improvement authorization		\$ 30,000.00		
Improvement authorizations cancelled		(1,900.00)		
		<u>\$ 28,100.00</u>		

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 GENERAL CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date Of Issue Of Original Note	Date Of Maturity	Interest Rate	Balance December 31, 2014	Decrease	Balance December 31, 2015
2011-08	Construction of a new municipal complex	05/14/12	05/15/16	0.78%	\$ 1,280,000.00	\$ 160,000.00	\$ 1,120,000.00
					\$ 1,280,000.00	\$ 160,000.00	\$ 1,120,000.00

Ref. C

A-3

C

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
For the Year Ended December 31, 2015**

Ordinance Number	Improvement Description	Date of Ordinance	Balance December 31, 2014	Authorized	Balance December 31, 2015
15-08	New construction office building and generator	10/14/15	\$ 0.00	\$ 250,000.00	\$ 250,000.00
			\$ 0.00	\$ 250,000.00	\$ 250,000.00

Ref. C C-6 C

See Accompanying Auditor's Report

WATER UTILITY FUND

****SCHEDULES****

TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
For the Year Ended December 31, 2015

	Ref.	Operating	Capital
Balance - December 31, 2014	D	\$ 7,332.68	\$ 12,139.60
Increased by receipts:			
Consumer accounts receivable	D-7	\$ 20,703.59	0.00
Interest earned on investments	D-3	8.57	17.98
Fire hydrant service	D-3	6,400.00	0.00
Utility rent prepayments	D	100.00	0.00
Interest on delinquent accounts	D-3	171.52	0.00
Other miscellaneous revenues not anticipated	D-3	70.00	0.00
Due from current fund	A-4	11,780.46	0.00
Due from utility capital fund	Contra	16.73	0.00
Capital improvement fund	D-12	0.00	5,000.00
Due from utility operating fund	Contra	0.00	5,874.23
		<u>39,250.87</u>	<u>10,892.21</u>
		46,583.55	23,031.81
Decreased by disbursements:			
Due utility operating fund	Contra	0.00	16.73
Improvement authorizations	D-10	0.00	1,229.11
Preliminary cost improvement water system	D-11	0.00	2,392.50
Due to current fund	A-4	600.00	0.00
Due to water capital fund	Contra	5,874.23	0.00
Budget appropriations	D-4	30,264.83	0.00
Appropriation reserves	D-9	150.00	0.00
		<u>36,889.06</u>	<u>3,638.34</u>
Balance - December 31, 2015	D	\$ 9,694.49	\$ 19,393.47

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
ANALYSIS OF CAPITAL CASH
For the Year Ended December 31, 2015**

	<u>Balance December 31, 2015</u>
Fund balance	\$ 333.74
Capital improvement fund	9,825.20
Reserve for capital improvements to water system	4,615.78
Reserve for preliminary expenses - water system improvements	1,607.50
Amount due water utility operating fund	(2,998.75)
Amount due current fund	15,000.00

Ordinance Number	Improvement Authorizations	
2012-10	Improvements of the Auburn water system in the Village of Auburn	10.00
2013-9	Capital improvements to the Auburn water system - additional funding	<u>(9,000.00)</u>
		\$ 19,393.47

Ref. D-5

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	D	\$ 3,444.52
Increased by:		
Prior period adjustment		\$ (262.84)
Utility rents levied		<u>21,300.00</u>
		<u>21,037.16</u>
		24,481.68
Decreased by:		
Prepaid applied		105.00
Collection	D-5	<u>20,703.59</u>
		<u>20,808.59</u>
Balance - December 31, 2015	D	<u><u>\$ 3,673.09</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance- December 31, 2014	D	<u>\$ 299,034.90</u>
Balance- December 31, 2015	D	<u>\$ 299,034.90</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014
For the Year Ended December 31, 2015**

	Balance December 31, 2014	Balance After Transfers	Paid Or Charged	Balance Lapsed
Operating:				
Salaries and wages	\$ 2.00	\$ 2.00	\$ 0.00	\$ 2.00
Other expenses	3,937.34	3,937.34	150.00	3,787.34
Statutory expenditures:				
Contribution to:				
Social security system	7.13	7.13	0.00	7.13
Unemployment insurance	33.20	33.20	0.00	33.20
	<u>\$ 3,979.67</u>	<u>\$ 3,979.67</u>	<u>\$ 150.00</u>	<u>\$ 3,829.67</u>
<u>Ref.</u>		D	D-5	
Appropriation reserves	D \$ 3,829.67			
Accounts payable	D 150.00			
	<u>\$ 3,979.67</u>			
Due to current fund				<u>\$ 3,829.67</u>

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 WATER UTILITY FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance	Paid or	Balance
				December 31, 2014 Funded	Charged	December 31, 2015 Funded
2012-10	Improvements of the Auburn water system in the Village of Auburn	12/5/2012	\$ 4,000.00	\$ 1,239.11	\$ 1,229.11	\$ 10.00
				\$ 1,239.11	\$ 1,229.11	\$ 10.00
		Ref.	D	D	D-5	D

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
 WATER UTILITY FUND
 SCHEDULE OF PRELIMINARY EXPENSES - WATER SYSTEM IMPROVEMENTS
 For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	D	\$ 0.00
Increased by:		
Capital improvement fund appropriation	D-12	4,000.00
		<u>4,000.00</u>
Decreased by:		
Cash disbursements	D-4	2,392.50
		<u>2,392.50</u>
Balance - December 31, 2015	D	<u>\$ 1,607.50</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	D	\$ 8,825.20
Increased by:		
Budget appropriation	D-4	<u>5,000.00</u>
		13,825.20
Decreased by:		
Preliminary cost water system improvements	D-11	<u>4,000.00</u>
Balance - December 31, 2015	D	<u><u>\$ 9,825.20</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
 WATER UTILITY FUND
 SCHEDULE OF RESERVE FOR AMORTIZATION
 For the Year Ended December 31, 2015**

	Ref.	
Balance - December 31, 2014	D	\$ 287,034.90
Increased by		
Budget appropriation - deferred charges to future revenues - unfunded	D-3	3,000.00
Balance - December 31, 2015	D	\$ 290,034.90

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
 WATER UTILITY FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 For the Year Ended December 31, 2015**

Ordinance Number	Improvement Authorization	Balance December 31, 2015
13-9	Capital repairs and improvements to Auburn water system - additional funding	\$ 9,000.00
		<u>\$ 9,000.00</u>
		Ref. Footnote

See Accompanying Auditor's Report

PAYROLL ACCOUNT

****SCHEDULES****

**TOWNSHIP OF OLDMANS
PAYROLL ACCOUNT
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	F	\$ 12,352.11
Increased by:		
Deposits to pay gross salaries		\$ 309,485.85
Interest earned- due to current fund		29.88
Township's share of social security, medicare, unemployment and pension		<u>47,726.09</u>
		<u>357,241.82</u>
		369,593.93
Decreased by:		
Net payroll		221,735.15
Deductions paid to various agencies		130,089.11
Due to current fund	D-5	<u>1,028.96</u>
		<u>352,853.22</u>
Balance - December 31, 2015	F	<u>\$ 16,740.71</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
PAYROLL ACCOUNT
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
For the Year Ended December 31, 2015**

Public employees' retirement system	\$	15,360.53
Public employees' retirement system- contributory insurance		<u>1,073.13</u>
		<u><u>\$ 16,433.66</u></u>

Ref

F

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS

LETTER OF COMMENTS AND RECOMMENDATIONS

For the Year Ended December 31, 2015

GENERAL COMMENTS

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

N.J.S. 40A:11-4 states, "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the costs or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials, or supplies shall be undertaken, acquired, or furnished for a sum exceeding in the aggregate \$17,500.00, except by contract or agreement".

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

The minutes indicated that bids were requested by public advertising for the year under audit as follows:

Construction of the Construction Code Office/Purchase of a Generator

N.J.S. 40A:11-5 provides for exceptions to the above-mentioned statutory bidding requirements for various stipulated areas of expenditures. Included in these areas of exception are all professional services which include but are not limited to solicitors, engineers, land surveyors, and accountants. However, in lieu of requiring formal bidding procedures for these categories of expenditures, in awarding contracts to fill these positions, certain other statutory requirements must be adhered to by the governing body. These requirements include the following stipulation (N.J.S. 40A:11-5 (l) (a) (i)):

"The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in a newspaper authorized by law to publish its legal advertisements, a brief notice stating the nature, duration, service, and amount of the contract, and that the resolution and contract are on file..."

My examination indicated that the Township complied with this requirement during 2015.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

My examination of expenditures did not reveal any individual payments, contracts, or agreements in excess of \$17,500.00 "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.

Contracts or Agreements Not Required to be Advertised in Accordance with N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$2,625.00, at least three quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract agreement shall be made with and awarded to the lowest responsible bidder."

Our audit indicated that, for individual payments, contracts, or agreements made "for the performance of any work or the furnishing or hiring of any materials or supplies" in excess of \$2,625.00, there was documentation that solicitation for quotations was done in accordance with the provisions of N.J.S. 40A:11-6.1.

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

Business registration certificates were on file for the required purchases.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for 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 7, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED, by the Township Committee of the Township of Oldmans, County of Salem, and State of New Jersey, that the rate of interest to be collected on delinquent taxes for the year 2015 shall be 8% per annum on any amount up to an including \$1,500.00 of delinquency said 18% per annum on any amount in excess of \$1,500.00 and interest to be collectable on all taxes not paid within ten (10) days after the date upon which the same shall become payable for each quarter (which dates are the first day of February, May, August, and November). Taxes paid after said time shall bear interest from the due date.

BE IT FURTHER RESOLVED, that the Township wishes to implement N.J.S.A. 54:4-67 and hereby authorizes the imposition of an additional penalty as follows: balance of \$10,000.00, penalty 6%.

It appears from an examination of the Collector's records that interest was calculated and/or collected at all times in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 17, 2015, and was complete.

Inspection of tax sale certificates revealed that all were on file and 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>
2015	22
2014	23
2013	24

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.

OTHER COMMENTS

Chief Financial Officer

N.J.A.C. 5:30-5.6 requires that a fixed asset accounting and reporting system be implemented and maintained. The Township completed an appraisal of all its fixed assets on December 31, 2014, and a fixed asset accounting system based on this appraisal has been implemented.

N.J.A.C. 5:30-5.7 mandates that a general ledger system be utilized for proper accounting. For the year under review, a general ledger was maintained. However, the Treasurer only makes cash entries to the general ledger. The Treasurer should make non-cash adjustments as well to the general ledger. A new financial software system was implemented in early 2013 to help with this process.

A review of the balance sheets of the various funds shows that there are interfund accounts that should be cleared by appropriate action.

There are currently old balances in the escrow trust fund. The Chief Financial Officer, along with the Planning and Zoning Board Secretary, have been in the process of reviewing and either disposing or cancelling said balances for a number of years. These balances should be eliminated accordingly.

There is one employee that has not been enrolled in the pension system. However, estimated deductions are being withheld from his pay. The Chief Financial Officer is currently waiting for the Division of Pensions to put the application on their system so that the employee can be enrolled.

Internal Control

The limited number of personnel employed in handling cash receipts transactions makes any formal system of internal control impracticable. Compliance with the statutes relating to the expenditures of funds provides a high degree of internal control to cash disbursements transactions.

Payroll Fund

The examination of the Payroll Fund did include a sampling of the detailed computation of various deductions from the payroll of the Township employees and did ascertain that the accumulated withholdings were disbursed to the proper agencies.

Municipal Court

The Township is a member of the Mid-Salem County Municipal court. The records are audited by the lead agency's auditor and subsequently, the municipal court report will be filed by them.

Construction Code Official

A test of the expenditures of the construction code fees was done as required by N.J.A.C. 5:23-4.17(b)3. All fees collected pursuant to the municipality's fee schedule were appropriated in accordance with the requirements of the Uniform Construction Code Act and the Local Budget Law which were applied solely to meet the municipal costs of enforcing those regulations as specified by N.J.A.C. 5:23-4.17(c)2.

The uniform construction code annual report was prepared by the Chief Financial Officer and was in agreement with receipts recorded in the Construction Code Official's records.

TOWNSHIP OF OLDMANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

This section identifies the significant deficiencies, material weaknesses, and the instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**TOWNSHIP OF OLDMANS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2010-2

Condition

A review of the balance sheets of the various funds shows that there are interfund accounts that should be cleared by appropriate action.

Current Status

Condition is always corrected after the audit is received. See current year Notes to the Financial Statement No. 4 for further explanations.

Planned Corrective Action

The responsible officials take action annually to clear up any interfunds which appear on the audit report.

Finding No. 2012-1

Condition

The Township has old escrow trust fund reserve amounts that need to be reviewed and eliminated appropriately.

Current Status

Condition remains unresolved.

Planned Corrective Action

Corrective action has been taken on several items during 2015. The responsible officials agree with the finding and will take corrective action in 2016 to clear-up the remaining items.

Finding No. 2014-1

Condition

The permit log maintained by the Construction Code-Official contained numerous errors in the amounts recorded, amounts received, and the date of receipts. Because of this, substantial efforts were made in order to balance these records.

Current Status

Condition is resolved.

Finding No. 2014-2

Condition

On the quarterly report submitted to the State of New Jersey by the Construction Code Official the amount calculated and the amount collected for surcharges fees were not in agreement. Also, the amount paid to the State of New Jersey was not always in agreement with the amount calculated or collected.

Current Status

Condition is resolved.

**TOWNSHIP OF OLDMANS
OFFICIALS IN OFFICE AND SURETY BONDS**

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

Name	Title	Amount Of Bond
George W. Bradford	Mayor	B
Cordy Taylor	Deputy Mayor	B
Dean Sparks	Committeeperson	B
James R. Hackett	Chief Financial Officer	A
Melinda Taylor	Township Clerk Municipal Improvement Search Officer Registrar of Vital Statistics Zoning Officer Dog License Clerk	A
Margie Schieber	Tax Collector and Tax Search Officer (To 6/30/15)	A
Anne Deeck	Tax Collector and Tax Search Officer (From 9/9/15)	A
Jeryl Goff	Construction Code Official (To 8/12/15)	B
Joseph Wille	Construction Code Official (From 8/12/15 - 10/16/15)	B
Michael Raio	Assessor	B
Niki Trump	Solicitor	B
Thomas Tedesco, Jr.	Engineer	B

(A) Statutory Position Bond - Gloucester, Salem, Cumberland County Joint Insurance Pool - \$50,000.00. Amounts in excess of \$50,000.00 covered by the Municipal Excess Liability Joint Insurance Fund to \$950,000.00.

(B) Public Officials Bonds - Gloucester, Salem, Cumberland County Joint Insurance Pool - \$50,000.00. Amounts in excess of \$50,000.00 covered by the Municipal Excess Liability Joint Insurance Fund to \$950,000.00.

7
The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

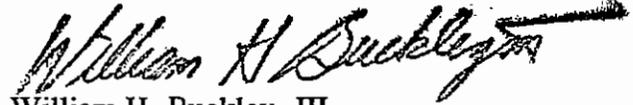
Should any questions arise as to my comments to recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

I desire to express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants
Woodbury, New Jersey



William H. Buckley, III
Registered Municipal Accountant #46
Certified Public Accountant