

**TOWNSHIP OF OLDMANS**

**COUNTY OF SALEM**

**REPORT OF AUDIT**

**For the Year Ended December 31, 2012**

**TOWNSHIP OF OLDMANS**

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

**For the Year Ended December 31, 2012**

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Township of Oldmans, County of Salem, State of New Jersey, as of December 31, 2012 and 2011, and the related statements of operations and changes in fund balances - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds, as of and for the year ended December 31, 2012, which collectively comprise the Township of Oldmans's 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 modified accrual basis of accounting described in Note A; this includes determining that the modified accrual basis, with certain exceptions, and the budget laws of the 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**

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 the audit requirements 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 includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

## **Basis of Accounting**

As discussed in Note 1, the Township of Oldmans prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey. These practices are a basis of accounting other than accounting principles generally accepted in the United States of America. The presentation requirement does not include a Management Discussion and Analysis as required by the Governmental Accounting Standards Board to be presented as Required Supplementary Information, but not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Opinion**

In our opinion, because of the effects on the financial statements of the requirement that the Township of Oldmans prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Oldmans as of December 31, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2013, on our consideration of the Township of Oldmans's internal control structure 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*, and should be considered in assessing the results of our audit.

## 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 of Oldmans'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



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

May 28, 2013

**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 the financial statements - regulatory basis of the Township of Oldmans, County of Salem, State of New Jersey, as of and for the year ended December 31, 2012, and have issued our report thereon dated May 28, 2013 which indicated that the 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. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township of Oldmans's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Oldmans's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the Township of Oldmans's internal control over financial reporting.

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 of Oldmans's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, as described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. 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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Oldmans'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* or the requirements of the Division of Local Government Services which is described in the accompanying summary schedule of prior year audit findings and questioned costs as items 2012-1, 2010-1, and 2010-2.

## Purpose of this Report

This report is intended solely for the information and use of management, the Township Committee of the Township of Oldmans, others within the entity, and federal awarding agencies and pass-through entities, the New Jersey Division of Local Government Services, and certain other interested government agencies and is not intended to be and should not be used by anyone other than those specified parties.

Respectfully submitted,

*Ball, Buckley & Seher, LLP*

BALL, BUCKLEY & SEHER, LLP  
Certified Public Accountants



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

May 28, 2013

**CURRENT FUND**

**TOWNSHIP OF OLDMANS  
CURRENT FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2012 and 2011**

|  |         | Balance<br>December<br>31, 2012 | Balance<br>December<br>31, 2011 |  |         | Balance<br>December<br>31, 2012 | Balance<br>December<br>31, 2011 |
|--|---------|---------------------------------|---------------------------------|--|---------|---------------------------------|---------------------------------|
| <u>ASSETS</u>                                    | Ref.    |                                 |                                 | <u>LIABILITIES, RESERVES, AND FUND BALANCE</u> | Ref.    |                                 |                                 |
| Regular fund:                                    |         |                                 |                                 | Regular fund:                                  |         |                                 |                                 |
| Cash - chief financial officer:                  |         |                                 |                                 | Appropriation reserves                         | A-3;A-8 | \$ 39,518.44                    | \$ 68,227.97                    |
| Regular operating account                        | A-4     | \$ 1,286,717.53                 | \$ 677,828.77                   | Encumbrances payable                           |         |                                 |                                 |
|  |         | <u>1,286,717.53</u>             | <u>677,828.77</u>               | Budget appropriations                          | A-3;A-8 | 64,531.15                       | 48,950.70                       |
| Receivables and other assets with full reserves: |         |                                 |                                 | Reserve for repair to monument                 |         | 18,285.00                       | 0.00                            |
| Delinquent property taxes receivable             | A-5     | 281,364.02                      | 292,445.41                      | Local school district taxes payable            | A-9     | 0.00                            | 9,000.00                        |
| Tax title liens receivable                       | A-6     | 292,503.43                      | 301,614.74                      | Due to State of New Jersey:                    |         |                                 |                                 |
| Delinquent tax penalty receivable                |         | 2,450.15                        | 5,254.80                        | Senior citizens and veterans deductions        |         | 7,808.94                        | 7,697.10                        |
| Property acquired for taxes-assessed value       |         | 24,100.00                       | 24,100.00                       | Prepaid rent                                   | A-1     | 275.00                          | 580.00                          |
| Amount due from dog license trust fund           | B       | 0.00                            | 0.04                            | Prepaid taxes                                  | A-4;A-5 | 48,665.77                       | 59,098.85                       |
| Amount due from other trust fund                 | B       | 9,172.98                        | 9,379.65                        | Tax overpayments                               |         | 2,191.58                        | 971.40                          |
| Amount due from general capital fund             | C       | 0.00                            | 120,966.41                      | Amount due to state and federal grant fund     | A       | 59,542.37                       | 55,591.01                       |
| Amount due from payroll account                  | F       | 386.31                          | 678.17                          | Amount due to dog license trust fund           | B       | 0.17                            | 0.00                            |
| Revenue accounts receivable                      | A-7     | 6,653.54                        | 7,126.78                        | Amount due to other trust fund                 | B       | 17.00                           | 15.00                           |
| Miscellaneous accounts receivable                |         | 731.05                          | 549.19                          | Amount due to general capital fund             | C       | 13,017.03                       | 0.00                            |
| Amount due from State of New Jersey:             |         |                                 |                                 | Amount due to public assistance trust fund     | E       | 66.90                           | 36.90                           |
| DCA state training fees                          |         | 0.00                            | 1,185.00                        | Reserve for tax sale premiums                  |         | 13,000.00                       | 13,500.00                       |
| Amount due from Salem County                     | A-1;A-2 | 350.00                          | 350.00                          | Reserve for revaluation                        |         | 19,556.34                       | 19,556.34                       |
| Amount due from JIF                              | A-1;A-2 | 750.00                          | 250.00                          | Reserve for wastewater management plan         |         | 21,107.50                       | 21,107.50                       |
|  |         | <u>618,461.48</u>               | <u>763,900.19</u>               | Reserve for stormwater management plan         | A-4     | 5,142.43                        | 5,338.43                        |
| Deferred charges:                                |         |                                 |                                 | Reserve for retention basin maintenance        | A-4     | 60,000.00                       | 0.00                            |
| Special emergency authorization                  | A-3     | 14,373.06                       | 36,746.12                       | Reserve for monument repair                    | A,A-4   | 11,317.11                       | 0.00                            |
| Cash deficit                                     |         | 468.86                          | 31,956.56                       | Reserve for master plan                        | A-4     | 0.00                            | 559.20                          |
|  |         | <u>14,841.92</u>                | <u>68,702.68</u>                | Reserve for receivables and other assets       | A       | 384,042.73                      | 310,230.40                      |
| Total regular fund                               |         | <u>1,920,020.93</u>             | <u>1,510,431.64</u>             | Fund balance                                   | A-1     | 618,461.48                      | 763,900.19                      |
|  |         |                                 |                                 |  |         | <u>917,516.72</u>               | <u>436,301.05</u>               |
| Federal and state grant fund:                    |         |                                 |                                 | Total regular fund                             |         | <u>1,920,020.93</u>             | <u>1,510,431.64</u>             |
| Cash- chief financial officer                    | A-4     | 12,422.82                       | 9,983.69                        | Federal and state grant fund:                  |         |                                 |                                 |
| Amount due from current fund                     | A       | 59,542.37                       | 55,591.01                       | Encumbrances payable                           | A-12    | 1,125.00                        | 0.00                            |
| State grants receivable                          | A-10    | 158,336.77                      | 154,262.44                      | Reserve for state grants:                      |         |                                 |                                 |
|  |         | <u>230,301.96</u>               | <u>219,837.14</u>               | Appropriated                                   | A-12    | 204,748.98                      | 201,526.47                      |
|  |         |                                 |                                 | Unappropriated                                 | A-11    | 24,427.98                       | 18,310.67                       |
|  |         |                                 |                                 |  |         | <u>230,301.96</u>               | <u>219,837.14</u>               |
| Total  |         | <u>\$ 2,150,322.89</u>          | <u>\$ 1,730,268.78</u>          | Total  |         | <u>\$ 2,150,322.89</u>          | <u>\$ 1,730,268.78</u>          |

**TOWNSHIP OF OLDMANS**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND**  
**CHANGES IN FUND BALANCE**  
**REGULATORY BASIS**  
**For the Years Ended December 31, 2012 and 2011**

|  | Ref. | Year 2012            | Year 2011            |
|--|------|----------------------|----------------------|
| Revenue and other income realized:               |      |                      |                      |
| Fund balance utilized                            | A-2  | \$ 176,747.90        | \$ 115,560.20        |
| Miscellaneous revenue anticipated                | A-2  | 682,295.06           | 568,140.38           |
| Receipts from delinquent taxes                   | A-2  | 240,889.99           | 126,614.20           |
| Receipts from current taxes                      | A-2  | 4,845,094.40         | 4,782,657.25         |
| Non-budget revenue                               | A-2  | 150,502.34           | 71,065.84            |
| Other credits to income:                         |      |                      |                      |
| Appropriation reserves lapsed                    | A-8  | 62,717.35            | 47,827.37            |
| Prior year rent prepayment write-off             | A-4  | 305.00               | 0.00                 |
| Interfunds cleared                               |      | 121,593.96           | 8,249.76             |
| Total income                                     |      | <u>6,280,146.00</u>  | <u>5,720,115.00</u>  |
| Expenditures:                                    |      |                      |                      |
| Budget operations:                               |      |                      |                      |
| Operations:                                      |      |                      |                      |
| Salaries and wages                               | A-3  | 235,336.00           | 261,165.00           |
| Other expenses                                   | A-3  | 551,039.00           | 552,797.26           |
| Capital improvements                             | A-3  | 40,000.00            | 45,000.00            |
| Deferred charges and statutory expenditures      | A-3  | 116,794.76           | 76,373.06            |
| County taxes                                     | A-5  | 2,101,263.72         | 2,066,122.54         |
| Due county for added and omitted taxes           | A-5  | 49,033.29            | 39,666.29            |
| Local district school tax                        | A-9  | 2,527,444.50         | 2,589,381.00         |
| Accounts receivable due from Salem County        | A    | 350.00               | 350.00               |
| Accounts receivable due from JIF                 | A    | 750.00               | 250.00               |
| Escrow balance adjustments                       |      | 65.86                | 0.00                 |
| Interfunds created                               |      | 105.30               | 120,966.41           |
| Total expenditures                               |      | <u>5,622,182.43</u>  | <u>5,752,071.56</u>  |
| Excess or (deficit) in revenue                   |      | 657,963.57           | (31,956.56)          |
| Expenditures included above which are by statute |      |                      |                      |
| deferred charges to budget of succeeding year    | A    | 0.00                 | 31,956.56            |
| Statutory excess to fund balance                 |      | 657,963.57           | 0.00                 |
| Fund balance - January 1                         | A    | 436,301.05           | 551,861.25           |
|  |      | 1,094,264.62         | 551,861.25           |
| Decreased by utilization as anticipated revenue  | A-2  | 176,747.90           | 115,560.20           |
| Fund balance - December 31                       | A    | <u>\$ 917,516.72</u> | <u>\$ 436,301.05</u> |

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS  
CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
For the Year Ended December 31, 2012**

|  | Ref. | Anticipated            |                          | Realized               | Excess Or<br>(Deficit) |
|--|------|------------------------|--------------------------|------------------------|------------------------|
|  |      | Budget                 | Per N.J.S.A.<br>40A:4-87 |                        |                        |
| Fund balance anticipated   | A-1  | \$ 176,747.90          | \$ 0.00                  | \$ 176,747.90          | \$ 0.00                |
| Miscellaneous revenues:  |      |                        |                          |                        |                        |
| Fines and costs - municipal court  | A-7  | 8,270.00               | 0.00                     | 18,169.44              | 9,899.44               |
| Interest and costs on taxes  | A-7  | 35,000.00              | 0.00                     | 57,308.83              | 22,308.83              |
| Consolidated municipal property tax relief act   | A-7  | 1,928.00               | 0.00                     | 1,928.00               | 0.00                   |
| Energy receipts tax  | A-7  | 228,682.00             | 0.00                     | 228,682.00             | 0.00                   |
| Uniform construction code fees   | A-7  | 60,000.00              | 0.00                     | 71,973.39              | 11,973.39              |
| Clean communities program  | A-10 | 4,000.00               | 0.00                     | 4,000.00               | 0.00                   |
| Municipal alliance on alcoholism and drug abuse  | A-10 | 4,074.33               | 0.00                     | 4,074.33               | 0.00                   |
| Reserve for municipal alliance on alcoholism and drug abuse  | A-10 | 1,335.00               | 0.00                     | 1,335.00               | 0.00                   |
| Recycling tonnage grant  | A-10 | 16,975.67              | 0.00                     | 16,975.67              | 0.00                   |
| Salem County - contribution for first aid organization   | A    | 350.00                 | 0.00                     | 350.00                 | 0.00                   |
| JIF safety awards  | A-2  | 1,755.00               | 750.00                   | 2,505.00               | 0.00                   |
| PILOT - J.E. Berkowitz   | A-4  | 94,757.76              | 0.00                     | 136,182.88             | 41,425.12              |
| PILOT - Garden State Freezer   | A-4  | 85,854.32              | 0.00                     | 138,810.52             | 52,956.20              |
| Total  | A-1  | <u>542,982.08</u>      | <u>750.00</u>            | <u>682,295.06</u>      | <u>138,562.98</u>      |
| Receipts from delinquent taxes   | A-2  | 161,000.00             | 0.00                     | 240,889.99             | 79,889.99              |
| Amount to be raised by taxes for support of municipal budget -<br>local taxes for municipal purposes | A-2  | <u>317,977.65</u>      | <u>0.00</u>              | <u>423,640.76</u>      | <u>105,663.11</u>      |
| Budget totals  |      | <u>1,198,707.63</u>    | <u>750.00</u>            | <u>1,523,573.71</u>    | <u>324,116.08</u>      |
| Non-budget revenues  | A-2  | <u>0.00</u>            | <u>0.00</u>              | <u>150,502.34</u>      | <u>150,502.34</u>      |
| Total  |      | <u>\$ 1,198,707.63</u> | <u>\$ 750.00</u>         | <u>\$ 1,674,076.05</u> | <u>\$ 474,618.42</u>   |

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS  
CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
For the Year Ended December 31, 2012**

**ANALYSIS OF REALIZED REVENUES**

|   | <u>Ref.</u> |                                 |
|---|-------------|---------------------------------|
| Allocations of current tax collections:                   |             |                                 |
| Revenue from collections                                  | A-5         | \$ 4,845,094.40                 |
| Allocated to:   |             |                                 |
| School, county, and special district taxes                | A-5         | 4,677,741.51                    |
| Balance for support of municipal appropriations           |             | <u>167,352.89</u>               |
| Add: appropriation "reserve for uncollected taxes"        | A-3         | <u>256,287.87</u>               |
| <br>Amount for support of municipal budget appropriations | <br>A-2     | <br><u><u>\$ 423,640.76</u></u> |
| <br>Analysis of receipts from delinquent taxes:           |             |                                 |
| Delinquent tax collections                                | A-5         | \$ 203,320.33                   |
| Tax title lien collections                                | A-6         | <u>37,569.66</u>                |
|   |             | <u><u>\$ 240,889.99</u></u>     |
| <br>JIF safety award:                                     |             |                                 |
| Cash receipts   | A-4         | \$ 1,755.00                     |
| Accounts receivable                                       | A           | <u>750.00</u>                   |
| Total JIF safety award                                    | A-2         | <u><u>\$ 2,505.00</u></u>       |
| <br>Miscellaneous revenue not anticipated:                |             |                                 |
| Revenue accounts receivable:                              |             |                                 |
| Cable TV franchise fee                                    | A-7         | \$ 4,821.87                     |
| Construction code interest earnings                       | A-7         | 18.89                           |
| Election polling places                                   | A-7         | 100.00                          |
| Housing officer   | A-7         | 1,175.00                        |
| Interest on investments                                   | A-7         | 2,235.60                        |
| PILOT - Goya  | A-7         | 104,815.68                      |
| Prior year refund   | A-7         | 4,152.17                        |
| Rental income   | A-7         | 6,325.00                        |
| Registrar of vital statistics                             | A-7         | 303.00                          |
| Sale of municipal property                                | A-7         | 18,678.00                       |

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS  
CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
For the Year Ended December 31, 2012**

|   |     |    |                 |                             |
|---|-----|----|-----------------|-----------------------------|
| Senior citizens and veterans administrative fees  | A-7 | \$ | 570.00          |                             |
| Tax collector- tax search fees  | A-7 |    | 300.00          |                             |
| Tax collector- miscellaneous receipts   | A-7 |    | 631.10          |                             |
| Zoning officer  | A-7 |    | 860.00          |                             |
| Miscellaneous   | A-7 |    | <u>617.10</u>   |                             |
|   |     |    |                 | \$ 145,603.41               |
| Chief financial officer:  |     |    |                 |                             |
| Miscellaneous accounts receivable   |     |    | 795.14          |                             |
| Prior year accounts receivable - County of Salem  |     |    | 300.00          |                             |
| Prior year accounts receivable - JIF  |     |    | <u>250.00</u>   |                             |
|   | A-4 |    |                 | 1,345.14                    |
| Interest earned on investments - due from other funds and<br>miscellaneous payroll adjustments - due from payroll |     |    | <u>3,553.79</u> |                             |
|   |     |    |                 | <u>3,553.79</u>             |
| Total miscellaneous revenue not anticipated   | A-2 |    |                 | <u><u>\$ 150,502.34</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, 2012**

|                                 | Appropriations |                                  | Expended           |              |          |
|---------------------------------|----------------|----------------------------------|--------------------|--------------|----------|
|                                 | Budget         | Budget<br>After<br>Modifications | Paid Or<br>Charged | Encumbrances | Reserved |
| <b>OPERATIONS WITHIN "CAP"</b>  |                |                                  |                    |              |          |
| General government functions:   |                |                                  |                    |              |          |
| Administrative and executive:   |                |                                  |                    |              |          |
| Mayor and council:              |                |                                  |                    |              |          |
| Salaries and wages              | \$ 13,400.00   | \$ 13,400.00                     | \$ 13,320.00       | \$ 0.00      | \$ 80.00 |
| Other expenses                  | 3,000.00       | 1,500.00                         | 1,273.40           | 115.00       | 111.60   |
| Municipal clerk:                |                |                                  |                    |              |          |
| Salaries and wages              | 28,000.00      | 24,500.00                        | 24,460.00          | 0.00         | 40.00    |
| Other expenses                  | 8,000.00       | 8,900.00                         | 7,612.79           | 1,015.32     | 271.89   |
| Financial administration:       |                |                                  |                    |              |          |
| Salaries and wages              | 50,000.00      | 49,100.00                        | 49,050.00          | 0.00         | 50.00    |
| Other expenses                  | 10,000.00      | 8,000.00                         | 5,583.52           | 1,646.05     | 770.43   |
| Audit services:                 |                |                                  |                    |              |          |
| Other expenses                  | 21,000.00      | 21,000.00                        | 18,706.25          | 0.00         | 2,293.75 |
| Assessment of taxes:            |                |                                  |                    |              |          |
| Salaries and wages              | 28,935.00      | 28,935.00                        | 28,935.00          | 0.00         | 0.00     |
| Other expenses                  | 4,500.00       | 4,000.00                         | 2,774.47           | 282.37       | 943.16   |
| Collection of taxes:            |                |                                  |                    |              |          |
| Salaries and wages              | 21,000.00      | 20,000.00                        | 19,968.00          | 0.00         | 32.00    |
| Other expenses                  | 5,000.00       | 6,900.00                         | 3,713.68           | 3,076.48     | 109.84   |
| Legal services and costs:       |                |                                  |                    |              |          |
| Other expenses                  | 12,000.00      | 11,000.00                        | 9,344.10           | 1,367.90     | 288.00   |
| Engineering services and costs: |                |                                  |                    |              |          |
| Other expenses                  | 7,000.00       | 3,500.00                         | 2,008.00           | 775.00       | 717.00   |
| Public buildings and grounds:   |                |                                  |                    |              |          |
| Other expenses                  | 8,000.00       | 11,500.00                        | 7,722.31           | 3,494.74     | 282.95   |
| Insurance:                      |                |                                  |                    |              |          |
| Workmans compensation           | 42,000.00      | 40,500.00                        | 40,459.00          | 0.00         | 41.00    |
| Insurance - liability           | 25,000.00      | 26,500.00                        | 26,482.00          | 0.00         | 18.00    |
| Unemployment                    | 2,100.00       | 2,100.00                         | 1,753.43           | 0.00         | 346.57   |
| Grant consultant:               |                |                                  |                    |              |          |
| Other expenses                  | 1,000.00       | 0.00                             | 0.00               | 0.00         | 0.00     |

TOWNSHIP OF OLDMANS  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2012

|                                      | Appropriations |                                  | Expended           |              |           |
|--------------------------------------|----------------|----------------------------------|--------------------|--------------|-----------|
|                                      | Budget         | Budget<br>After<br>Modifications | Paid Or<br>Charged | Encumbrances | Reserved  |
| <b>OPERATIONS WITHIN "CAP"</b>       |                |                                  |                    |              |           |
| Land use administration:             |                |                                  |                    |              |           |
| Zoning board:                        |                |                                  |                    |              |           |
| Salaries and wages                   | \$ 2,000.00    | \$ 2,000.00                      | \$ 1,677.00        | \$ 0.00      | \$ 323.00 |
| Other expenses                       | 5,000.00       | 2,300.00                         | 2,065.32           | 49.99        | 184.69    |
| Planning board:                      |                |                                  |                    |              |           |
| Salaries and wages                   | 12,000.00      | 12,000.00                        | 11,145.00          | 0.00         | 855.00    |
| Other expenses                       | 5,000.00       | 5,000.00                         | 3,316.69           | 1,514.00     | 169.31    |
| Public safety functions:             |                |                                  |                    |              |           |
| Fire:                                |                |                                  |                    |              |           |
| Other expenses:                      |                |                                  |                    |              |           |
| Fire hydrant service                 | 17,500.00      | 19,500.00                        | 18,117.04          | 0.00         | 1,382.96  |
| Emergency management services:       |                |                                  |                    |              |           |
| Salaries and wages                   | 2,700.00       | 2,700.00                         | 2,689.00           | 0.00         | 11.00     |
| Other expenses                       | 600.00         | 600.00                           | 171.37             | 299.99       | 128.64    |
| Aid to volunteer fire companies      | 50,000.00      | 55,000.00                        | 40,069.86          | 10,276.00    | 4,654.14  |
| First aid organization contribution  | 350.00         | 350.00                           | 0.00               | 0.00         | 350.00    |
| Aid to volunteer ambulance companies | 11,000.00      | 16,500.00                        | 13,430.63          | 2,074.83     | 994.54    |
| Public works functions:              |                |                                  |                    |              |           |
| Streets and roads maintenance:       |                |                                  |                    |              |           |
| Salaries and wages                   | 62,500.00      | 58,000.00                        | 57,869.30          | 0.00         | 130.70    |
| Other expenses                       | 7,000.00       | 8,000.00                         | 5,968.34           | 1,449.11     | 582.55    |
| Vehicle maintenance:                 |                |                                  |                    |              |           |
| Other expenses                       | 6,000.00       | 7,000.00                         | 5,900.69           | 564.47       | 534.84    |
| Municipal mosquito control:          |                |                                  |                    |              |           |
| Other expenses                       | 100.00         | 100.00                           | 0.00               | 0.00         | 100.00    |
| Demolition of buildings:             |                |                                  |                    |              |           |
| Other expenses                       | 2,000.00       | 100.00                           | 0.00               | 0.00         | 100.00    |
| Solid waste collection               | 93,000.00      | 93,000.00                        | 84,966.35          | 7,791.68     | 241.97    |
| Recycling coordinator:               |                |                                  |                    |              |           |
| Salaries and wages                   | 50.00          | 50.00                            | 0.00               | 0.00         | 50.00     |

TOWNSHIP OF OLDMANS  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2012

|   | Appropriations |                                  | Expended           |              |          |
|---|----------------|----------------------------------|--------------------|--------------|----------|
|   | Budget         | Budget<br>After<br>Modifications | Paid Or<br>Charged | Encumbrances | Reserved |
| <u>OPERATIONS WITHIN "CAP"</u>                                |                |                                  |                    |              |          |
| Health and human services:                                    |                |                                  |                    |              |          |
| Board of health:  |                |                                  |                    |              |          |
| Other expenses  | \$ 50.00       | \$ 50.00                         | \$ 0.00            | \$ 0.00      | \$ 50.00 |
| Animal control officer:                                       |                |                                  |                    |              |          |
| Other expenses  | 3,500.00       | 3,500.00                         | 0.00               | 0.00         | 3,500.00 |
| Registrar of vital statistics:                                |                |                                  |                    |              |          |
| Salaries and wages  | 350.00         | 350.00                           | 333.00             | 0.00         | 17.00    |
| Other expenses  | 500.00         | 500.00                           | 267.41             | 125.00       | 107.59   |
| <sup>-1</sup> / <sub>-3</sub> Parks and recreation functions: |                |                                  |                    |              |          |
| Parks and recreation:   |                |                                  |                    |              |          |
| Other expenses  | 2,000.00       | 2,000.00                         | 1,500.00           | 500.00       | 0.00     |
| Celebration of public events:                                 |                |                                  |                    |              |          |
| Other expenses  | 500.00         | 500.00                           | 461.66             | 0.00         | 38.34    |
| Landfill/solid waste disposal costs:                          |                |                                  |                    |              |          |
| Landfill/solid waste disposal costs                           | 43,000.00      | 43,000.00                        | 36,939.29          | 3,060.71     | 3,000.00 |
| Sanitary landfill:  |                |                                  |                    |              |          |
| Other expenses  | 9,000.00       | 9,000.00                         | 8,823.23           | 0.00         | 176.77   |
| Uniform construction code:                                    |                |                                  |                    |              |          |
| State uniform construction code:                              |                |                                  |                    |              |          |
| Construction official:  |                |                                  |                    |              |          |
| Salaries and wages  | 23,000.00      | 22,000.00                        | 21,820.96          | 0.00         | 179.04   |
| Other expenses  | 13,000.00      | 16,000.00                        | 14,706.71          | 106.67       | 1,186.62 |
| Housing officer:  |                |                                  |                    |              |          |
| Salaries and wages  | 2,300.00       | 2,301.00                         | 2,300.04           | 0.00         | 0.96     |
| Other expenses  | 200.00         | 199.00                           | 0.00               | 0.00         | 199.00   |

TOWNSHIP OF OLDMANS  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2012

|  | Appropriations    |                                  | Expended           |                  |                  |
|--|-------------------|----------------------------------|--------------------|------------------|------------------|
|  | Budget            | Budget<br>After<br>Modifications | Paid Or<br>Charged | Encumbrances     | Reserved         |
| <u>OPERATIONS WITHIN "CAP"</u>                           |                   |                                  |                    |                  |                  |
| Unclassified:  |                   |                                  |                    |                  |                  |
| Water  | \$ 600.00         | \$ 800.00                        | \$ 605.10          | \$ 83.36         | \$ 111.54        |
| Street lighting  | 23,000.00         | 24,000.00                        | 20,287.81          | 1,337.08         | 2,375.11         |
| Telephone  | 7,500.00          | 7,500.00                         | 5,397.23           | 279.19           | 1,823.58         |
| Heat   | 4,500.00          | 4,500.00                         | 2,587.41           | 0.00             | 1,912.59         |
| Gasoline   | 7,000.00          | 7,000.00                         | 6,354.78           | 0.00             | 645.22           |
| Electricity  | 6,500.00          | 6,500.00                         | 5,277.51           | 0.00             | 1,222.49         |
| JIF safety awards  | 1,755.00          | 2,505.00                         | 2,505.00           | 0.00             | 0.00             |
| -14-<br>Contingent                                       | 100.00            | 100.00                           | 0.00               | 0.00             | 100.00           |
| Total operations including contingent within "CAP"       | <u>715,090.00</u> | <u>715,840.00</u>                | <u>640,719.68</u>  | <u>41,284.94</u> | <u>33,835.38</u> |
| <i>Detail:</i>   |                   |                                  |                    |                  |                  |
| Salaries and wages                                       | 246,235.00        | 235,336.00                       | 233,567.30         | 0.00             | 1,768.70         |
| Other expenses   | 468,855.00        | 480,504.00                       | 407,152.38         | 41,284.94        | 32,066.68        |
| Deferred charges and statutory expenditures:             |                   |                                  |                    |                  |                  |
| Contribution to:   |                   |                                  |                    |                  |                  |
| Public employees' retirement system                      | 28,934.00         | 28,934.00                        | 28,934.00          | 0.00             | 0.00             |
| Social security system                                   | 21,000.00         | 21,000.00                        | 18,841.94          | 0.00             | 2,158.06         |
| Total deferred charges and statutory expenditures        | <u>49,934.00</u>  | <u>49,934.00</u>                 | <u>47,775.94</u>   | <u>0.00</u>      | <u>2,158.06</u>  |
| Cash deficit of preceding year                           | <u>31,487.70</u>  | <u>31,487.70</u>                 | <u>31,487.70</u>   | <u>0.00</u>      | <u>0.00</u>      |
| Total appropriations for municipal purposes within "CAP" | <u>796,511.70</u> | <u>797,261.70</u>                | <u>719,983.32</u>  | <u>41,284.94</u> | <u>35,993.44</u> |

**TOWNSHIP OF OLDMANS  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2012**

|  | Appropriations   |                                  | Expended           |                  |                 |
|--|------------------|----------------------------------|--------------------|------------------|-----------------|
|  | Budget           | Budget<br>After<br>Modifications | Paid Or<br>Charged | Encumbrances     | Reserved        |
| <b><u>OPERATIONS EXCLUDED FROM "CAP"</u></b>   |                  |                                  |                    |                  |                 |
| Aid to library   | \$ 650.00        | \$ 650.00                        | \$ 150.00          | \$ 0.00          | \$ 500.00       |
| Emergency services volunteer length of<br>service award program (LOSAP)              | 16,000.00        | 16,000.00                        | 0.00               | 16,000.00        | 0.00            |
| COAH fair share plan:<br>Other expenses  | 2,500.00         | 2,500.00                         | 0.00               | 475.00           | 2,025.00        |
| Interlocal municipal service agreements:<br>Municipal court - Carneys Point Township | 25,000.00        | 25,000.00                        | 17,228.79          | 6,771.21         | 1,000.00        |
| Public and private programs offset by revenues:                                      |                  |                                  |                    |                  |                 |
| NJDEP - clean communities grant  | 4,000.00         | 4,000.00                         | 4,000.00           | 0.00             | 0.00            |
| Municipal alliance on alcohol and drug abuse   | 4,074.33         | 4,074.33                         | 4,074.33           | 0.00             | 0.00            |
| Reserve for municipal drug alliance  | 1,335.00         | 1,335.00                         | 1,335.00           | 0.00             | 0.00            |
| Recycling tonnage grant  | 16,975.67        | 16,975.67                        | 16,975.67          | 0.00             | 0.00            |
| Total operations excluded from "CAP"   | <u>70,535.00</u> | <u>70,535.00</u>                 | <u>43,763.79</u>   | <u>23,246.21</u> | <u>3,525.00</u> |
| <i>Detail:</i>   |                  |                                  |                    |                  |                 |
| Salaries and wages   | 0.00             | 0.00                             | 0.00               | 0.00             | 0.00            |
| Other expenses   | <u>70,535.00</u> | <u>70,535.00</u>                 | <u>43,763.79</u>   | <u>23,246.21</u> | <u>3,525.00</u> |
| <b><u>CAPITAL IMPROVEMENTS</u></b>   |                  |                                  |                    |                  |                 |
| Capital improvement fund   | 25,000.00        | 25,000.00                        | 25,000.00          | 0.00             | 0.00            |
| Reserve for purchase of emergency equipment  | 10,000.00        | 10,000.00                        | 10,000.00          | 0.00             | 0.00            |
| Reserve for purchase of computers  | 5,000.00         | 5,000.00                         | 5,000.00           | 0.00             | 0.00            |
| Total capital improvements   | <u>40,000.00</u> | <u>40,000.00</u>                 | <u>40,000.00</u>   | <u>0.00</u>      | <u>0.00</u>     |

TOWNSHIP OF OLDMANS  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2012

|  | Appropriations         |                                  | Expended               |                     |                     |
|--|------------------------|----------------------------------|------------------------|---------------------|---------------------|
|  | Budget                 | Budget<br>After<br>Modifications | Paid Or<br>Charged     | Encumbrances        | Reserved            |
| <u>DEFERRED CHARGES</u>  |                        |                                  |                        |                     |                     |
| Deferred charges:  |                        |                                  |                        |                     |                     |
| Special emergency authorization - 5 years                          | \$ 22,373.06           | \$ 22,373.06                     | \$ 22,373.06           | \$ 0.00             | \$ 0.00             |
| Deferred charges to future taxation - unfunded                     | 13,000.00              | 13,000.00                        | 13,000.00              | 0.00                | 0.00                |
| Total deferred charges   | <u>35,373.06</u>       | <u>35,373.06</u>                 | <u>35,373.06</u>       | <u>0.00</u>         | <u>0.00</u>         |
| Total appropriations for municipal purposes<br>excluded from "CAP" | <u>145,908.06</u>      | <u>145,908.06</u>                | <u>119,136.85</u>      | <u>23,246.21</u>    | <u>3,525.00</u>     |
| -16- Subtotal general appropriations                               | 942,419.76             | 943,169.76                       | 839,120.17             | 64,531.15           | 39,518.44           |
| Reserve for uncollected taxes                                      | <u>256,287.87</u>      | <u>256,287.87</u>                | <u>256,287.87</u>      | <u>0.00</u>         | <u>0.00</u>         |
| Total general appropriations                                       | <u>\$ 1,198,707.63</u> | <u>\$ 1,199,457.63</u>           | <u>\$ 1,095,408.04</u> | <u>\$ 64,531.15</u> | <u>\$ 39,518.44</u> |
| Ref.   | A-2                    |                                  | A-3                    | A                   | A                   |
| Adopted budget   |                        | \$ 1,198,707.63                  |                        |                     |                     |
| Appropriation by 40A:4-87  |                        | <u>750.00</u>                    |                        |                     |                     |
|  |                        | <u>\$ 1,199,457.63</u>           |                        |                     |                     |

**TOWNSHIP OF OLDMANS  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
For the Year Ended December 31, 2012**

|  | <u>Ref.</u> |                        |
|--|-------------|------------------------|
| Paid or charged:                               |             |                        |
| Federal and state grants                       | A-12        | \$ 26,385.00           |
| Due payroll                                    |             | (339.82)               |
| Cash deficit of preceding year                 | A           | 31,487.70              |
| Deferred charges:                              |             |                        |
| Special emergency authorization - 5 years      | A           | 22,373.06              |
| Deferred charges to future taxation - unfunded | C           | 13,000.00              |
| Reserve for uncollected taxes                  | A-3         | 256,287.87             |
| Cash disbursed                                 | A-4         | <u>746,214.23</u>      |
|  | A-3         | <u>\$ 1,095,408.04</u> |

**TRUST FUND**

**TOWNSHIP OF OLDMANS  
TRUST FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2012 and 2011**

|                                      |      | Balance<br>December<br>31, 2012 | Balance<br>December<br>31, 2011 |  |      | Balance<br>December<br>31, 2012 | Balance<br>December<br>31, 2011 |
|--------------------------------------|------|---------------------------------|---------------------------------|--|------|---------------------------------|---------------------------------|
| <u>ASSETS</u>                        | Ref. |                                 |                                 | <u>LIABILITIES, RESERVES, AND FUND<br/>BALANCE</u> | Ref. |                                 |                                 |
| Dog license fund:                    |      |                                 |                                 | Dog license fund:                                  |      |                                 |                                 |
| Cash - chief financial officer       | B-1  | \$ 5,444.40                     | \$ 1,217.95                     | Amount due to current fund                         | A    | \$ 0.00                         | \$ 0.04                         |
| Change fund                          |      | 50.00                           | 50.00                           | Accounts payable                                   | B-2  | 1,085.97                        | 0.00                            |
| Amount due from current fund         |      | <u>0.17</u>                     | <u>0.00</u>                     | Reserve for dog fund expenditures                  | B-2  | <u>4,408.60</u>                 | <u>1,267.91</u>                 |
|                                      |      | <u>5,494.57</u>                 | <u>1,267.95</u>                 |  |      | <u>5,494.57</u>                 | <u>1,267.95</u>                 |
| Other trust funds:                   |      |                                 |                                 | Other trust funds:                                 |      |                                 |                                 |
| Cash - chief financial officer       | B-1  | 412,451.87                      | 355,885.05                      | Amount due to current fund                         | A    | 9,172.98                        | 9,379.65                        |
| Amount due from current fund         |      | 17.00                           | 15.00                           | Accounts payable                                   |      | 16,487.30                       | 0.00                            |
| Amount due from State of New Jersey  |      | 372,931.35                      | 372,931.35                      | Reserve for  |      |                                 |                                 |
| Loans receivable - Energy Freedom    |      | 968,558.00                      | 968,558.00                      | Landfill closure escrow                            |      | 92,871.82                       | 92,558.13                       |
| Interest receivable - Energy Freedom |      | <u>229,063.25</u>               | <u>160,134.23</u>               | Camp Pedricktown                                   |      | 1,277,132.52                    | 1,231,168.40                    |
|                                      |      | <u>1,983,021.47</u>             | <u>1,857,523.63</u>             | Affordable housing - COAH                          |      | 472,334.12                      | 439,841.95                      |
|                                      |      |                                 |                                 | Recreation   |      | 10,001.03                       | 0.00                            |
|                                      |      |                                 |                                 | Revolving loan account                             |      | 37,225.06                       | 19,725.06                       |
|                                      |      |                                 |                                 | P.O.A.A.   |      | 17.00                           | 15.00                           |
|                                      |      |                                 |                                 | Tax title lien redemption                          | B-3  | 18,949.09                       | 0.00                            |
|                                      |      |                                 |                                 | Zoning escrow fees                                 |      | <u>48,830.55</u>                | <u>64,835.44</u>                |
|                                      |      |                                 |                                 |  |      | <u>1,983,021.47</u>             | <u>1,857,523.63</u>             |
| Total all funds                      |      | <u>\$ 1,988,516.04</u>          | <u>\$ 1,858,791.58</u>          | Total all funds                                    |      | <u>\$ 1,988,516.04</u>          | <u>\$ 1,858,791.58</u>          |

**GENERAL CAPITAL FUND**

**TOWNSHIP OF OLDMANS  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2012 and 2011**

|   | Ref. | Balance<br>December<br>31, 2012 | Balance<br>December<br>31, 2011 |
|---|------|---------------------------------|---------------------------------|
| <b><u>ASSETS</u></b>  |      |                                 |                                 |
| Cash - chief financial officer                                | C-2  | \$ 482,573.37                   | \$ 614,766.82                   |
| Due from State of New Jersey                                  |      | 16,942.89                       | 35,500.00                       |
| Due from Oldmans Township School District                     |      | 728.02                          | 7,500.00                        |
| Due from current fund   | A    | 13,017.03                       | 0.00                            |
| Deferred charges to future taxation - unfunded                | C-4  | 1,600,000.00                    | 1,600,000.00                    |
|   |      | <u>\$ 2,113,261.31</u>          | <u>\$ 2,257,766.82</u>          |
| <br><b><u>LIABILITIES, RESERVES, AND FUND<br/>BALANCE</u></b> |      |                                 |                                 |
| Capital improvement fund                                      | C-5  | \$ 60,685.60                    | \$ 44,439.72                    |
| Retained percentages due contractors                          |      | 37,835.94                       | 0.00                            |
| Contracts payable   |      | 77,867.22                       | 1,551,991.00                    |
| Due to current fund   | A    | 0.00                            | 120,966.41                      |
| Bond anticipation notes payable                               | C-8  | 1,600,000.00                    | 0.00                            |
| Improvement authorizations:                                   |      |                                 |                                 |
| Funded  | C-6  | 49,166.89                       | 45,702.86                       |
| Unfunded  | C-6  | 59,419.96                       | 248,009.00                      |
| Reserve for various capital improvements                      | C-7  | 158,262.38                      | 164,634.51                      |
| Reserve for debt service                                      | A-3  | 13,000.00                       | 0.00                            |
| Fund balance  | C-1  | 57,023.32                       | 82,023.32                       |
|   |      | <u>\$ 2,113,261.31</u>          | <u>\$ 2,257,766.82</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, 2012**

|   | <u>Ref.</u> |                            |
|---|-------------|----------------------------|
| Balance - December 31, 2011                       | C           | \$ 82,023.32               |
| Decreased by:                                     |             |                            |
| Appropriated to finance improvement authorization | C-6         | <u>25,000.00</u>           |
| Balance - December 31, 2012                       | C           | <u><u>\$ 57,023.32</u></u> |

See Accompanying Notes to the Financial Statements

**WATER UTILITY FUND**

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2012 and 2011**

|   |      | Balance<br>December<br>31, 2012 | Balance<br>December<br>31, 2011 |  |          | Balance<br>December<br>31, 2012 | Balance<br>December<br>31, 2011 |
|---|------|---------------------------------|---------------------------------|--|----------|---------------------------------|---------------------------------|
| <u>ASSETS</u>                               | Ref. |                                 |                                 | <u>LIABILITIES, RESERVES, AND FUND<br/>BALANCE</u> | Ref.     |                                 |                                 |
| Operating fund:                             |      |                                 |                                 | Operating fund:                                    |          |                                 |                                 |
| Cash  | D-5  | \$ 16,457.40                    | \$ 20,355.08                    | Appropriation reserves                             | D-4;D-10 | \$ 248.91                       | \$ 1,578.58                     |
|   |      | 16,457.40                       | 20,355.08                       | Accounts payable                                   |          |                                 |                                 |
|   |      |                                 |                                 | Current year                                       | D-4;D-10 | 88.83                           | 263.00                          |
| Receivables with full reserves:             |      |                                 |                                 | Prior year   | D-1      | 0.00                            | 430.00                          |
| Consumer accounts receivable                | D-7  | 3,737.48                        | 3,084.41                        | Due to utility capital fund                        | D        | 3,000.63                        | 2,999.56                        |
|   | D    | 3,737.48                        | 3,084.41                        |  |          | 3,338.37                        | 5,271.14                        |
|   |      |                                 |                                 | Reserve for receivables                            | D        | 3,737.48                        | 3,084.41                        |
| Total operating fund                        |      | 20,194.88                       | 23,439.49                       | Fund balance                                       | D-1      | 13,119.01                       | 15,083.94                       |
| Capital fund:                               |      |                                 |                                 |  |          | 20,194.86                       | 23,439.49                       |
| Cash  | D-5  | 29,880.09                       | 23,306.38                       | Total operating fund                               |          |                                 |                                 |
| Due utility operating fund                  | D    | 3,000.63                        | 2,999.56                        | Capital fund:                                      |          |                                 |                                 |
| Fixed capital                               | D-8  | 244,034.90                      | 244,034.90                      | Improvement authorization:                         |          |                                 |                                 |
| Fixed capital authorized and<br>uncompleted | D-9  | 10,000.00                       | 6,000.00                        | Funded   | D-11     | 6,825.20                        | 2,825.20                        |
| Total capital fund                          |      | 286,915.62                      | 276,340.84                      | Reserves for:                                      |          |                                 |                                 |
|   |      |                                 |                                 | Capital improvements to water system               |          | 12,615.78                       | 15,041.00                       |
|   |      |                                 |                                 | Amortization                                       |          | 241,140.90                      | 238,140.90                      |
|   |      |                                 |                                 | Deferred amortization                              | D-12     | 10,000.00                       | 6,000.00                        |
|   |      |                                 |                                 | Capital improvement fund                           | D-12     | 9,000.00                        | 7,000.00                        |
|   |      |                                 |                                 | Fund balance                                       | D-2      | 7,333.74                        | 7,333.74                        |
|   |      |                                 |                                 | Total capital fund                                 |          | 286,915.62                      | 276,340.84                      |
|   |      | \$ 307,110.50                   | \$ 299,780.33                   |  |          | \$ 307,110.48                   | \$ 299,780.33                   |

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGES IN OPERATING FUND BALANCE  
REGULATORY BASIS  
For the Years Ended December 31, 2012 and 2011**

|   | Ref. | Year 2012    | Year 2011    |
|---|------|--------------|--------------|
| Revenue and other income realized:          |      |              |              |
| Fund balance appropriated                   | D-3  | \$ 6,000.00  | \$ 11,000.00 |
| Rents                                       | D-3  | 18,473.13    | 16,065.96    |
| Miscellaneous revenue anticipated           | D-3  | 7,200.00     | 8,000.00     |
| Miscellaneous revenue not anticipated       | D-3  | 286.87       | 182.17       |
| Other credits to income:                    |      |              |              |
| Appropriation reserves lapsed               | D-10 | 1,645.07     | 6,299.74     |
| Accounts payables canceled                  | D-10 | 430.00       | 0.00         |
| Total income                                |      | 34,035.07    | 41,547.87    |
| Expenditures:                               |      |              |              |
| Budget appropriations:                      |      |              |              |
| Operations                                  | D-4  | 19,200.00    | 19,200.00    |
| Capital improvements                        | D-4  | 7,000.00     | 9,000.00     |
| Deferred charges and statutory expenditures | D-4  | 3,800.00     | 9,800.00     |
| Total expenditures                          |      | 30,000.00    | 38,000.00    |
| Statutory excess to fund balance            |      | 4,035.07     | 3,547.87     |
| <b><u>FUND BALANCE</u></b>                  |      |              |              |
| Balance - January 1                         | D    | 15,083.94    | 22,536.07    |
| Decreased by:                               |      |              |              |
| Utilization by operating budget             | D-1  | 6,000.00     | 11,000.00    |
| Balance - December 31                       | D    | \$ 13,119.01 | \$ 15,083.94 |

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, 2012**

|                             | <u>Ref.</u> |                    |
|-----------------------------|-------------|--------------------|
| Balance - December 31, 2011 | D           | \$ <u>7,333.74</u> |
| Balance - December 31, 2012 | D           | \$ <u>7,333.74</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, 2012**

|  | Ref. | Anticipated<br>Budget | Realized            | Excess or<br>(Deficit) |
|--|------|-----------------------|---------------------|------------------------|
| Fund balance appropriated                    | D-1  | \$ 6,000.00           | \$ 6,000.00         | \$ 0.00                |
| Rents  | D-1  | 16,000.00             | 18,473.13           | 2,473.13               |
| Fire hydrant service                         | D-5  | 8,000.00              | 7,200.00            | (800.00)               |
|  |      | <u>30,000.00</u>      | <u>31,673.13</u>    | <u>1,673.13</u>        |
| Non-budget revenues                          | D-1  | 0.00                  | 286.87              | 286.87                 |
|  | D-4  | <u>\$ 30,000.00</u>   | <u>\$ 31,960.00</u> | <u>\$ 1,960.00</u>     |
| Analysis of realized revenues - rents:       |      |                       |                     |                        |
| Consumer accounts receivable                 | D-7  |                       |                     | <u>\$ 18,473.13</u>    |
| Total rents                                  | D-1  |                       |                     | <u>\$ 18,473.13</u>    |
| Non-budget revenues:                         |      |                       |                     |                        |
| Interest and costs on delinquent<br>accounts | D-5  |                       |                     | \$ 140.90              |
| Turn off charges                             | D-5  |                       |                     | 50.00                  |
| Interest earned on investments:              |      |                       |                     |                        |
| Operating fund                               | D-5  |                       | \$ 37.17            |                        |
| Capital fund                                 | D-5  |                       | 58.80               | 95.97                  |
| Total miscellaneous                          | D-1  |                       |                     | <u>\$ 286.87</u>       |

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2012**

|  | Appropriations      |                                  | Expended            |                  |
|--|---------------------|----------------------------------|---------------------|------------------|
|  | Budget              | Budget<br>After<br>Modifications | Paid Or<br>Charged  | Reserved         |
| Operating:   |                     |                                  |                     |                  |
| Salaries and wages                                   | \$ 8,900.00         | \$ 8,900.00                      | \$ 8,814.96         | \$ 85.04         |
| Other expenses                                       | 10,300.00           | 10,300.00                        | 10,182.32           | 117.68           |
| Total operating                                      | <u>19,200.00</u>    | <u>19,200.00</u>                 | <u>18,997.28</u>    | <u>202.72</u>    |
| Capital improvements:                                |                     |                                  |                     |                  |
| Capital improvement fund                             | 2,000.00            | 2,000.00                         | 2,000.00            | 0.00             |
| Capital outlay                                       | 5,000.00            | 5,000.00                         | 5,000.00            | 0.00             |
| Total capital improvements                           | <u>7,000.00</u>     | <u>7,000.00</u>                  | <u>7,000.00</u>     | <u>0.00</u>      |
| Deferred charges:                                    |                     |                                  |                     |                  |
| Deferred charges to future<br>taxation - unfunded    | 3,000.00            | 3,000.00                         | 3,000.00            | 0.00             |
| Statutory expenditures:                              |                     |                                  |                     |                  |
| Contribution to:                                     |                     |                                  |                     |                  |
| Social security system                               | 700.00              | 700.00                           | 674.40              | 25.60            |
| Unemployment insurance                               | 100.00              | 100.00                           | 79.41               | 20.59            |
| Total deferred charges and<br>statutory expenditures | <u>3,800.00</u>     | <u>3,800.00</u>                  | <u>3,753.81</u>     | <u>46.19</u>     |
|  | <u>\$ 30,000.00</u> | <u>\$ 30,000.00</u>              | <u>\$ 29,751.09</u> | <u>\$ 248.91</u> |
| Ref.   | D-3                 | D-3                              |                     | D                |
|  |                     | Ref.                             |                     |                  |
| Cash disbursed                                       |                     | D-5                              | \$ 23,087.46        |                  |
| Accounts payable                                     |                     | D                                | 88.85               |                  |
| Due to utility capital fund                          |                     |                                  |                     |                  |
| Due to utility capital fund                          |                     |                                  |                     |                  |
| Capital improvement fund                             |                     | D-12                             | 2,000.00            |                  |
| Reserve for capital improvement<br>to water system   |                     | D                                | 1,574.78            |                  |
| Deferred charges to<br>future taxation - unfunded    |                     | D                                | <u>3,000.00</u>     |                  |
|  |                     |                                  | <u>\$ 29,751.09</u> |                  |

See Accompanying Notes to the Financial Statements

**PUBLIC ASSISTANCE TRUST FUND**

**TOWNSHIP OF OLDMANS  
PUBLIC ASSISTANCE TRUST FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2012 and 2011**

|  | <u>Ref.</u> | <u>Balance<br/>December<br/>31, 2012</u> | <u>Balance<br/>December<br/>31, 2011</u> |
|--|-------------|--|--|
| <b><u>ASSETS</u></b>                       |             |  |  |
| Cash - chief financial officer             | E-1         | \$ 12,457.64                             | \$ 12,457.86                             |
| Due from current fund                      | A           | <u>66.90</u>                             | <u>36.90</u>                             |
|  |             | <u>\$ 12,524.54</u>                      | <u>\$ 12,494.76</u>                      |
| <br><b><u>LIABILITIES AND RESERVES</u></b> |             |  |  |
| Reserve for public assistance              |             | <u>\$ 12,524.54</u>                      | <u>\$ 12,494.76</u>                      |
|  |             | <u>\$ 12,524.54</u>                      | <u>\$ 12,494.76</u>                      |

See Accompanying Notes to the Financial Statements

## **PAYROLL ACCOUNT**

**TOWNSHIP OF OLDMANS  
PAYROLL ACCOUNT  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2012 and 2011**

|  | <u>Ref.</u> | <u>Balance<br/>December<br/>31, 2012</u> | <u>Balance<br/>December<br/>31, 2011</u> |
|--|-------------|--|--|
| <b><u>ASSETS</u></b>                   |             |  |  |
| Cash - chief financial officer         | F-1         | \$ 5,690.61                              | \$ 847.87                                |
|  |             | <u>\$ 5,690.61</u>                       | <u>\$ 847.87</u>                         |
| <b><u>LIABILITIES AND RESERVES</u></b> |             |  |  |
| Payroll taxes payable                  | F-2         | \$ 5,304.30                              | \$ 169.70                                |
| Due current fund                       | A           | 386.31                                   | 678.17                                   |
|  |             | <u>\$ 5,690.61</u>                       | <u>\$ 847.87</u>                         |

See Accompanying Notes to the Financial Statements

**GENERAL FIXED ASSETS**

**TOWNSHIP OF OLDMANS  
GENERAL FIXED ASSETS  
STATEMENT OF GENERAL FIXED ASSETS  
REGULATORY BASIS  
At December 31, 2012 and 2011**

|                                     | <u>2012</u>            | <u>2011</u>            |
|-------------------------------------|------------------------|------------------------|
| General fixed assets:               |                        |                        |
| Land                                | \$ 235,300.00          | \$ 211,300.00          |
| Buildings                           | 2,167,854.06           | 635,700.00             |
| Equipment                           | 2,595,960.75           | 2,464,266.91           |
| Total general fixed assets          | <u>4,999,114.81</u>    | <u>3,311,266.91</u>    |
| Investments in general fixed assets | <u>\$ 4,999,114.81</u> | <u>\$ 3,311,266.91</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, 2012**

**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.

**Public Assistance Trust Fund** - receipt and disbursement of funds that provides assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

**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, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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.

**NOTE 2 - INVESTMENTS**

As of December 31, 2012 and 2011, 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.

**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, 2012, the Township's bank balances were exposed to custodial credit risk as follows:

|   |                        |
|---|------------------------|
| Insurance   | \$ 554,215.78          |
| Uninsured and collateralized with securities held by<br>pledging financial institutions (GUDPA) | <u>1,733,450.34</u>    |
| -33-  | <u>\$ 2,287,666.12</u> |

TOWNSHIP OF OLDMANS  
COUNTY OF SALEM  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2012

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2012:

| Due From             | Due To             |                              |                           |                   |                      |                    |                              | Total Due From      |
|----------------------|--------------------|------------------------------|---------------------------|-------------------|----------------------|--------------------|------------------------------|---------------------|
|                      | Current Fund       | Federal and State Grant Fund | Animal Control Trust Fund | Other Trust Funds | General Capital Fund | Water Capital Fund | Public Assistance Trust Fund |                     |
| Current fund         | \$ 0.00            | \$ 59,542.37                 | \$ 0.17                   | \$ 17.00          | \$ 13,017.03         | \$ 0.00            | \$ 66.90                     | \$ 72,643.47        |
| Other trust fund     | 9,172.98           | 0.00                         | 0.00                      | 0.00              | 0.00                 | 0.00               | 0.00                         | 9,172.98            |
| Water operating fund | 0.00               | 0.00                         | 0.00                      | 0.00              | 0.00                 | 3,000.63           | 0.00                         | 3,000.63            |
| Payroll account      | 386.31             | 0.00                         | 0.00                      | 0.00              | 0.00                 | 0.00               | 0.00                         | 386.31              |
| <b>Total due to</b>  | <u>\$ 9,559.29</u> | <u>\$ 59,542.37</u>          | <u>\$ 0.17</u>            | <u>\$ 17.00</u>   | <u>\$ 13,017.03</u>  | <u>\$ 3,000.63</u> | <u>\$ 66.90</u>              | <u>\$ 85,203.39</u> |

Most grants are on a reimbursement basis. The interfund with the grant fund is the result of expenditures prior to year end that were not reimbursed. 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 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 public assistance interest earnings were mistransferred to the current fund for this year only. 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, 2012**

**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**

|                                  | <u>2012</u>     | <u>2011</u>     | <u>2010</u>     |
|----------------------------------|-----------------|-----------------|-----------------|
| Total Tax Rate                   | <u>\$ 2.382</u> | <u>\$ 2.357</u> | <u>\$ 2.232</u> |
| Apportionate of Tax Rate:        |                 |                 |                 |
| Municipal                        | \$ 0.153        | \$ 0.139        | \$ 0.140        |
| County                           | 0.990           | 0.962           | 0.808           |
| Local school                     | 1.217           | 1.233           | 1.265           |
| Farmland preservation/open space | 0.022           | 0.023           | 0.019           |

**Assessed Valuation:**

|      |                   |                   |                   |
|------|-------------------|-------------------|-------------------|
| 2012 | \$ 207,735,183.00 |                   |                   |
| 2011 |                   | \$ 210,029,307.00 |                   |
| 2010 |                   |                   | \$ 211,630,340.00 |

**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.

| <u>Year</u> | <u>Tax Levy</u> | <u>Currently</u>        |                                 |
|-------------|-----------------|-------------------------|---------------------------------|
|             |                 | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
| 2012        | \$ 5,052,445.91 | \$ 4,845,094.40         | 95.89%                          |
| 2011        | \$ 5,037,503.66 | \$ 4,782,657.25         | 94.94%                          |
| 2010        | \$ 4,733,988.59 | \$ 4,544,450.12         | 95.99%                          |

**Delinquent Taxes and Tax Title Liens**

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

| <u>December 31,<br/>Year</u> | <u>Amount<br/>Of Tax<br/>Title Liens</u> | <u>Amount Of<br/>Delinquent<br/>Taxes</u> | <u>Total<br/>Delinquent</u> | <u>Percentage<br/>Of Tax Levy</u> |
|------------------------------|--|---|-----------------------------|-----------------------------------|
| 2012                         | \$ 292,503.43                            | \$ 281,364.02                             | \$ 573,867.45               | 11.35%                            |
| 2011                         | \$ 301,614.74                            | \$ 297,700.21                             | \$ 599,314.95               | 11.89%                            |
| 2010                         | \$ 288,362.85                            | \$ 174,014.89                             | \$ 462,377.74               | 9.76%                             |

**TOWNSHIP OF OLDMANS  
COUNTY OF SALEM  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**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> |
|-------------|---------------|
| 2012        | \$ 24,100.00  |
| 2011        | \$ 24,100.00  |
| 2010        | \$ 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>  |
|-------------|--------------|
| 2012        | \$ 19,126.20 |
| 2011        | \$ 16,557.79 |
| 2010        | \$ 19,258.91 |

**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<br/>Budget Of<br/>Succeeding<br/>Year</u> |
|----------------------------|--------------------|--|
| <b>Current Fund:</b>       |                    |  |
| 2012                       | \$ 917,516.72      | \$ 228,500.00  |
| 2011                       | \$ 436,301.05      | \$ 176,747.90  |
| 2010                       | \$ 551,861.25      | \$ 115,560.20  |
| 2009                       | \$ 572,874.99      | \$ 237,894.00  |
| 2008                       | \$ 692,075.21      | \$ 284,725.00  |
| <b>Water Utility Fund:</b> |                    |  |
| 2012                       | \$ 13,119.01       | \$ 5,200.00  |
| 2011                       | \$ 15,083.94       | \$ 6,000.00  |
| 2010                       | \$ 22,536.07       | \$ 11,000.00   |
| 2009                       | \$ 24,659.43       | \$ 4,425.00  |
| 2008                       | \$ 24,441.74       | \$ 3,800.00  |

**TOWNSHIP OF OLDMANS  
COUNTY OF SALEM  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2012**

**NOTE 8 - TAXES COLLECTED IN ADVANCE**

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

|               | <u>Balance<br/>December<br/>31, 2012</u> | <u>Balance<br/>December<br/>31, 2011</u> |
|---------------|--|--|
| Prepaid Taxes | \$ <u>48,665.77</u>                      | \$ <u>59,098.85</u>                      |

**NOTE 9 - LONG-TERM DEBT**

There is no long-term debt and thus, as of December 31, 2012, there was no debt service requirements on long-term debt in future years.

**Summary of Municipal Debt**

During the calendar year 2012, the following changes occurred in the municipal debt of the Township:

|  | <u>2012</u>            | <u>2011</u>            |
|--|------------------------|------------------------|
| Bonds and notes issued:                    |                        |                        |
| General Capital Fund                       | \$ 1,600,000.00        | \$ -                   |
| Bonds and notes authorized but not issued: |                        |                        |
| General Capital Fund                       | -                      | 1,600,000.00           |
| Water Capital Fund                         | <u>2,894.00</u>        | <u>5,894.00</u>        |
|  | <u>\$ 1,602,894.00</u> | <u>\$ 1,605,894.00</u> |

**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 \$1,600,000.00.

|                            | <u>Gross Debt</u>      | <u>Deduction</u>       | <u>Net Debt</u>        |
|----------------------------|------------------------|------------------------|------------------------|
| General debt               | \$ 1,600,000.00        | \$ -                   | \$ 1,600,000.00        |
| Local school district debt | 1,385,000.00           | 1,385,000.00           | -                      |
| Self-liquidating debt      | <u>2,894.00</u>        | <u>2,894.00</u>        | <u>-.</u>              |
|                            | <u>\$ 2,987,894.00</u> | <u>\$ 1,387,894.00</u> | <u>\$ 1,600,000.00</u> |

Net Debt \$1,600,000.00 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, \$220,245,738.33 = .726%.

**TOWNSHIP OF OLDMANS  
COUNTY OF SALEM  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2012**

**NOTE 9 - LONG-TERM DEBT (Concluded)**

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

|   |                        |
|---|------------------------|
| 3 1/2% of equalized valuation basis (municipal) | \$ 7,708,600.84        |
| Net debt  | <u>1,600,000.00</u>    |
| Remaining borrowing power                       | <u>\$ 6,108,600.84</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 |                 | \$ 25,960.00       |
| Deductions:  |                 |                    |
| Operating and maintenance cost   | \$ 20,000.00    |                    |
| Debt service per utility account   | <u>3,000.00</u> |                    |
| Total deductions   |                 | <u>23,000.00</u>   |
| Excess in revenue  |                 | <u>\$ 2,960.00</u> |

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

**NOTE 10 - BOND ANTICIPATION NOTES**

The Township has outstanding at December 31, 2012 and 2011, bond anticipation notes in the general capital fund in the amount of \$1,600,000.00 and \$0.00, respectively. The December 31, 2012 amount payable to Pennsville National Bank is \$1,600,000.00, bears an interest rate of .73% and matures on May 14, 2013. These funds were for the construction of the new municipal complex.

**NOTE 11 - PENSION FUNDS**

**Description of Plans**

Substantially all of the Township's employees are covered by the Public Employees' Retirement System cost-sharing multiple-employer defined benefit pension plan which has been established by State Statute and is administered by the New Jersey Division of Pensions and Benefits (Division).

According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirements System. This report may be obtained by writing to the Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

**TOWNSHIP OF OLDMANS  
COUNTY OF SALEM  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2012**

**NOTE 11 - PENSION FUNDS (Concluded)**

*Public Employees' Retirement System*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A and 43:3B to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

*Funding Policy*

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011 the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability.

The Township's contributions to the PERS, equal to the required contribution for each fiscal year, were as follows:

| Year | Normal<br>Contribution | Accrued<br>Liability | Non-<br>Contributory<br>Life |
|------|------------------------|----------------------|------------------------------|
| 2012 | \$ 9,067.00            | \$ 18,134.00         | \$ 1,733.00                  |
| 2011 | 10,840.00              | 17,272.00            | 2,135.00                     |
| 2010 | 8,378.00               | 10,764.00            | 2,655.00                     |
|      | Total<br>Liability     | Paid By<br>Township  |                              |
| 2012 | \$ 28,934.00           | \$ 28,934.00         |                              |
| 2011 | 30,247.00              | 30,247.00            |                              |
| 2010 | 21,797.00              | 21,797.00            |                              |

**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, 2012, 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, 2012**

**NOTE 13 - GENERAL FIXED ASSETS**

General fixed asset activity for the years ended December 31, 2012 and 2011 was as follows:

|           | Balance<br>December<br>31, 2011 | Additions              | Disposals/<br>Adjustments | Balance<br>December<br>31, 2012 |
|-----------|---------------------------------|------------------------|---------------------------|---------------------------------|
| Land      | \$ 211,300.00                   | \$ 24,000.00           | \$ 0.00                   | \$ 235,300.00                   |
| Buildings | 635,700.00                      | 1,532,154.06           | 0.00                      | 2,167,854.06                    |
| Equipment | 2,464,266.91                    | 131,693.84             | 0.00                      | 2,595,960.75                    |
|           | <u>\$ 3,311,266.91</u>          | <u>\$ 1,687,847.90</u> | <u>\$ 0.00</u>            | <u>\$ 4,999,114.81</u>          |

|           | Adjusted<br>Balance<br>December<br>31, 2010 | Additions           | Disposals/<br>Adjustments | Balance<br>December<br>31, 2011 |
|-----------|---|---------------------|---------------------------|---------------------------------|
| Land      | \$ 209,400.00                               | \$ 8,500.00         | \$ 6,600.00               | \$ 211,300.00                   |
| Buildings | 635,700.00                                  | 0.00                | 0.00                      | 635,700.00                      |
| Equipment | 2,414,041.91                                | 50,225.00           | 0.00                      | 2,464,266.91                    |
|           | <u>\$ 3,259,141.91</u>                      | <u>\$ 58,725.00</u> | <u>\$ 6,600.00</u>        | <u>\$ 3,311,266.91</u>          |

Water utility plant and equipment for the years ended December 31, 2012 and 2011 was as follows:

|  | Balance<br>December<br>31, 2011 | Additions      | Disposals/<br>Adjustments | Balance<br>December<br>31, 2012 |
|--|---------------------------------|----------------|---------------------------|---------------------------------|
| Repairs to wells                       | \$ 21,644.00                    | \$ 0.00        | \$ 0.00                   | \$ 21,644.00                    |
| Transmission and<br>distribution mains | 222,390.90                      | 0.00           | 0.00                      | 222,390.90                      |
|  | <u>\$ 244,034.90</u>            | <u>\$ 0.00</u> | <u>\$ 0.00</u>            | <u>\$ 244,034.90</u>            |

|  | Balance<br>December<br>31, 2010 | Additions      | Disposals/<br>Adjustments | Balance<br>December<br>31, 2011 |
|--|---------------------------------|----------------|---------------------------|---------------------------------|
| Repairs to wells                       | \$ 21,644.00                    | \$ 0.00        | \$ 0.00                   | \$ 21,644.00                    |
| Transmission and<br>distribution mains | 222,390.90                      | 0.00           | 0.00                      | 222,390.90                      |
|  | <u>\$ 244,034.90</u>            | <u>\$ 0.00</u> | <u>\$ 0.00</u>            | <u>\$ 244,034.90</u>            |

**TOWNSHIP OF OLDMANS  
COUNTY OF SALEM  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2012**

**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, 2012, the following deferred charges are shown on the balance sheets of the various funds:

|                                   | Balance<br>December<br>31, 2012 | 2013<br>Budget | Balance To<br>Succeeding<br>Budgets |
|-----------------------------------|---------------------------------|----------------|-------------------------------------|
| Current Fund:                     |                                 |                |                                     |
| Special emergency appropriations: |                                 |                |                                     |
| Cash deficit                      | \$ 468.86                       | \$ 468.86      | \$ -                                |
| Revaluation                       | \$ 14,373.06                    | \$ 14,373.06   | \$ -                                |
| Water Utility Fund:               |                                 |                |                                     |
| Ordinance 07-17                   | \$ 2,894.00                     | \$ 2,000.00    | \$ 894.00                           |

The appropriations in the 2013 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, 2012, 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, 2012**

**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 1999, the President signed legislation that provided for the no-cost transfer of real and personal property to local redevelopment authorities. The intent was to further stimulate long-term job creation and economic redevelopment and to alleviate delays from prolonged negotiations over a property's fair market value. The legislation requires local authorities to reinvest proceeds from the use of former military base assets into job generating and economic redevelopment activities at or related to the installations.

The Township, acting as a local redevelopment authority, received the former army base known as Camp Pedricktown, under the no-cost transfer legislation. The governing body was actively seeking a developer to redevelop the property as a commercial/industrial facility. During the period up to and including a portion of 2007, the Township utilized a portion of the property and leased other portions of the facility. In using and leasing the facilities, the Township incurred certain costs, including the operation of a sewer treatment plant. At the end of 2006, the Township had invested funds in the amount of \$57,000.00 to cover operating deficits and the account had a deficit in operations of \$50,801.16. During the year 2007, an additional \$137,000.00 was transferred to the fund. The deficit was raised in the Township's 2007 budget.

On January 10, 2007, the Township entered into an agreement with Energy Freedom Pioneers, Inc. to sell the facility for the sum of \$1,100,000.00. The sale was closed on May 10, 2007. As part of the agreement of sale, the Township agreed to make a redevelopment loan to the developer from the proceeds of the sale. The loan, in the amount of \$975,000.00, was to be paid to the Company as improvements were completed. The loan also requires the payment of interest in the amount 7.00% on the unpaid balance. At December 31, 2012, the Township had made loan payments to Energy Freedom Pioneers, Inc. in the amount of \$968,558.00 and was obligated, by the mortgage agreement, to pay an additional \$6,442.00 upon completion of the related renovations. The developer has made interest payments on the redevelopment loan; however, as of the end of 2012, the developer owes the Township \$229,063.25 of interest accrued but not paid. The Township utilized funds generated by the sale to reimburse the current fund for the amounts advanced to cover the operating deficits.

The developer is in default of the redevelopment loan agreement, due to the fact that interest payments have not been made since October 2008. The Township attempted to reach an agreement with the developer to meet his obligations under the loan agreement. When these efforts failed, the Township filed a foreclosure action on June 14, 2010. A counterclaim has been filed by the current owner of the property.

The Township Solicitor has indicated that a settlement has been proposed whereby the counterclaim against the Township would be dismissed, the defendant (Branchville) or its designee shall submit a proposed redevelopment plan specifying improvements to be made to the property with a time schedule of completion and agreed upon value of each improvement. The balance due the Township would be reduced by the value of each completed improvement. In the event the improvements aren't completed in accordance with the approved time schedule, a judgement of foreclosure would be entered in favor of the Township.

The agreement also calls for the developer to pay the current taxes on the property and to enter into a payment agreement for the delinquent taxes on the property. This portion of the agreement is already in effect and current taxes have been paid.

**TOWNSHIP OF OLDMANS  
COUNTY OF SALEM  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2012**

**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 May 28, 2013, 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, 2012**

|  | Ref.   | Regular Fund    | State and Federal Grant Fund |
|--|--------|-----------------|------------------------------|
| Balance - December 31, 2011                          | A      | \$ 677,828.77   | \$ 9,983.69                  |
| Increased by:  |        |                 |                              |
| Tax collector:                                       |        |                 |                              |
| Taxes receivable                                     | A-5    | \$ 4,959,956.32 | \$ 0.00                      |
| Tax title liens receivable                           | A-6    | 37,569.66       |                              |
| Miscellaneous accounts receivable                    | A-2    | 1,345.14        | 0.00                         |
| Revenue accounts receivable                          | A-7    | 58,239.93       | 0.00                         |
| Taxes collected in advance                           | A      | 48,665.77       | 0.00                         |
| Tax overpayments                                     |        | 6,548.81        | 0.00                         |
| Tax sale premiums                                    |        | 1,500.00        | 0.00                         |
| Interest on investments                              |        | 0.00            | 24.13                        |
| Revenue accounts receivable                          | A-7    | 465,425.14      | 0.00                         |
| JIF safety awards                                    | A-2    | 1,755.00        | 0.00                         |
| PILOT - J.E. Berkowitz                               | A-2    | 136,182.88      | 0.00                         |
| PILOT - Garden State Freezer                         | A-2    | 138,810.52      | 0.00                         |
| State of New Jersey - statutory deduction            |        | 28,500.00       | 0.00                         |
| State of New Jersey - marriage licenses              |        | 275.00          | 0.00                         |
| Amount due dog trust fund                            | B-1    | 13.00           | 0.00                         |
| Amount due other trust funds                         |        | 9,634.50        | 0.00                         |
| Amount due general capital fund                      |        | 212,884.80      | 0.00                         |
| Amount due public assistance trust fund              | E-1    | 30.00           | 0.00                         |
| Amount due payroll                                   |        | 701.85          | 0.00                         |
| Reserve for election workers                         | Contra | 3,200.00        | 0.00                         |
| Reserve for retention basin maintenance              | A      | 60,000.00       | 0.00                         |
| Reserve for monument repair                          |        | 32,852.11       | 0.00                         |
| Reserve for state and federal grants- unappropriated | A-11   | 22,012.98       | 2,415.00                     |
| State grants receivable                              | A-10   | 4,000.00        | 0.00                         |
|  |        | 6,230,103.41    | 2,439.13                     |
|  |        | 6,907,932.18    | 12,422.82                    |
| Decreased by:  |        |                 |                              |
| 2012 budget appropriations                           | A-3    | 746,214.23      | 0.00                         |
| 2011 appropriation reserves                          | A-8    | 54,461.32       | 0.00                         |
| County taxes   | A-5    | 2,101,263.72    | 0.00                         |
| Due county for added taxes                           | A-5    | 49,033.29       | 0.00                         |
| Local district school taxes                          | A-9    | 2,536,444.50    | 0.00                         |
| State of New Jersey - marriage licenses              |        | 300.00          | 0.00                         |
| Refund of tax overpayments                           |        | 4,357.23        | 0.00                         |
| Amount due other trust funds                         |        | 9,340.56        | 0.00                         |
| Amount due general capital fund                      |        | 88,557.11       | 0.00                         |
| Reserve for tax sale premium                         |        | 2,000.00        | 0.00                         |
| Reserve for election workers                         | Contra | 3,200.00        | 0.00                         |
| Reserve for master plan                              | A      | 559.20          | 0.00                         |
| Reserve for stormwater management plan               | A      | 196.00          | 0.00                         |
| Reserve for monument repair                          |        | 3,250.00        | 0.00                         |
| Reserve for state grants                             | A-12   | 22,037.49       | 0.00                         |
|  |        | 5,621,214.65    | 0.00                         |
| Balance - December 31, 2012                          | A      | \$ 1,286,717.53 | \$ 12,422.82                 |

See Accompanying Auditor's Report



**TOWNSHIP OF OLDMANS  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
For the Year Ended December 31, 2012**

|                                 | <u>Ref.</u> |    |                          |
|---------------------------------|-------------|----|--------------------------|
| Balance - December 31, 2011     | A           | \$ | 301,614.74               |
| Increased by:                   |             |    |                          |
| Transfers from taxes receivable | A-5         | \$ | 25,999.24                |
| Special charges - lot cleaning  |             |    | 329.38                   |
| Interest and costs on tax sale  |             |    | <u>2,129.73</u>          |
|                                 |             |    | <u>28,458.35</u>         |
|                                 |             |    | 330,073.09               |
| Decreased by:                   |             |    |                          |
| Cash collections                | A-2,A-4     |    | <u>37,569.66</u>         |
| Balance - December 31, 2012     | A           | \$ | <u><u>292,503.43</u></u> |

See Accompanying Auditor's Report



**TOWNSHIP OF OLDMANS**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - 2011**  
**For the Year Ended December 31, 2012**

|                               | Balance<br>December<br>31, 2011 | Balance<br>After<br>Transfers | Paid or<br>Charged | Lapsed   |
|-------------------------------|---------------------------------|-------------------------------|--------------------|----------|
| <b>Salaries and wages:</b>    |                                 |                               |                    |          |
| Mayor and council             | \$ 20.00                        | \$ 20.00                      | \$ 0.00            | \$ 20.00 |
| Township clerk                | 109.24                          | 109.24                        | 0.00               | 109.24   |
| Financial administration      | 20.08                           | 20.08                         | 0.00               | 20.08    |
| Collection of taxes           | 8.97                            | 8.97                          | 0.00               | 8.97     |
| JIF representative            | 125.00                          | 125.00                        | 0.00               | 125.00   |
| Zoning board                  | 55.00                           | 55.00                         | 0.00               | 55.00    |
| Planning board                | 74.96                           | 74.96                         | 0.00               | 74.96    |
| Emergency management services | 70.00                           | 70.00                         | 0.00               | 70.00    |
| Streets and roads maintenance | 22.46                           | 22.46                         | 0.00               | 22.46    |
| Recycling coordinator         | 50.00                           | 50.00                         | 0.00               | 50.00    |
| Animal control officer        | 1,220.04                        | 1,220.04                      | 0.00               | 1,220.04 |
| Registrar of vital statistics | 135.04                          | 135.04                        | 0.00               | 135.04   |
| Construction official         | 122.78                          | 122.78                        | 0.00               | 122.78   |
| Housing officer               | 362.48                          | 362.48                        | 0.00               | 362.48   |
| <b>Other expenses:</b>        |                                 |                               |                    |          |
| Mayor and council             | 788.38                          | 788.38                        | 48.10              | 740.28   |
| Township clerk                | 173.19                          | 473.19                        | 191.10             | 282.09   |
| Financial administration      | 2,132.89                        | 2,132.89                      | 2,083.50           | 49.39    |
| Audit services                | 435.00                          | 435.00                        | 0.00               | 435.00   |
| Assessment of taxes           | 1,620.98                        | 1,620.98                      | 250.28             | 1,370.70 |
| Collection of taxes           | 655.00                          | 655.00                        | 14.00              | 641.00   |
| Legal services and costs      | 1,472.76                        | 1,472.76                      | 0.00               | 1,472.76 |
| Public buildings and grounds  | 1,801.89                        | 1,801.89                      | 39.19              | 1,762.70 |

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2011  
For the Year Ended December 31, 2012

|  | Balance<br>December<br>31, 2011 | Balance<br>After<br>Transfers | Paid or<br>Charged | Lapsed      |
|--|---------------------------------|-------------------------------|--------------------|-------------|
| Other expenses (continued):                      |                                 |                               |                    |             |
| Zoning board                                     | \$ 2,626.05                     | \$ 2,626.05                   | \$ 1,315.40        | \$ 1,310.65 |
| Planning board                                   | 3,127.10                        | 2,477.10                      | 1,515.40           | 961.70      |
| Insurance:                                       |                                 |                               |                    |             |
| Workmans compensation                            | 125.00                          | 125.00                        | 0.00               | 125.00      |
| Liability  | 1.00                            | 1.00                          | 0.00               | 1.00        |
| Unemployment compensation                        | 271.33                          | 271.33                        | 0.00               | 271.33      |
| Grant consultant                                 | 500.00                          | 500.00                        | 0.00               | 500.00      |
| Fire hydrant services                            | 52.00                           | 52.00                         | 0.00               | 52.00       |
| Aid to volunteer fire companies- Auburn Fire Co. | 3,346.68                        | 3,346.68                      | 3,236.98           | 109.70      |
| Aid to volunteer fire companies- Logan Fire Co.  | 13,810.81                       | 13,810.81                     | 12,893.56          | 917.25      |
| Aid to first aid organization                    | 45.00                           | 45.00                         | 20.50              | 24.50       |
| Aid to volunteer ambulance companies             | 3,869.87                        | 3,869.87                      | 2,703.77           | 1,166.10    |
| Emergency management services                    | 580.00                          | 830.00                        | 699.00             | 131.00      |
| Streets and roads maintenance                    | 2,773.79                        | 2,073.79                      | 140.48             | 1,933.31    |
| Vehicle maintenance                              | 1,996.86                        | 1,996.86                      | 241.49             | 1,755.37    |
| Municipal mosquito control                       | 100.00                          | 100.00                        | 0.00               | 100.00      |
| Demolition of buildings                          | 100.00                          | 100.00                        | 0.00               | 100.00      |
| Solid waste collection                           | 522.90                          | 522.90                        | 0.00               | 522.90      |
| Board of health                                  | 100.00                          | 100.00                        | 0.00               | 100.00      |
| Animal control officer                           | 2,448.89                        | 2,448.89                      | 2,400.00           | 48.89       |
| Registrar of vital statistics                    | 75.20                           | 75.20                         | 0.00               | 75.20       |
| Parks and recreation                             | 1,100.00                        | 1,100.00                      | 500.00             | 600.00      |
| Celebration of public events                     | 252.50                          | 252.50                        | 0.00               | 252.50      |

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TOWNSHIP OF OLDMANS  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2011  
For the Year Ended December 31, 2012

|                               | Balance<br>December<br>31, 2011 | Balance<br>After<br>Transfers | Paid or<br>Charged | Lapsed      |
|-------------------------------|---------------------------------|-------------------------------|--------------------|-------------|
| Other expenses (concluded):   |                                 |                               |                    |             |
| Landfill/waste disposal costs | \$ 4,167.16                     | \$ 4,167.16                   | \$ 0.00            | \$ 4,167.16 |
| Sanitary landfill             | 1,050.77                        | 1,050.77                      | 300.00             | 750.77      |
| Construction official         | 180.07                          | 180.07                        | 90.00              | 90.07       |
| Housing officer               | 100.00                          | 100.00                        | 0.00               | 100.00      |
| Water                         | 267.48                          | 267.48                        | 0.00               | 267.48      |
| Street lighting               | 3,696.72                        | 3,696.72                      | 1,923.94           | 1,772.78    |
| Telephone                     | 318.23                          | 718.23                        | 711.55             | 6.68        |
| Heat                          | 1,151.50                        | 1,151.50                      | 200.33             | 951.17      |
| Gasoline                      | 46.08                           | 46.08                         | 0.00               | 46.08       |
| Electricity                   | 729.27                          | 1,129.27                      | 1,076.04           | 53.23       |
| JIF safety awards             | 1,057.33                        | 1,057.33                      | 1,000.00           | 57.33       |
| Contingent                    | 100.00                          | 100.00                        | 0.00               | 100.00      |
| Contribution to PERS          | 24,753.00                       | 24,753.00                     | 0.00               | 24,753.00   |
| Social security system        | 2,198.70                        | 2,198.70                      | 0.00               | 2,198.70    |
| Aid to library                | 500.00                          | 500.00                        | 500.00             | 0.00        |
| LOSAP                         | 17,000.00                       | 17,000.00                     | 14,400.00          | 2,600.00    |
| COAH - fair share plan        | 3,932.50                        | 3,932.50                      | 0.00               | 3,932.50    |

**TOWNSHIP OF OLDMANS  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2011  
For the Year Ended December 31, 2012**

|  | Balance<br>December<br>31, 2011 | Balance<br>After<br>Transfers | Paid or<br>Charged  | Lapsed              |
|--|---------------------------------|-------------------------------|---------------------|---------------------|
| Interlocal municipal service agreement<br>Mid Salem County Municipal Court | \$ 6,628.74                     | \$ 6,628.74                   | \$ 5,966.71         | \$ 662.03           |
| <b>Total</b>   | <b>\$ 117,178.67</b>            | <b>\$ 117,178.67</b>          | <b>\$ 54,461.32</b> | <b>\$ 62,717.35</b> |
| Ref.   | A                               | A-8                           | A-4                 | A-1                 |
| Appropriation reserves   | \$ 68,227.97                    |                               |                     |                     |
| Encumbrances payable   | <u>48,950.70</u>                |                               |                     |                     |
|  | <u>\$ 117,178.67</u>            |                               |                     |                     |

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**TOWNSHIP OF OLDMANS  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES  
For the Year Ended December 31, 2012**

|                             | <u>Ref.</u> |                       |
|-----------------------------|-------------|-----------------------|
| Balance - December 31, 2011 | A           | \$ 9,000.00           |
| Increased by:               |             |                       |
| Levy- calendar year 2012    | A-1,A-5     | <u>2,527,444.50</u>   |
|                             |             | 2,536,444.50          |
| Decreased by:               |             |                       |
| Payments                    | A-4         | <u>2,536,444.50</u>   |
| Balance - December 31, 2012 | A           | <u><u>\$ 0.00</u></u> |

**TOWNSHIP OF OLDMANS  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF STATE GRANTS RECEIVABLE  
For the Year Ended December 31, 2012**

| Purpose   | Balance<br>December<br>31, 2011 | 2012<br>Revenue     | Received           | Unappropriated<br>Reserve | Balance<br>December<br>31, 2012 |
|---|---------------------------------|---------------------|--------------------|---------------------------|---------------------------------|
| Clean communities grant                         | \$ 0.00                         | \$ 4,000.00         | \$ 4,000.00        | \$ 0.00                   | \$ 0.00                         |
| Recycling tonnage grant                         | 0.00                            | 16,975.67           | 0.00               | 16,975.67                 | 0.00                            |
| Municipal alliance on alcohol and drug abuse    | 6,749.44                        | 5,409.33            | 0.00               | 1,335.00                  | 10,823.77                       |
| Hazardous discharge site remediation fund grant | 142,513.00                      | 0.00                | 0.00               | 0.00                      | 142,513.00                      |
| Salem County wastewater management grant        | 5,000.00                        | 0.00                | 0.00               | 0.00                      | 5,000.00                        |
|   | <u>\$ 154,262.44</u>            | <u>\$ 26,385.00</u> | <u>\$ 4,000.00</u> | <u>\$ 18,310.67</u>       | <u>\$ 158,336.77</u>            |
| Ref.  | A                               | A-2                 | A-4                | A-11                      | A                               |

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**TOWNSHIP OF OLDMANS  
STATE AND FEDERAL GRANT  
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS UNAPPROPRIATED  
For the Year Ended December 31, 2012**

| Purpose   | Balance<br>December<br>31, 2011 | Received In<br>2012 | Applied to<br>Receivables | Balance<br>December<br>31, 2012 |
|---|---------------------------------|---------------------|---------------------------|---------------------------------|
| Municipal alliance on alcohol and drug abuse - program income | \$ 1,335.00                     | \$ 2,415.00         | \$ 1,335.00               | \$ 2,415.00                     |
| Recycling tonnage grant                                       | <u>16,975.67</u>                | <u>22,012.98</u>    | <u>16,975.67</u>          | <u>22,012.98</u>                |
|   | <u>\$ 18,310.67</u>             | <u>\$ 24,427.98</u> | <u>\$ 18,310.67</u>       | <u>\$ 24,427.98</u>             |
| <u>Ref.</u>   | A                               | A-4                 | A-10                      | A                               |
| -54-<br>Current fund  | A-4                             | \$ 22,012.98        |                           |                                 |
| State and federal grant fund                                  | A-4                             | <u>2,415.00</u>     |                           |                                 |
|   |                                 | <u>\$ 24,427.98</u> |                           |                                 |

**TOWNSHIP OF OLDMANS  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS APPROPRIATED  
 For the Year Ended December 31, 2012**

| Purpose   | Balance<br>December<br>31, 2011 | 2012<br>Appropriations | Expended            | Balance<br>December<br>31, 2012 |
|---|---------------------------------|------------------------|---------------------|---------------------------------|
| Clean communities grant                                       | \$ 17,646.21                    | \$ 4,000.00            | \$ 5,685.45         | \$ 15,960.76                    |
| Municipal alliance on alcohol and drug abuse                  | 7,644.46                        | 5,409.33               | 3,527.60            | 9,526.19                        |
| Hazardous discharge site remediation fund grant               | 142,899.13                      | 0.00                   | 0.00                | 142,899.13                      |
| Recycling tonnage grant                                       | 5,960.84                        | 16,975.67              | 13,949.44           | 8,987.07                        |
| 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                        |
| Comcast technology grant                                      | 580.06                          | 0.00                   | 0.00                | 580.06                          |
| Matching funds for grants                                     | 6,730.14                        | 0.00                   | 0.00                | 6,730.14                        |
| 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>\$ 201,526.47</u>            | <u>\$ 26,385.00</u>    | <u>\$ 23,162.49</u> | <u>\$ 204,748.98</u>            |
|   | Ref. A                          | A-3                    |                     | A                               |
| Paid or charged   | A-4                             |                        | \$ 22,037.49        |                                 |
| Encumbrances  | A                               |                        | <u>1,125.00</u>     |                                 |
|   |                                 |                        | <u>\$ 23,162.49</u> |                                 |

**TRUST FUND**

**\*\*SCHEDULES\*\***

**TOWNSHIP OF OLDMANS  
TRUST FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
For the Year Ended December 31, 2012**

|   | Ref.   | Dog License Fund              | Trust Fund Other                |
|---|--------|-------------------------------|---------------------------------|
| Balance - December 31, 2011                 | B      | \$ 1,217.95                   | \$ 355,885.05                   |
| Receipts:                                   |        |                               |                                 |
| Interest earned                             |        | \$ 12.79                      | \$ 982.00                       |
| Escrow deposits                             |        | 0.00                          | 5,500.00                        |
| Reserve for affordable housing (COAH)       |        | 0.00                          | 32,308.00                       |
| Reserve for tax lien redemptions            | B-3    | 0.00                          | 254,794.96                      |
| Reserve for recreation                      |        | 0.00                          | 10,000.00                       |
| Reserve for revolving loan                  |        | 0.00                          | 17,500.00                       |
| Dog license fees collected                  | B-2    | 7,378.60                      | 0.00                            |
| - Dog license census fines, late fees, etc. | B-2    | 2,290.00                      | 0.00                            |
| Write off of payable to State of New Jersey | B-2    | 1.00                          | 0.00                            |
| Due to State of New Jersey                  | Contra | 925.40                        | 0.00                            |
| Total receipts                              |        | <u>10,607.79</u><br>11,825.74 | <u>321,084.96</u><br>676,970.01 |
| Disbursements:                              |        |                               |                                 |
| Due to State of New Jersey                  | Contra | 925.40                        | 0.00                            |
| Due current fund                            |        | 13.00                         | 291.94                          |
| Escrow disbursements                        |        | 0.00                          | 21,663.88                       |
| Reserve for tax lien redemptions            | B-3    | 0.00                          | 235,845.87                      |
| Reserve for Camp Pedricktown                |        | 0.00                          | 6,716.45                        |
| Dog fund expenditures                       | B-2    | 5,442.94                      | 0.00                            |
| Total disbursements                         |        | <u>6,381.34</u>               | <u>264,518.14</u>               |
| Balance - December 31, 2012                 | B      | <u>\$ 5,444.40</u>            | <u>\$ 412,451.87</u>            |

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS  
TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
For the Year Ended December 31, 2012**

|   | <u>Ref.</u> |    |                        |
|---|-------------|----|------------------------|
| Balance - December 31, 2011                 | B           | \$ | 1,267.91               |
| Increased by:                               |             |    |                        |
| Dog license fees collected                  | B-1         | \$ | 7,378.60               |
| Dog license census fines, late fees, etc.   | B-1         |    | 2,290.00               |
| Write off of payable to State of New Jersey |             |    | 1.00                   |
|   |             |    | <u>9,669.60</u>        |
|   |             |    | <u>10,937.51</u>       |
| Decreased by:                               |             |    |                        |
| Expenditures under R.S. 4:19-15.11:         |             |    |                        |
| Cash  | B-1         |    | 5,442.94               |
| Accounts payable                            | B           |    | 1,085.97               |
|   |             |    | <u>6,528.91</u>        |
| Balance- December 31, 2012                  | B           | \$ | <u><u>4,408.60</u></u> |

| <u>License Fees Collected</u> |                            |
|-------------------------------|----------------------------|
| <u>Year</u>                   | <u>Amount</u>              |
| 2010                          | \$ 6,360.00                |
| 2011                          | 6,258.00                   |
|                               | <u><u>\$ 12,618.00</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, 2012**

|                                | <u>Ref.</u> |                            |
|--------------------------------|-------------|----------------------------|
| Balance - December 31, 2011    | B           | \$ 0.00                    |
| Increased by:                  |             |                            |
| Tax lien redemptions collected | B-1         | <u>254,794.96</u>          |
|                                |             | 254,794.96                 |
| Decreased by:                  |             |                            |
| Tax lien redemptions disbursed | B-1         | <u>235,845.87</u>          |
| Balance- December 31, 2012     | B           | <u><u>\$ 18,949.09</u></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, 2012**

|   | <u>Ref.</u> |                   |                      |
|---|-------------|-------------------|----------------------|
| Balance - December 31, 2011                                       | C           |                   | \$ 614,766.82        |
| Increased by receipts:  |             |                   |                      |
| Interest on investments in checking<br>account - due current fund |             | \$ 3,344.25       |                      |
| Due from current fund   |             | 70,000.00         |                      |
| Due from State of New Jersey                                      |             | 18,557.11         |                      |
| Due from Oldmans Township School District                         |             | 6,771.98          |                      |
| Reserve for various capital improvements                          | C-7         | 15,000.00         |                      |
| Bond anticipation notes   | C-8         | 1,600,000.00      |                      |
| Capital improvement fund  | C-5         | <u>25,000.00</u>  | <u>1,738,673.34</u>  |
|   |             |                   | 2,353,440.16         |
| Decreased by disbursements:                                       |             |                   |                      |
| Due to current fund   |             | 194,327.69        |                      |
| Contracts payable   |             | 1,532,154.06      |                      |
| Improvement authorizations  | C-6         | <u>144,385.04</u> | <u>1,870,866.79</u>  |
| Balance - December 31, 2012                                       | C           |                   | <u>\$ 482,573.37</u> |

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
For the Year Ended December 31, 2012**

|  | <u>Balance<br/>December<br/>31, 2011</u>  |
|--|---|
| Capital improvement fund                         | \$ 60,685.60  |
| Amount due from State of New Jersey              | (16,942.89)   |
| Amount due from Oldmans Township School District | (728.02)  |
| Amount due current fund                          | (13,017.03)   |
| Contracts payable                                | 77,867.22   |
| Retained percentage due contractors              | 37,835.94   |
| Reserve for various capital improvements         | 158,262.38  |
| Reserve for debt service                         | 13,000.00   |
| Fund balance                                     | 57,023.32   |
| Improvement authorizations:                      |   |
| Ordinance  |   |
| <u>Number</u>                                    |   |
| 10-03  | Improvements to Stumpy Road 16,942.89   |
| 11-07  | Professional services for the construction of a municipal complex 200.00                                  |
| 11-08  | Construction of a new municipal complex 59,419.96   |
| 11-12  | Purchase of public works equipment 1,365.75   |
| 12-04  | Road improvements 135.89  |
| 12-06  | Purchase of emergency equipment 1,197.36  |
| 12-09  | Purchase of emergency equipment including used tanker trailer<br>for fire service 25,000.00               |
| 12-13  | Purchase of computer equipment and upgrades for finance<br>department, tax collector and offices 4,325.00 |
|  | <u>\$ 482,573.37</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, 2012**

| Improvement Description                 | Ordinance Number | Balance<br>December<br>31, 2012 | Analysis Of Balance<br>December 31, 2012  |                |  |
|---|------------------|---------------------------------|---|----------------|--|
|   |                  |                                 | Financed By<br>Bond Anticipation<br>Notes | Expended       | Unexpended<br>Improvement<br>Authorization |
| Construction of a new municipal complex | 2011-08          | \$ 1,600,000.00                 | \$ 1,600,000.00                           | \$ 0.00        | \$ 0.00                                    |
|   |                  | <u>\$ 1,600,000.00</u>          | <u>\$ 1,600,000.00</u>                    | <u>\$ 0.00</u> | <u>\$ 0.00</u>                             |
|   | Ref.             | C                               | C-8                                       | C-6            | C-6  |

**TOWNSHIP OF OLDMANS  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
For the Year Ended December 31, 2012**

|   | <u>Ref.</u> |                            |
|---|-------------|----------------------------|
| Balance - December 31, 2011                       | C           | \$ 44,439.72               |
| Increased by:                                     |             |                            |
| Budget appropriation                              | C-2         | <u>25,000.00</u>           |
|   |             | 69,439.72                  |
| Decreased by:                                     |             |                            |
| Appropriated to finance improvement authorization | C-6         | <u>8,754.12</u>            |
| Balance - December 31, 2012                       | C           | <u><u>\$ 60,685.60</u></u> |

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
For the Year Ended December 31, 2012**

| Ordinance Number | Improvement Description   | Date     | Balance December 31, 2011 |                      | 2012 Authorizations |                              |                      |                          |                     | Balance December 31, 2012 |                     |                     |           |         |
|------------------|---|----------|---------------------------|----------------------|---------------------|------------------------------|----------------------|--------------------------|---------------------|---------------------------|---------------------|---------------------|-----------|---------|
|                  |   |          | Ordinance Amount          | Funded               | Unfunded            | Reserve for Capital Projects | Capital Fund Balance | Capital Improvement Fund | Paid or Charged     | Contracts Payable         | Canceled            | Funded              | Unfunded  |         |
| 07-18            | Improvements to municipal property located on block #8, lot #59                                   | 11/07/07 | \$ 10,000.00              | \$ 4,373.47          | \$ 0.00             | \$ 0.00                      | \$ 0.00              | \$ 0.00                  | \$ 0.00             | \$ 0.00                   | \$ 0.00             | \$ 4,373.47         | \$ 0.00   | \$ 0.00 |
| 08-08            | Purchase of public works equipment  | 05/07/08 | 50,000.00                 | 2,500.28             | 0.00                | 0.00                         | 0.00                 | 0.00                     | 0.00                | 0.00                      | 0.00                | 2,500.28            | 0.00      | 0.00    |
| 10-03            | Improvements to Stumpy Road   | 03/03/10 | 155,000.00                | 16,885.34            | 0.00                | 0.00                         | 0.00                 | 0.00                     | (57.55)             | 0.00                      | 0.00                | 16,942.89           | 0.00      | 0.00    |
| 11-07            | Professional services for the construction of a municipal complex                                 | 07/06/11 | 100,000.00                | 7,034.07             | 0.00                | 0.00                         | 0.00                 | 0.00                     | 6,114.85            | 719.22                    | 0.00                | 200.00              | 0.00      | 0.00    |
| 11-08            | Construction of a new municipal complex   | 11/02/11 | 1,800,000.00              | 0.00                 | 248,009.00          | 0.00                         | 0.00                 | 0.00                     | 112,035.04          | 76,554.00                 | 0.00                | 0.00                | 59,419.96 | 0.00    |
| 11-12            | Purchase of public works equipment  | 12/07/11 | 15,000.00                 | 14,909.70            | 0.00                | 0.00                         | 0.00                 | 0.00                     | 13,543.95           | 0.00                      | 0.00                | 1,365.75            | 0.00      | 0.00    |
| 12-04            | Road improvements   | 08/02/12 | 12,000.00                 | 0.00                 | 0.00                | 12,000.00                    | 0.00                 | 0.00                     | 11,864.11           | 0.00                      | 0.00                | 135.89              | 0.00      | 0.00    |
| 12-06            | Purchase of emergency equipment   | 10/03/12 | 10,000.00                 | 0.00                 | 0.00                | 10,000.00                    | 0.00                 | 0.00                     | 49.64               | 8,753.00                  | 0.00                | 1,197.36            | 0.00      | 0.00    |
| 12-09            | Purchase of emergency equipment including a used tanker trailer for fire service                  | 12/05/12 | 25,000.00                 | 0.00                 | 0.00                | 0.00                         | 25,000.00            | 0.00                     | 0.00                | 0.00                      | 0.00                | 25,000.00           | 0.00      | 0.00    |
| 12-13            | Purchase of computer equipment and upgrades for the finance department, tax collector and offices | 12/19/12 | 15,000.00                 | 0.00                 | 0.00                | 6,245.88                     | 0.00                 | 8,754.12                 | 835.00              | 9,840.00                  | 0.00                | 4,325.00            | 0.00      | 0.00    |
|                  |   |          | <u>\$ 45,702.86</u>       | <u>\$ 248,009.00</u> | <u>\$ 28,245.88</u> | <u>\$ 25,000.00</u>          | <u>\$ 8,754.12</u>   | <u>\$ 144,385.04</u>     | <u>\$ 95,866.22</u> | <u>\$ 6,873.75</u>        | <u>\$ 49,166.89</u> | <u>\$ 59,419.96</u> |           |         |
|                  |   | Ref.     | C                         | C                    | C-7                 | C-1                          | C-5                  | C-2                      | C-7                 | C                         | C                   |                     |           |         |

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**TOWNSHIP OF OLDMANS  
GENERAL CAPITAL FUND  
STATEMENT OF RESERVE FOR VARIOUS CAPITAL PROJECTS  
For the Year Ended December 31, 2012**

| Reserve For                           | Balance<br>December<br>31, 2011 | Budget<br>Appropriation | Transfer to<br>Improvement<br>Authorizations | Balance<br>December<br>31, 2012 |
|---------------------------------------|---------------------------------|-------------------------|--|---------------------------------|
| Purchase of computers                 | \$ 1,245.88                     | \$ 5,000.00             | \$ 6,245.88                                  | \$ 0.00                         |
| Improvement to municipal property     | 0.00                            | 0.00                    | (4,373.47)                                   | 4,373.47                        |
| Purchase of municipal property        | 513.25                          | 0.00                    | 0.00   | 513.25                          |
| Purchase of fire trucks               | 90,000.00                       | 0.00                    | 0.00   | 90,000.00                       |
| Purchase of dump truck                | 10,000.00                       | 0.00                    | 0.00   | 10,000.00                       |
| Purchase of ambulance                 | 25,007.00                       | 0.00                    | 0.00   | 25,007.00                       |
| Improvements to municipal roads       | 13,008.00                       | 0.00                    | 12,000.00                                    | 1,008.00                        |
| Public works equipment                | 5,010.10                        | 0.00                    | (2,500.28)                                   | 7,510.38                        |
| Purchase of emergency equipment       | 19,850.28                       | 10,000.00               | 10,000.00                                    | 19,850.28                       |
| <b>Total</b>                          | <b>\$ 164,634.51</b>            | <b>\$ 15,000.00</b>     | <b>\$ 21,372.13</b>                          | <b>\$ 158,262.38</b>            |
|                                       | Ref. C                          | C-2                     |  | C                               |
|                                       |                                 | Ref.                    |  |                                 |
| Transfer to improvement authorization |                                 | C-6                     | \$ 28,245.88                                 |                                 |
| Improvement authorizations cancelled  |                                 | C-6                     | (6,873.75)                                   |                                 |
|                                       |                                 |                         | <u>\$ (21,372.13)</u>                        |                                 |

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
For the Year Ended December 31, 2012**

| Ordinance<br>Number | Improvement Description                 | Date Of<br>Issue Of<br>Original<br>Note | Date<br>Of Issue | Date Of<br>Maturity | Interest<br>Rate | Balance<br>December<br>31, 2011 | Increase               | Decrease       | Balance<br>December<br>31, 2012 |
|---------------------|---|---|------------------|---------------------|------------------|---------------------------------|------------------------|----------------|---------------------------------|
| 2011-08             | Construction of a new municipal complex | 05/14/12                                | 05/14/12         | 05/14/13            | 0.73%            | \$ 0.00                         | \$ 1,600,000.00        | \$ 0.00        | \$ 1,600,000.00                 |
|                     |   |   |                  |                     |                  | <u>\$ 0.00</u>                  | <u>\$ 1,600,000.00</u> | <u>\$ 0.00</u> | <u>\$ 1,600,000.00</u>          |
|                     |   |   |                  |                     | <u>Ref.</u>      | C                               |                        |                | C                               |
|                     | Issued for cash                         |   |                  |                     | C-2              |                                 | \$ 1,600,000.00        | \$ 0.00        |                                 |
|                     |   |   |                  |                     |                  |                                 | <u>\$ 1,600,000.00</u> | <u>\$ 0.00</u> |                                 |

**TOWNSHIP OF OLDMANS  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
For the Year Ended December 31, 2012**

| Ordinance<br>Number | Improvement Description                 | Date of<br>Ordinance | Balance<br>December<br>31, 2011 | Bond Anticipation<br>Notes<br>Issued | Balance<br>December<br>31, 2012 |
|---------------------|---|----------------------|---------------------------------|--------------------------------------|---------------------------------|
| 2011-08             | Construction of a new municipal complex | 11/2/2011            | \$ 1,600,000.00                 | \$ 1,600,000.00                      | \$ 0.00                         |
|                     |   |                      | <u>\$ 1,600,000.00</u>          | <u>\$ 1,600,000.00</u>               | <u>\$ 0.00</u>                  |
|                     |   | Ref.                 | Footnote                        | C-7                                  | Footnote                        |

**WATER UTILITY FUND**

**\*\*SCHEDULES\*\***

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
For the Year Ended December 31, 2012**

|                                 | Ref.   | Operating    |  | Capital      |
|---------------------------------|--------|--------------|--|--------------|
| Balance - December 31, 2011     | D      | \$ 20,355.08 |  | \$ 23,306.38 |
| Increased by receipts:          |        |              |  |              |
| Consumer accounts receivable    | D-7    | \$ 18,473.13 |  | \$ 0.00      |
| Interest earned on investments  | D-3    | 37.17        |  | 58.80        |
| Fire hydrant service            | D-3    | 7,200.00     |  | 0.00         |
| Interest on delinquent accounts | D-3    | 140.90       |  | 0.00         |
| Turn off charges                | D-3    | 50.00        |  | 0.00         |
| Due utility operating fund      | Contra | 0.00         |  | 6,574.34     |
| Due utility capital fund        | Contra | 59.43        |  | 0.00         |
|                                 |        | 25,960.63    |  | 6,633.14     |
|                                 |        | 46,315.71    |  | 29,939.52    |
| Decreased by disbursements:     |        |              |  |              |
| Due utility operating fund      | Contra | 0.00         |  | 59.43        |
| Due utility capital fund        | Contra | 6,574.34     |  | 0.00         |
| Budget appropriations           | D-4    | 23,087.46    |  | 0.00         |
| Appropriation reserves          | D-10   | 196.51       |  | 0.00         |
|                                 |        | 29,858.31    |  | 59.43        |
| Balance - December 31, 2012     | D      | \$ 16,457.40 |  | \$ 29,880.09 |

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See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
ANALYSIS OF CASH  
For the Year Ended December 31, 2012**

|   | Balance<br>December<br>31, 2012 |
|---|---------------------------------|
| Fund balance                                      | \$ 7,333.74                     |
| Capital improvement fund                          | 9,000.00                        |
| Reserve for capital improvements to water system  | 12,615.78                       |
| Amount due water and sewer utility operating fund | (3,000.63)                      |

| Ordinance Number | Improvement Authorizations   |              |
|------------------|--|--------------|
| 2007-17          | Emergency repairs to Auburn water utility well #1  | (2,894.00)   |
| 2010-06          | Emergency improvements to the Auburn water system including replacement of a section of the water main | 2,825.20     |
| 2012-10          | Improvements of the Auburn water system in the Village of Auburn                                       | 4,000.00     |
|                  |  | \$ 29,880.09 |

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, 2012**

|                             | <u>Ref.</u> |                           |
|-----------------------------|-------------|---------------------------|
| Balance - December 31, 2011 | D           | \$ 3,084.41               |
| Increased by:               |             |                           |
| Utility rents levied        |             | <u>19,126.20</u>          |
|                             |             | 22,210.61                 |
| Decreased by:               |             |                           |
| Collection                  | D-5         | <u>18,473.13</u>          |
| Balance - December 31, 2012 | D           | <u><u>\$ 3,737.48</u></u> |

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
SCHEDULE OF FIXED CAPITAL  
For the Year Ended December 31, 2012**

|                            | <u>Ref.</u> |                             |
|----------------------------|-------------|-----------------------------|
| Balance- December 31, 2011 | D           | <u>\$ 244,034.90</u>        |
| Balance- December 31, 2012 | D           | <u><u>\$ 244,034.90</u></u> |

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
For the Year Ended December 31, 2012**

|                                    | <u>Ref.</u> |                     |
|------------------------------------|-------------|---------------------|
| Balance - December 31, 2011        | D           | \$ 6,000.00         |
| Increased by:                      |             |                     |
| 2012 Authorizations:               |             |                     |
| Deferred reserved for amortization | D-13        | <u>4,000.00</u>     |
| Balance - December 31, 2012        | D           | <u>\$ 10,000.00</u> |

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2011  
For the Year Ended December 31, 2012**

|                         | <u>Balance<br/>December<br/>31, 2011</u> | <u>Balance<br/>After<br/>Transfers</u> | <u>Paid<br/>Or<br/>Charged</u> | <u>Balance<br/>Lapsed</u> |
|-------------------------|--|--|--------------------------------|---------------------------|
| Operating:              |  |  |                                |                           |
| Salaries and wages      | \$ 149.92                                | \$ 149.92                              | \$ 0.00                        | \$ 149.92                 |
| Other expenses          | 1,627.40                                 | 1,627.40                               | 196.51                         | 1,430.89                  |
| Statutory expenditures: |  |  |                                |                           |
| Contribution to:        |  |  |                                |                           |
| Social security system  | 38.54                                    | 38.54                                  | 0.00                           | 38.54                     |
| Unemployment insurance  | 25.72                                    | 25.72                                  | 0.00                           | 25.72                     |
|                         | <u>\$ 1,841.58</u>                       | <u>\$ 1,841.58</u>                     | <u>\$ 196.51</u>               | <u>\$ 1,645.07</u>        |
|                         | <u>Ref.</u>                              | D                                      | D-5                            | D-1                       |
| Appropriation reserves  | D \$ 1,578.58                            |  |                                |                           |
| Accounts payable        | D <u>263.00</u>                          |  |                                |                           |
|                         | <u>\$ 1,841.58</u>                       |  |                                |                           |

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
For the Year Ended December 31, 2012**

| Ordinance Number | Improvement Description  | Ordinance Date | Amount      | Balance December 31, 2011 |             | 2012 Authorizations                              | Balance December 31, 2012 |             |
|------------------|--|----------------|-------------|---------------------------|-------------|--|---------------------------|-------------|
|                  |  |                |             | Funded                    | Unfunded    | Reserve for Capital Improvements to Water System | Funded                    | Unfunded    |
| 2010-6           | Emergency improvements to the Auburn water system including replacement of a section of the water main | 12/1/2010      | \$ 6,000.00 | \$ 2,825.20               | \$ -        | \$ -   | \$ 2,825.20               | \$ -        |
| 2012-10          | Improvements of the Auburn water system in the Village of Auburn                                       | 12/5/2012      | 4,000.00    | -                         | -           | 4,000.00   | 4,000.00                  | -           |
|                  |  |                |             | <u>\$ 2,825.20</u>        | <u>\$ -</u> | <u>\$ 4,000.00</u>                               | <u>\$ 6,825.20</u>        | <u>\$ -</u> |
|                  |  |                | Ref.        | D                         | D           | D  | D                         | D           |

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**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
For the Year Ended December 31, 2012**

|                             | <u>Ref.</u> |                    |
|-----------------------------|-------------|--------------------|
| Balance - December 31, 2011 | D           | \$ 7,000.00        |
| Increased by:               |             |                    |
| Budget appropriation        | D-4         | <u>2,000.00</u>    |
| Balance - December 31, 2012 | D           | <u>\$ 9,000.00</u> |

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS  
WATER UTILITY FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
For the Year Ended December 31, 2012**

|                             | <u>Ref.</u> |                            |
|-----------------------------|-------------|----------------------------|
| Balance - December 31, 2011 | D           | \$ 6,000.00                |
| Increased by:               |             |                            |
| Fixed capital authorized    | D-9         | <u>4,000.00</u>            |
| Balance - December 31, 2012 | D           | <u><u>\$ 10,000.00</u></u> |

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, 2012**

| Ordinance<br>Number | Improvement Authorization                            | Balance<br>December<br>31, 2012 |
|---------------------|--|---------------------------------|
| 07-17               | Emergency repairs to Auburn Water Utility Well No. 1 | \$ 2,894.00                     |
|                     |  | \$ 2,894.00                     |
|                     | Ref.   | Footnote                        |

**PUBLIC ASSISTANCE TRUST FUND**

**\*\*SCHEDULES\*\***

**TOWNSHIP OF OLDMANS  
PUBLIC ASSISTANCE TRUST FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
For the Year Ended December 31, 2012**

|                             | <u>Ref.</u> |                     |
|-----------------------------|-------------|---------------------|
| Balance - December 31, 2011 | E           | \$ 12,457.86        |
| Increased by:               |             |                     |
| Interest earned             |             | 29.78               |
|                             |             | <u>12,487.64</u>    |
| Decreased by:               |             |                     |
| Due from current fund       | A-4         | 30.00               |
|                             |             | <u>30.00</u>        |
| Balance - December 31, 2012 | E           | <u>\$ 12,457.64</u> |

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS**  
**PUBLIC ASSISTANCE TRUST FUND**  
**STATEMENT OF PUBLIC ASSISTANCE CASH AND RECONCILIATION**  
**PER N.J.S.A. 40A:5-5**  
**For the Period Ended March 31, 2013**

|                                   | <u>Ref.</u> |                     |
|-----------------------------------|-------------|---------------------|
| Balance - December 31, 2012       | E-1         | \$ 12,457.64        |
| Increased by:                     |             |                     |
| Cash receipts record              |             | <u>4.51</u>         |
| Balance - March 31, 2013          | E-2         | <u>\$ 12,462.15</u> |
| Balance on deposit per statement: |             |                     |
| Pennsville National Bank          |             | <u>\$ 12,462.15</u> |
|                                   |             | <u>\$ 12,462.15</u> |

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, 2012

|  | <u>Ref.</u> |                  |                           |
|--|-------------|------------------|---------------------------|
| Balance - December 31, 2011  | F           |                  | \$ 847.87                 |
| Increased by:  |             |                  |                           |
| Deposits to pay gross salaries   |             | \$ 255,782.26    |                           |
| Interest earned- due to current fund                                       |             | 24.56            |                           |
| Township's share of social security, medicare,<br>unemployment and pension |             | <u>50,513.33</u> |                           |
|  |             |                  | <u>306,320.15</u>         |
|  |             |                  | 307,168.02                |
| Decreased by:  |             |                  |                           |
| Net payroll  |             | 193,846.60       |                           |
| Deductions paid to various agencies  |             | 106,928.96       |                           |
| Due to current fund  | D-5         | <u>701.85</u>    |                           |
|  |             |                  | <u>301,477.41</u>         |
| Balance - December 31, 2012  | F           |                  | <u><u>\$ 5,690.61</u></u> |

**TOWNSHIP OF OLDMANS  
PAYROLL ACCOUNT  
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE  
For the Year Ended December 31, 2012**

|   |                    |
|---|--------------------|
| State of New Jersey - gross income tax                  | \$ 12.14           |
| State of New Jersey - unemployment/disability insurance | 597.69             |
| State of New Jersey - family leave insurance            | 33.55              |
| Public employees' retirement system                     | <u>4,205.53</u>    |
|   | <u>\$ 5,304.30</u> |
| Ref   | F                  |

**TOWNSHIP OF OLDMANS**

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**LETTER OF COMMENTS AND RECOMMENDATIONS**

**For the Year Ended December 31, 2012**

## **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 indicate that are bids were requested by public advertising for the year under audit for the following:

#### **Municipal Building Furniture**

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 2012.

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 \$3,900.00, 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 \$3,900.00, 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 4, 2012, 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 2012 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 October 17, 2012, 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> |
|-------------|------------------------|
| 2012        | 19                     |
| 2011        | 19                     |
| 2010        | 18                     |

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. However, the system in place was not updated during the current year with changes to fixed assets acquired or sold during the year. The only record provided was a list of additions submitted to the auditor to update the fixed asset records. Action should be taken to establish and maintain a fixed asset accounting system.

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 is being 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 Finance Officer has 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, 2012**

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.

**Finding No. 2012-1**

**Criteria or Specific Requirement**

The escrow trust fund reserve amounts should be reviewed and kept current.

**Condition**

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

**Context**

The Township has been reviewing the escrow balances but they remain on the books of the Township and need to be eliminated accordingly.

**Effect**

The balances shown on the records do not indicate open projects for which reserves are required.

**Cause**

The old escrow reserve balances were carried forward and not reviewed as to disposition on an annual basis.

**Recommendation**

All escrow reserve balances be reviewed and eliminated appropriately.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will take corrective action in 2013.

**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. 2010-1**

**Condition**

The Township did not maintain a fixed asset accounting and reporting system as required by N.J.A.C. 5:30-5.6.

**Current Status**

Condition remains unresolved.

**Planned Corrective Action**

The responsible officials agree with the finding and will take corrective action in 2013 when the new municipal complex is complete.

**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 #4 for further explanations.

**Planned Corrective Action**

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

**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 |
|--------------------|--|----------------|
| William J. Miller  | Mayor  | B              |
| Harry A. Moore     | Deputy Mayor   | B              |
| George W. Bradford | Committeeperson  | B              |
| James R. Hackett   | Chief Financial Officer  | A              |
| Melinda Taylor     | Township Clerk<br>Municipal Improvement Search Officer<br>Registrar of Vital Statistics<br>Zoning Officer<br>Dog License Clerk | A              |
| Margie Schieber    | Tax Collector and Tax Search Officer   | A              |
| Jeryl Goff         | Construction Code Official   | B              |
| Michael Raio       | Assessor   | B              |
| John G. Hoffman    | Solicitor  | B              |
| Thomas Tedesco     | 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.

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.

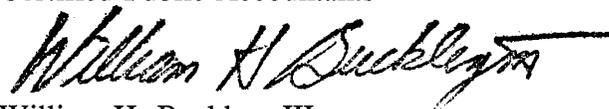
Should any questions arise as to my comments to recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

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



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