

TOWNSHIP OF OLDMANS
COUNTY OF SALEM
REPORT OF AUDIT
For the Year Ended December 31, 2014

TOWNSHIP OF OLDMANS

TABLE OF CONTENTS

PAGE NO.

AUDITOR'S REPORTS

Independent Auditor's Report	1-3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4-5

CURRENT FUND - Exhibits

A	Comparative Balance Sheets	6
A-1	Comparative Statements of Operations and Changes in Fund Balance	7
A-2	Statement of Revenues	8-10
A-3	Statement of Expenditures	11-17

TRUST FUND - Exhibit

B	Comparative Balance Sheets	18
---	----------------------------	----

GENERAL CAPITAL FUND - Exhibit

C	Comparative Balance Sheets	19
C-1	Schedule of Fund Balance	20

WATER UTILITY FUND - Exhibits

D	Comparative Balance Sheets	21
D-1	Comparative Statements of Operations and Changes in Fund Balance	22
D-2	Statement of Capital Fund Balance	23
D-3	Statement of Revenues	24
D-4	Statement of Expenditures	25

PUBLIC ASSISTANCE TRUST FUND - Exhibit

E	Comparative Balance Sheets	26
---	----------------------------	----

PAYROLL ACCOUNT - Exhibit

F	Comparative Balance Sheets	27
---	----------------------------	----

GENERAL FIXED ASSETS - Exhibits

G	Statement of General Fixed Assets	28
---	-----------------------------------	----

NOTES TO FINANCIAL STATEMENTS 29-44

CURRENT FUND - Exhibits

A-4	Schedule of Cash - Chief Financial Officer	45
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	46
A-6	Schedule of Tax Title Liens	47
A-7	Schedule of Revenue Accounts Receivable	48
A-8	Schedule of Appropriation Reserves - 2013	49-52
A-9	Schedule of Local District School Taxes	53
A-10	Schedule of State Grants Receivable	54
A-11	Schedule of Reserve for State and Federal Grants Unappropriated	55
A-12	Schedule of Reserve for State and Federal Grants Appropriated	56

TRUST FUND - Exhibits

B-1	Schedule of Cash - Chief Financial Officer	57
B-2	Schedule of Reserve for Dog Fund Expenditures	58
B-3	Schedule of Reserve for Tax Title Lien Redemptions	59

GENERAL CAPITAL FUND - Exhibits

C-2	Schedule of Cash - Chief Financial Officer	60
C-3	Analysis of Cash	61
C-4	Schedule of Deferred Charges to Future Taxation - Unfunded	62
C-5	Schedule of Capital Improvement Fund	63
C-6	Schedule of Improvement Authorizations	64
C-7	Statement of Reserve for Various Capital Projects	65
C-8	Schedule of Bond Anticipation Notes	66

WATER UTILITY FUND - Exhibits

D-5	Schedule of Cash - Chief Financial Officer	67
D-6	Analysis of Cash	68
D-7	Schedule of Consumer Accounts Receivable	69
D-8	Schedule of Fixed Capital	70
D-9	Schedule of Fixed Capital Authorized and Uncompleted	71
D-10	Schedule of Appropriation Reserves - 2013	72
D-11	Schedule of Improvement Authorizations	73
D-12	Schedule of Capital Improvement Fund	74
D-13	Schedule of Reserve for Amortization	75
D-14	Schedule of Deferred Reserve for Amortization	76
D-15	Schedule of Bonds and Notes Authorized But Not Issued	77

PUBLIC ASSISTANCE TRUST FUND - Exhibits

E-1	Schedule of Cash - Chief Financial Officer	78
E-2	Statement of Public Assistance Cash and Reconciliation Per N.J.S.A. 40A:5-5	79

PAYROLL ACCOUNT - Exhibits

F-1	Schedule of Cash - Chief Financial Officer	80
F-2	Schedule of Payroll Deductions Payable	81

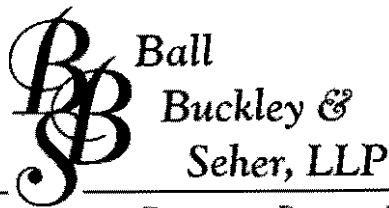
PAGE NO.

GENERAL COMMENTS	82-83
OTHER COMMENTS	84
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	85-86
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT	87
OFFICIALS IN OFFICE AND SURETY BONDS	88
APPRECIATION	89

TOWNSHIP OF OLDMANS

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

For the Year Ended December 31, 2014



CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2014 and 2013, 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, for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township'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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

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

Adverse Opinion of U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2014 and 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Township as of December 31, 2014 and 2013, and the revenues it received and expenditures it paid for the years then ended, in accordance with the financial reporting provisions of Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2015, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Disclaimer of Opinion on Supplementary Information

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

Respectfully submitted,

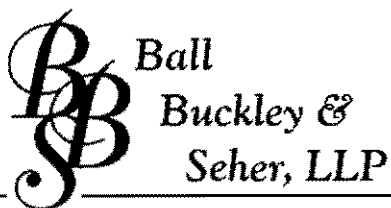
Ball, Buckley & Seher, LLP

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



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

August 10, 2015



CERTIFIED PUBLIC ACCOUNTANTS



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of United States, the regulatory basis financial statements of the various funds and account groups as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township of Oldmans, County of Salem, State of New Jersey basic financial statements, and have issued our report thereon dated August 10, 2015, which was adverse due to being presented in accordance with the State of New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2014-1, 2014-2, 2010-1, 2010-2, and 2012-1).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of prior year audit findings and questioned costs as items 2014-1, 2014-2, 2010-1, 2010-2, and 2012-1.

Township's Response to Finding

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

Purpose of this Report

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

Respectfully submitted,

Ball, Buckley & Seher, LLP

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



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

August 10, 2015

CURRENT FUND

TOWNSHIP OF OLDMANS
CURRENT FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
December 31, 2014 and 2013

	Ref.	Balance December 31, 2014	Balance December 31, 2013		Ref.	Balance December 31, 2014	Balance December 31, 2013
ASSETS				LIABILITIES, RESERVES, AND FUND BALANCE			
Regular fund:				Regular fund:			
Cash - chief financial officer:				Appropriation reserves	A-3;A-8	\$ 85,510.84	\$ 54,658.56
Regular operating account	A-4	<u>\$ 2,334,922.92</u>	<u>\$ 1,522,011.19</u>	Encumbrances payable:			
		<u>2,334,922.92</u>	<u>1,522,011.19</u>	Budget appropriations	A-3;A-8	121,138.07	68,494.78
Receivables and other assets with full reserves:				Local school district taxes payable	A-9	0.50	1.00
Delinquent property taxes receivable	A-5	275,053.60	276,309.19	Due to State of New Jersey:			
Tax title liens receivable	A-6	149,159.43	337,129.65	Senior citizens and veterans deductions		6,697.10	6,447.10
Delinquent tax penalty receivable		2,661.68	0.00	Marriage license fees		75.00	75.00
Property acquired for taxes-assessed value		24,100.00	24,100.00	Prepaid taxes	A-4;A-5	53,863.37	70,182.29
Amount due from dog license trust fund	B	6.41	5.75	Tax overpayments		1,739.32	94.57
Amount due from other trust fund	B	9,318.65	9,213.34	Deposit for sale of assets	A-4	0.00	4,515.00
Amount due from water utility capital fund	D	15,000.00	15,000.00	Amount due to state and federal grant fund	A	61,919.26	57,260.18
Amount due from payroll account	F	1,001.92	446.82	Amount due to other trust fund	B	31.00	0.00
Revenue accounts receivable	A-7	675,911.19	9,702.34	Amount due to general capital fund	C	121,359.70	12,689.85
Miscellaneous accounts receivable		0.00	354.05	Amount due to water operating fund	D	11,180.46	0.00
Amount due from Salem County		0.00	350.00	Reserve for tax sale premiums		7,100.00	7,100.00
Amount due from JIF	A-7;A-4	<u>0.00</u>	<u>750.00</u>	Reserve for revaluation		19,556.34	19,556.34
		<u>1,152,212.88</u>	<u>673,361.14</u>	Reserve for wastewater management plan		19,996.00	21,107.50
Deferred charges:				Reserve for stormwater management plan		5,142.43	5,142.43
Special emergency authorization	A-3	<u>28,000.00</u>	<u>35,000.00</u>	Reserve for retention basin maintenance		60,000.00	60,000.00
		<u>28,000.00</u>	<u>35,000.00</u>	Reserve for monument repair		7,441.95	7,441.95
				Reserve for ambulance repairs	A-4	2,613.71	2,613.71
				Reserve for master plan	A-3	<u>34,857.50</u>	<u>35,000.00</u>
						<u>620,222.55</u>	<u>432,380.26</u>
Total regular fund		<u>3,515,135.80</u>	<u>2,230,372.33</u>	Reserve for receivables and other assets	A	1,152,212.88	673,361.14
				Fund balance	A-1	<u>1,742,700.37</u>	<u>1,124,630.93</u>
Federal and state grant fund:						<u>3,515,135.80</u>	<u>2,230,372.33</u>
Cash- chief financial officer	A-4	16,155.72	14,732.64	Total regular fund			
Amount due from current fund	A	61,919.26	57,260.18	Federal and state grant fund:			
State grants receivable	A-10	<u>159,527.07</u>	<u>159,422.14</u>	Encumbrances payable	A-12;A-4	0.00	905.75
		<u>237,602.05</u>	<u>231,414.96</u>	Reserve for state grants:			
				Appropriated	A-12	213,894.64	208,390.21
				Unappropriated	A-11	<u>23,707.41</u>	<u>22,119.00</u>
						<u>237,602.05</u>	<u>231,414.96</u>
Total		<u>\$ 3,752,737.85</u>	<u>\$ 2,461,787.29</u>	Total		<u>\$ 3,752,737.85</u>	<u>\$ 2,461,787.29</u>

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE
REGULATORY BASIS
For the Years Ended December 31, 2014 and 2013

	Ref.	Year 2014	Year 2013
Revenue and other income realized:			
Fund balance utilized	A-2	\$ 282,367.30	\$ 228,500.00
Miscellaneous revenue anticipated	A-2	1,276,952.57	675,084.35
Receipts from delinquent taxes	A-2	272,289.52	203,799.39
Receipts from current taxes	A-2	5,130,945.69	5,293,130.33
Non-budget revenue	A-2	37,305.51	224,858.51
Other credits to income:			
Appropriation reserves lapsed	A-8	58,383.40	44,107.59
Adjustment to grant funds balance		0.00	45.17
Total income		<u>7,058,243.99</u>	<u>6,669,525.34</u>
Expenditures:			
Budget operations:			
Operations:			
Salaries and wages	A-3	252,460.00	239,800.00
Other expenses	A-3	640,718.37	573,217.36
Capital improvements	A-3	60,000.00	45,000.00
Deferred charges and statutory expenditures	A-3	60,473.45	66,774.92
Debt service	A-3	172,096.00	171,680.00
County taxes	A-5	2,323,556.99	2,536,616.23
Due county for added and omitted taxes	A-5	41,174.09	39,673.39
Local district school tax	A-9	2,606,630.00	2,580,862.00
Prior period adjustment tax overpayments		37.38	0.00
Refund of prior year revenue	A-4	0.00	180.81
Interfunds created		660.97	15,106.42
Total expenditures		<u>6,157,807.25</u>	<u>6,268,911.13</u>
Excess or (deficit) in revenue		900,436.74	400,614.21
Expenditures included above which are by statute deferred charges to budget of succeeding year	A	0.00	35,000.00
Statutory excess to fund balance		<u>900,436.74</u>	<u>435,614.21</u>
Fund balance - January 1	A	1,124,630.93	917,516.72
		<u>2,025,067.67</u>	<u>1,353,130.93</u>
Decreased by utilization as anticipated revenue	A-2	<u>282,367.30</u>	<u>228,500.00</u>
Fund balance - December 31	A	<u>\$ 1,742,700.37</u>	<u>\$ 1,124,630.93</u>

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
For the Year Ended December 31, 2014

	Ref.	Anticipated		Realized	Excess Or (Deficit)
		Budget	Per N.J.S.A. 40A:4-87		
Fund balance anticipated	A-1	\$ 282,367.30	\$ 0.00	\$ 282,367.30	\$ 0.00
Miscellaneous revenues:					
Fines and costs - municipal court	A-7	18,000.00	0.00	23,165.33	5,165.33
Interest and costs on taxes	A-7	35,000.00	0.00	48,957.25	13,957.25
Energy receipts tax	A-7	230,610.00	0.00	230,610.00	0.00
Uniform construction code fees	A-7	60,000.00	85,000.00	761,674.00	616,674.00
Clean communities grant	A-10	4,000.00	4,000.00	8,000.00	0.00
Municipal alliance on alcoholism and drug abuse	A-10	4,074.38	0.00	4,074.38	0.00
Recycling tonnage grant	A-10	15,389.03	0.00	15,389.03	0.00
JIF safety awards	A-7	2,505.00	0.00	2,505.00	0.00
PILOT - Garden State Freezer	A-7	180,000.00	0.00	182,577.58	2,577.58
Total	A-1	549,578.41	89,000.00	1,276,952.57	638,374.16
Receipts from delinquent taxes	A-2	161,000.00	0.00	272,289.52	111,289.52
Amount to be raised by taxes for support of municipal budget - local taxes for municipal purposes	A-2	426,741.17	0.00	480,032.82	53,291.65
Budget totals		1,419,686.88	89,000.00	2,311,642.21	802,955.33
Non-budget revenues	A-2	0.00	0.00	37,305.51	37,305.51
Total		\$ 1,419,686.88	\$ 89,000.00	\$ 2,348,947.72	\$ 840,260.84

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
For the Year Ended December 31, 2014

ANALYSIS OF REALIZED REVENUES

	<u>Ref.</u>	
Allocations of current tax collections:		
Revenue from collections	A-5	\$ 5,130,945.69
Allocated to:		
School, county, and special district taxes	A-5	4,971,361.08
Balance for support of municipal appropriations		<u>159,584.61</u>
Add: appropriation "reserve for uncollected taxes"	A-3	<u>320,448.21</u>
Amount for support of municipal budget appropriations	A-2	<u><u>\$ 480,032.82</u></u>
Analysis of receipts from delinquent taxes:		
Delinquent tax collections	A-5	\$ 269,230.56
Tax title lien collections	A-6	<u>3,058.96</u>
		<u><u>\$ 272,289.52</u></u>
Miscellaneous revenue not anticipated:		
Revenue accounts receivable:		
Cable TV franchise fee	A-7	\$ 5,154.30
Clerk- miscellaneous	A-7	69.35
Construction code official - interest	A-7	167.94
Housing officer	A-7	1,650.00
Zoning officer	A-7	1,880.00
Interest and cost on investments	A-7	2,273.49
Rental income	A-7	3,080.98
Registrar of vital statistics	A-7	<u>386.00</u>
		14,662.06

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
For the Year Ended December 31, 2014

	<u>Ref.</u>		
Chief financial officer:			
Raffle licenses	\$	180.00	
Sale of recycling bins		156.75	
Certified list - tax assessor		80.00	
Road opening permits		400.00	
Administrative fees - pilot program		1,825.78	
Insurance claims		3,358.95	
Administration fee- veteran and senior citizen deduction		635.00	
Polling place rental		100.00	
Transfer from public assistance account		12,556.55	
Miscellaneous		<u>811.31</u>	
	A-4		\$ 20,104.34
Interest earned on investments - due from other funds and			
Tax lien assignment fee		500.00	
Tax sale cost		267.10	
Electronic tax search fee		100.00	
Miscellaneous		<u>512.77</u>	
			1,379.87
Water operating fund - prior year budget appropriations lapsed		<u>1,159.24</u>	
			<u>1,159.24</u>
Total miscellaneous revenue not anticipated	A-2		<u><u>\$ 37,305.51</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, 2014

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Cancelled
OPERATIONS WITHIN "CAP"						
General government functions:						
Administrative and executive:						
Mayor and council:						
Salaries and wages	\$ 14,000.00	\$ 14,000.00	\$ 13,860.00	\$ 0.00	\$ 140.00	\$ 0.00
Other expenses	2,000.00	2,150.00	1,587.18	531.28	31.54	0.00
Municipal clerk:						
Salaries and wages	30,000.00	30,000.00	29,292.00	0.00	708.00	0.00
Other expenses	8,000.00	7,000.00	5,331.88	55.22	1,612.90	0.00
Financial administration:						
Salaries and wages	48,000.00	48,000.00	47,037.00	0.00	963.00	0.00
Other expenses	10,000.00	12,000.00	9,168.68	2,761.75	69.57	0.00
Audit services:						
Other expenses	22,000.00	22,000.00	20,852.00	0.00	1,148.00	0.00
Assessment of taxes:						
Salaries and wages	30,200.00	30,200.00	30,105.00	0.00	95.00	0.00
Other expenses	4,000.00	4,000.00	3,210.83	290.62	498.55	0.00
Collection of taxes:						
Salaries and wages	22,000.00	22,000.00	20,806.00	0.00	1,194.00	0.00
Other expenses	5,500.00	5,500.00	4,000.44	421.82	1,077.74	0.00
Legal services and costs:						
Other expenses	13,000.00	10,400.00	9,863.79	0.00	536.21	0.00
Engineering services and costs:						
Other expenses	7,000.00	7,000.00	3,410.00	0.00	3,590.00	0.00
Public buildings and grounds:						
Other expenses	12,000.00	12,000.00	8,138.44	675.94	3,185.62	0.00
Insurance:						
Workmans compensation	37,000.00	37,000.00	36,809.00	0.00	191.00	0.00
Insurance - liability	24,000.00	23,000.00	21,308.00	0.00	1,692.00	0.00
Unemployment	2,200.00	2,200.00	1,416.89	0.00	783.11	0.00
Grant consultant:						
Other expenses	3,000.00	3,000.00	1,840.91	0.00	1,159.09	0.00

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2014

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid Or Charged	Eneumbrances	Reserved	Cancelled
<u>OPERATIONS WITHIN "CAP"</u>						
Land use administration:						
Zoning board:						
Salaries and wages	\$ 7,000.00	\$ 7,000.00	\$ 6,120.00	\$ 0.00	\$ 880.00	\$ 0.00
Other expenses	6,000.00	5,250.00	3,717.37	70.00	1,462.63	0.00
Planning board:						
Other expenses	1,500.00	500.00	113.41	0.00	386.59	0.00
Public safety functions:						
Fire:						
Other expenses:						
Fire hydrant service	19,000.00	19,000.00	16,448.72	0.00	2,551.28	0.00
Emergency management services:						
Salaries and wages	3,000.00	3,000.00	2,804.00	0.00	196.00	0.00
Other expenses	1,000.00	4,600.00	344.53	3,300.00	955.47	0.00
Aid to volunteer fire companies	47,000.00	50,000.00	47,145.48	2,388.32	466.20	0.00
Aid to volunteer ambulance companies	12,000.00	13,500.00	12,474.85	0.00	1,025.15	0.00
Public works functions:						
Streets and roads maintenance:						
Salaries and wages	61,000.00	56,500.00	52,997.09	0.00	3,502.91	0.00
Other expenses	10,000.00	10,000.00	6,936.92	7.92	3,055.16	0.00
Vehicle maintenance:						
Other expenses	10,000.00	7,500.00	2,295.56	57.40	5,147.04	0.00
Snow removal						
Salaries and wages	1,000.00	1,000.00	1,000.00	0.00	0.00	0.00
Other expenses	3,000.00	3,000.00	3,000.00	0.00	0.00	0.00
Municipal mosquito control:						
Other expenses	500.00	500.00	0.00	0.00	500.00	0.00
Demolition of buildings:						
Other expenses	2,000.00	2,000.00	350.00	0.00	1,650.00	0.00
Solid waste collection	42,000.00	42,000.00	34,925.11	4,055.25	3,019.64	0.00
Recycling coordinator:						
Salaries and wages	50.00	50.00	0.00	0.00	50.00	0.00

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2014

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Cancelled
<u>OPERATIONS WITHIN "CAP"</u>						
Health and human services:						
Animal control officer:						
Other expenses	\$ 2,000.00	\$ 2,000.00	\$ 0.00	\$ 0.00	\$ 2,000.00	\$ 0.00
Registrar of vital statistics:						
Salaries and wages	310.00	310.00	306.00	0.00	4.00	0.00
Other expenses	500.00	500.00	0.98	0.00	499.02	0.00
Parks and recreation functions:						
Parks and recreation:						
Other expenses	2,000.00	2,000.00	1,500.00	500.00	0.00	0.00
Celebration of public events:						
Other expenses	600.00	600.00	600.00	0.00	0.00	0.00
Landfill/solid waste disposal costs:						
Sanitary landfill:						
Other expenses	12,000.00	12,000.00	9,123.23	420.00	2,456.77	0.00
Trash removal contractor:						
Other expenses	61,000.00	61,000.00	55,266.63	5,033.33	700.04	0.00
Recycling removal contractor:						
Other expenses	23,000.00	23,000.00	20,392.00	1,872.00	736.00	0.00
Uniform construction code:						
State uniform construction code:						
Construction official:						
Salaries and wages	38,000.00	38,000.00	36,522.00	150.00	1,328.00	0.00
Other expenses	15,000.00	100,000.00	6,497.33	90,790.90	2,711.77	0.00
Housing officer:						
Salaries and wages	2,400.00	2,400.00	2,394.00	0.00	6.00	0.00
Other expenses	200.00	200.00	6.00	0.00	194.00	0.00

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2014

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Cancelled
OPERATIONS WITHIN "CAP"						
Unclassified:						
Water	\$ 2,000.00	\$ 2,500.00	\$ 2,147.89	\$ 0.00	\$ 352.11	\$ 0.00
Street lighting	24,000.00	26,600.00	24,129.94	2,393.98	76.08	0.00
Telephone	5,000.00	5,000.00	3,410.22	284.77	1,305.01	0.00
Heat	7,000.00	7,000.00	4,562.98	0.00	2,437.02	0.00
Gasoline	7,000.00	7,000.00	4,328.69	0.00	2,671.31	0.00
Electricity	12,000.00	12,000.00	9,703.78	0.00	2,296.22	0.00
JIF safety awards	2,505.00	2,505.00	2,116.22	0.00	388.78	0.00
Contingent	100.00	100.00	0.00	0.00	100.00	0.00
Total operations including contingent within "CAP"	736,565.00	821,565.00	641,718.97	116,060.50	63,785.53	0.00
Detail:						
Salaries and wages	256,960.00	252,460.00	243,243.09	150.00	9,066.91	0.00
Other expenses	479,605.00	569,105.00	398,475.88	115,910.50	54,718.62	0.00
Deferred charges and statutory expenditures:						
Deferred charges:						
Anticipated deficit in water utility operations	14,610.30	14,610.30	12,223.45	0.00	0.00	2,386.85
Statutory expenditures						
Contribution to:						
Public employees' retirement system	20,850.00	20,850.00	18,724.00	0.00	2,126.00	0.00
Social security system	20,400.00	20,400.00	19,635.81	0.00	764.19	0.00
Total deferred charges and statutory expenditures	55,860.30	55,860.30	50,583.26	0.00	2,890.19	2,386.85
Total appropriations for municipal purposes within "CAP"	792,425.30	877,425.30	692,302.23	116,060.50	66,675.72	2,386.85

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2014

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Cancelled
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
Aid to library	\$ 150.00	\$ 150.00	\$ 150.00	\$ 0.00	\$ 0.00	\$ 0.00
Emergency services volunteer length of service award program (LOSAP)	17,000.00	17,000.00	0.00	0.00	17,000.00	0.00
COAH fair share plan:						
Other expenses	2,000.00	2,000.00	1,607.14	0.00	392.86	0.00
Interlocal municipal service agreements:						
Municipal court - Carneys Point Township	23,000.00	23,000.00	16,480.17	5,077.57	1,442.26	0.00
Public and private programs offset by revenues:						
Clean communities grant	4,000.00	8,000.00	8,000.00	0.00	0.00	0.00
Municipal alliance on alcohol and drug abuse	4,074.34	4,074.34	4,074.34	0.00	0.00	0.00
Recycling tonnage grant	15,389.03	15,389.03	15,389.03	0.00	0.00	0.00
Matching funds for grants	2,000.00	2,000.00	2,000.00	0.00	0.00	0.00
Total operations excluded from "CAP"	<u>67,613.37</u>	<u>71,613.37</u>	<u>47,700.68</u>	<u>5,077.57</u>	<u>18,835.12</u>	<u>0.00</u>
<i>Detail:</i>						
Salaries and wages	0.00	0.00	0.00	0.00	0.00	0.00
Other expenses	<u>67,613.37</u>	<u>71,613.37</u>	<u>47,700.68</u>	<u>5,077.57</u>	<u>18,835.12</u>	<u>0.00</u>
<u>CAPITAL IMPROVEMENTS</u>						
Capital improvement fund	10,000.00	10,000.00	10,000.00	0.00	0.00	0.00
Reserve for improvement to municipal roads	10,000.00	10,000.00	10,000.00	0.00	0.00	0.00
Reserve for purchase of emergency equipment	20,000.00	20,000.00	20,000.00	0.00	0.00	0.00
Reserve for purchase of computers	5,000.00	5,000.00	5,000.00	0.00	0.00	0.00
Reserve for purchase of dump truck	15,000.00	15,000.00	15,000.00	0.00	0.00	0.00
Total capital improvements	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2014

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Cancelled
<u>MUNICIPAL DEBT SERVICE</u>						
Payment of bond anticipation notes and capital notes	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest on notes	12,200.00	12,200.00	12,096.00	0.00	0.00	104.00
Total municipal debt service	172,200.00	172,200.00	172,096.00	0.00	0.00	104.00
<u>DEFERRED CHARGES</u>						
Deferred charges:						
Special emergency authorization - 5 years	7,000.00	7,000.00	7,000.00	0.00	0.00	0.00
Total deferred charges	7,000.00	7,000.00	7,000.00	0.00	0.00	0.00
Total appropriations for municipal purposes excluded from "CAP"	306,813.37	310,813.37	286,796.68	5,077.57	18,835.12	104.00
Subtotal general appropriations	1,099,238.67	1,188,238.67	979,098.91	121,138.07	85,510.84	2,490.85
Reserve for uncollected taxes	320,448.21	320,448.21	320,448.21	0.00	0.00	0.00
Total general appropriations	<u>\$ 1,419,686.88</u>	<u>\$ 1,508,686.88</u>	<u>\$ 1,299,547.12</u>	<u>\$ 121,138.07</u>	<u>\$ 85,510.84</u>	<u>\$ 2,490.85</u>
Ref.	A-2		A-3	A	A	
Adopted budget		\$ 1,419,686.88				
Appropriation by special emergency 40A:4-55		<u>89,000.00</u>				
		<u>\$ 1,508,686.88</u>				

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
For the Year Ended December 31, 2014

	<u>Ref.</u>	
Paid or charged:		
Federal and state grants	A-12	\$ 29,463.37
Deferred charges:		
Special emergency authorization - 5 years	A	7,000.00
Reserve for uncollected taxes	A-2	320,448.21
Cash disbursed	A-4	<u>942,635.54</u>
	A-3	<u>\$ 1,299,547.12</u>

See Accompanying Notes to the Financial Statements

TRUST FUND

TOWNSHIP OF OLDMANS
TRUST FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
December 31, 2014 and 2013

ASSETS			LIABILITIES, RESERVES, AND FUND BALANCE		
	Ref.	Balance December 31, 2014	Balance December 31, 2013		
Dog license fund:				Dog license fund:	
Cash - chief financial officer	B-1	\$ 10,904.50	\$ 6,058.83	Amount due to current fund	A \$ 6.41 \$ 5.75
Change fund		50.00	50.00	Reserve for dog fund expenditures	B-2 10,948.09 6,103.08
		<u>10,954.50</u>	<u>6,108.83</u>		<u>10,954.50</u> <u>6,108.83</u>
Other trust funds:				Other trust funds:	
Cash - chief financial officer	B-1	388,805.09	396,212.26	Amount due to current fund	A 9,318.65 9,213.34
Due from developers		2,517.74	2,345.17	Accounts payable	20,071.05 16,487.30
Amount due from current fund		31.00	0.00	Reserve for:	
Amount due from State of New Jersey		372,931.35	372,931.35	Landfill closure escrow	93,360.61 93,127.51
Loans receivable - Energy Freedom		0.00	968,558.00	Camp Pedricktown	59,279.04 1,343,517.71
Interest receivable - Energy Freedom		0.00	297,804.04	Affordable housing - COAH	475,672.48 473,898.84
Deferred charge - deficit in revolving loan		1,614.96	0.00	Recreation	10,031.01 10,016.02
		<u>765,900.14</u>	<u>2,037,850.82</u>	Revolving loan account	0.00 37,225.06
				P.O.A.A.	31.00 29.00
				Tax title lien redemption	B-3 21.52 4,026.20
				Zoning escrow fees	<u>98,114.78</u> <u>50,309.84</u>
					<u>765,900.14</u> <u>2,037,850.82</u>
Total all funds		<u>\$ 776,854.64</u>	<u>\$ 2,043,959.65</u>	Total all funds	<u>\$ 776,854.64</u> <u>\$ 2,043,959.65</u>

See Accompanying Notes to the Financial Statements

GENERAL CAPITAL FUND

TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
December 31, 2014 and 2013

	Ref.	Balance December 31, 2014	Balance December 31, 2013
<u>ASSETS</u>			
Cash - chief financial officer	C-2	\$ 243,662.41	\$ 432,741.06
Due from State of New Jersey	C-6	42,644.39	0.00
Due from current fund	A	121,359.70	12,689.85
Deferred charges to future taxation - unfunded	C-4	1,280,000.00	1,440,000.00
		<u>\$ 1,687,666.50</u>	<u>\$ 1,885,430.91</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>			
Capital improvement fund	C-5	\$ 25,604.82	\$ 72,885.60
Contracts payable		57,747.15	41,208.41
Bond anticipation notes payable	C-8	1,280,000.00	1,440,000.00
Improvement authorizations:			
Funded	C-6	44,987.26	10,057.58
Unfunded	C-6	91,815.95	96,220.00
Reserve for various capital improvements	C-7	162,488.00	155,036.00
Reserve for debt service		13,000.00	13,000.00
Fund balance	C-1	12,023.32	57,023.32
		<u>\$ 1,687,666.50</u>	<u>\$ 1,885,430.91</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, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	\$ 57,023.32
Decreased by		
Appropriated to fund improvement authorization	C-6	<u>45,000.00</u>
Balance - December 31, 2014	C	<u><u>\$ 12,023.32</u></u>

See Accompanying Notes to the Financial Statements

WATER UTILITY FUND

December 31, 2014 and 2013

\$	339,006.39	\$	325,277.60	\$	339,006.39	\$	325,277.60
----	------------	----	------------	----	------------	----	------------

-21-

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN OPERATING FUND BALANCE
REGULATORY BASIS
For the Years Ended December 31, 2014 and 2013**

	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
Revenue and other income realized:			
Fund balance appropriated	D-3	\$ 1,593.70	\$ 5,200.00
Rents	D-3	22,526.24	19,450.03
Miscellaneous revenue anticipated	D-3	6,400.00	6,400.00
Miscellaneous revenue not anticipated	D-3	19.85	61.70
Other credits to income:			
Appropriation reserves lapsed	D-10	0.00	157.96
Total income		<u>30,539.79</u>	<u>31,269.69</u>
Expenditures:			
Budget appropriations:			
Operations	D-4	22,000.00	20,000.00
Capital improvements	D-4	8,000.00	15,500.00
Deferred charges and statutory expenditures	D-4	11,604.00	2,200.00
Total expenditures		<u>41,604.00</u>	<u>37,700.00</u>
Excess or (deficit) in revenue		(11,064.21)	(6,430.31)
Adjustment to income before fund balance:			
Realized from general budget for anticipated deficit		12,223.45	0.00
Expenditures included above which are by statute deferred to budgets of succeeding years		<u>0.00</u>	<u>7,500.00</u>
Statutory excess to fund balance		1,159.24	1,069.69
<u>FUND BALANCE</u>			
Balance - January 1	D	8,988.70	13,119.01
Decreased by:			
Utilization by operating budget	D-1	<u>1,593.70</u>	<u>5,200.00</u>
Balance - December 31	D	<u>\$ 8,554.24</u>	<u>\$ 8,988.70</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
STATEMENT OF CAPITAL FUND BALANCE
REGULATORY BASIS
For the Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	D	\$ <u>333.74</u>
Balance - December 31, 2014	D	\$ <u><u>333.74</u></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, 2014**

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Fund balance appropriated	D-1	\$ 1,593.70	\$ 1,593.70	\$ 0.00
Rents	D-1	19,000.00	22,526.24	3,526.24
Fire hydrant service	D-5	6,400.00	6,400.00	0.00
Deficit (general budget)	D-5	14,610.30	12,223.45	(2,386.85)
		<u>41,604.00</u>	<u>42,743.39</u>	<u>1,139.39</u>
Non-budget revenues	D-1	0.00	19.85	19.85
	D-4	<u>\$ 41,604.00</u>	<u>\$ 42,763.24</u>	<u>\$ 1,159.24</u>
Analysis of realized revenues - rents:				
Consumer accounts receivable	D-7			<u>\$ 22,526.24</u>
Total rents	D-1			<u>\$ 22,526.24</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2014**

	Appropriations		Expended	
	Budget	Budget After Modifications	Paid Or Charged	Reserved
Operating:				
Salaries and wages	\$ 2,000.00	\$ 2,000.00	\$ 1,998.00	\$ 2.00
Other expenses	20,000.00	20,000.00	16,212.66	3,787.34
Total operating	<u>22,000.00</u>	<u>22,000.00</u>	<u>18,210.66</u>	<u>3,789.34</u>
Capital improvements:				
Capital improvement fund	5,000.00	5,000.00	5,000.00	0.00
Capital outlay	3,000.00	3,000.00	3,000.00	0.00
Total capital improvements	<u>8,000.00</u>	<u>8,000.00</u>	<u>8,000.00</u>	<u>0.00</u>
Deferred charges:				
Deferred charges to future taxation - unfunded	3,894.00	3,894.00	3,894.00	0.00
Emergency authorization	7,500.00	7,500.00	7,500.00	0.00
Statutory expenditures:				
Contribution to:				
Social security system	160.00	160.00	152.87	7.13
Unemployment insurance	50.00	50.00	16.80	33.20
Total deferred charges and statutory expenditures	<u>11,604.00</u>	<u>11,604.00</u>	<u>11,563.67</u>	<u>40.33</u>
	<u>\$ 41,604.00</u>	<u>\$ 41,604.00</u>	<u>\$ 37,774.33</u>	<u>\$ 3,829.67</u>

Ref.	D-3	D-3	D
------	-----	-----	---

Ref.

Cash disbursed	D-5	\$ 26,230.33
Accounts payable	D	150.00
Emergency authorization	D	7,500.00
Deferred charges to future taxation - unfunded	D	<u>3,894.00</u>
		<u>\$ 37,774.33</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, 2014 and 2013

	<u>Ref.</u>	<u>Balance December 31, 2014</u>	<u>Balance December 31, 2013</u>
<u>ASSETS</u>			
Cash - chief financial officer	E-1	\$ 0.00	\$ 12,543.28
		<u>\$ 0.00</u>	<u>\$ 12,543.28</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for public assistance		\$ 0.00	\$ 12,543.28
		<u>\$ 0.00</u>	<u>\$ 12,543.28</u>

See Accompanying Notes to the Financial Statements

PAYROLL ACCOUNT

TOWNSHIP OF OLDMANS
PAYROLL ACCOUNT
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
December 31, 2014 and 2013

	<u>Ref.</u>	<u>Balance December 31, 2014</u>	<u>Balance December 31, 2013</u>
<u>ASSETS</u>			
Cash - chief financial officer	F-1	\$ 12,352.11	\$ 14,720.65
		<u>\$ 12,352.11</u>	<u>\$ 14,720.65</u>
<u>LIABILITIES AND RESERVES</u>			
Payroll taxes payable	F-2	\$ 11,350.19	\$ 14,273.92
Due current fund	A	<u>1,001.92</u>	<u>446.82</u>
		<u>\$ 12,352.11</u>	<u>\$ 14,720.74</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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
General fixed assets:		
Land	\$ 235,300.00	\$ 235,300.00
Buildings	2,125,670.00	2,167,854.06
Equipment	1,393,198.57	2,595,960.75
Total general fixed assets	<u>3,754,168.57</u>	<u>4,999,114.81</u>
Investments in general fixed assets	<u>\$ 3,754,168.57</u>	<u>\$ 4,999,114.81</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, 2014**

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, 2014**

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, 2014**

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, 2014**

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, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

C. Basis of Accounting (Concluded)

Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.

Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Depreciation expense is not calculated on fixed assets.

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

D. Recent Accounting Pronouncements Not Yet Effective

In June 2012, GASB issued Statement No. 67 "Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the Township's financial reporting.

In June 2012, GASB issued Statement No. 68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Township's financial reporting.

In January 2013, GASB issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Township's financial reporting.

In April 2013, GASB issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the Township's financial statements.

NOTE 2 - INVESTMENTS

As of December 31, 2014 and 2013, the Township did not have any investments.

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

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

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

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

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, 2014, the Township's bank balances were exposed to custodial credit risk as follows:

Insurance	\$ 600,486.82
Uninsured and collateralized with securities held by pledging financial institutions (GUDPA)	<u>3,231,231.47</u>
	<u>\$ 3,831,718.29</u>

TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2014:

Due From	Due To						Total Due From
	Current Fund	Federal and State Grant Fund	Trust Funds Other	General Capital Fund	Water Operating Fund	Water Capital Fund	
Current fund	\$ 0.00	\$ 61,919.26	\$ 31.00	\$ 121,359.70	\$ 11,180.46	\$ 0.00	\$ 194,490.42
Dog license trust fund	6.41	0.00	0.00	0.00	0.00	0.00	6.41
Other trust fund	9,213.34	0.00	0.00	0.00	0.00	0.00	9,213.34
Water operating fund	0.00	0.00	0.00	0.00	0.00	5,874.23	5,874.23
Water capital fund	15,000.00	0.00	0.00	0.00	0.00	0.00	15,000.00
Payroll account	1,001.92	0.00	0.00	0.00	0.00	0.00	1,001.92
Total due to	<u>\$ 25,221.67</u>	<u>\$ 61,919.26</u>	<u>\$ 31.00</u>	<u>\$ 121,359.70</u>	<u>\$ 11,180.46</u>	<u>\$ 5,874.23</u>	<u>\$ 225,586.32</u>

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

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

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>2014</u>	<u>2013</u>	<u>2012</u>
Total Tax Rate	<u>\$ 2.414</u>	<u>\$ 2.509</u>	<u>\$ 2.382</u>
Apportionate of Tax Rate:			
Municipal	\$ 0.192	\$ 0.183	\$ 0.153
County	1.026	1.129	0.990
Local school	1.174	1.173	1.217
Farmland preservation/county open space	0.022	0.024	0.022

Assessed Valuation:

2014	\$ 221,994,779.00		
2013		\$ 220,066,361.00	
2012			\$ 207,735,183.00

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>
2014	\$5,369,610.60	\$ 5,130,945.69	95.55 %
2013	\$5,602,805.77	\$ 5,293,130.33	94.47 %
2012	\$5,052,445.91	\$ 4,845,094.40	95.89 %

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, Year</u>	<u>Amount Of Tax Title Liens</u>	<u>Amount Of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2014	\$ 149,159.43	\$ 275,053.60	\$ 424,213.03	7.90 %
2013	\$ 337,129.65	\$ 276,309.19	\$ 613,438.84	10.95 %
2012	\$ 292,503.43	\$ 281,364.02	\$ 573,867.45	11.35 %

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

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>
2014	\$ 24,100.00
2013	\$ 24,100.00
2012	\$ 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>
2014	\$ 21,079.74
2013	\$ 20,336.18
2012	\$ 19,126.20

NOTE 7 - FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>December 31</u>	<u>Utilized In Budget Of Succeeding Year</u>
Current Fund:		
2014	\$ 1,742,700.37	\$ 730,542.00
2013	\$ 1,124,630.93	\$ 282,367.30
2012	\$ 917,516.72	\$ 228,500.00
2011	\$ 436,301.05	\$ 176,747.90
2010	\$ 551,861.25	\$ 115,560.20
Water Utility Fund:		
2014	\$ 8,554.24	\$ 4,900.00
2013	\$ 8,988.70	\$ 1,593.70
2012	\$ 13,119.01	\$ 5,200.00
2011	\$ 15,083.94	\$ 6,000.00
2010	\$ 22,536.07	\$ 11,000.00

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

NOTE 8 - TAXES COLLECTED IN ADVANCE

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

	Balance December 31, 2014	Balance December 31, 2013
Prepaid Taxes	\$ 53,863.37	\$ 70,182.29

NOTE 9 - LONG-TERM DEBT

There is no long-term debt and thus, as of December 31, 2014, there was no debt service requirements on long-term debt in future years.

Summary of Municipal Debt

During the calendar years 2014 and 2013, the following changes occurred in the municipal debt of the Township:

	2014	2013
Bonds and notes issued:		
General Capital Fund	\$ 1,280,000.00	\$ 1,440,000.00
Bonds and notes authorized but not issued:		
Water Capital Fund	12,000.00	15,894.00
	<u>\$ 1,292,000.00</u>	<u>\$ 1,455,894.00</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 \$1,280,000.00.

	Gross Debt	Deduction	Net Debt
General debt	\$ 1,280,000.00	\$ -	\$ 1,280,000.00
Local school district debt	1,055,000.00	1,055,000.00	-
Self-liquidating debt	12,000.00	12,000.00	-
	<u>\$ 2,347,000.00</u>	<u>\$ 1,067,000.00</u>	<u>\$ 1,280,000.00</u>

Net Debt \$1,280,000.00 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, \$231,468,567.00 = .553%.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

NOTE 9 - LONG-TERM DEBT (Concluded)

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

3 1/2% of equalized valuation basis (municipal)	\$ 8,101,399.85
Net debt	<u>1,280,000.00</u>
Remaining borrowing power	<u>\$ 6,821,399.85</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	\$ 28,946.09
Deductions:	
Operating and maintenance cost	\$ 18,380.33
Debt service per utility account	<u>3,000.00</u>
Total deductions	<u>21,380.33</u>
Excess in revenue	<u>\$ 7,565.76</u>

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

NOTE 10 - BOND ANTICIPATION NOTES

The Township has outstanding at December 31, 2014 and 2013, bond anticipation notes in the general capital fund in the amount of \$1,280,000.00 and \$1,440,000.00, respectively. The December 31, 2014 amount payable to Pennsville National Bank is \$1,280,000.00, bears an interest rate of .68% and matures on May 14, 2015. 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.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

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:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non- Contributory Life</u>
2014	\$ 5,537.00	\$ 15,000.00	\$ 313.00
2013	8,944.00	21,384.00	1,805.00
2012	9,067.00	18,134.00	1,733.00
	<u>Total Liability</u>	<u>Paid By Township</u>	
2014	\$ 20,850.00	\$ 20,850.00	
2013	32,133.00	32,133.00	
2012	28,934.00	28,934.00	

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, 2014, 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, 2014**

NOTE 13 - GENERAL FIXED ASSETS

General fixed asset activity for the years ended December 31, 2014 and 2013 was as follows:

	Balance December 31, 2013	Adjustment To Appraised Value	Disposals/ Adjustments	Balance December 31, 2014
Land	\$ 235,300.00	\$ 0.00	\$ 0.00	\$ 235,300.00
Buildings	2,167,854.06	(42,184.06)	0.00	2,125,670.00
Equipment	2,595,960.75	(1,202,762.18)	0.00	1,393,198.57
	<u>\$ 4,999,114.81</u>	<u>\$ (1,244,946.24)</u>	<u>\$ 0.00</u>	<u>\$ 3,754,168.57</u>
	Adjusted Balance December 31, 2012	Additions	Disposals/ Adjustments	Balance December 31, 2013
Land	\$ 235,300.00	\$ 0.00	\$ 0.00	\$ 235,300.00
Buildings	2,167,854.06	0.00	0.00	2,167,854.06
Equipment	2,595,960.75	0.00	0.00	2,595,960.75
	<u>\$ 4,999,114.81</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 4,999,114.81</u>

Water utility plant and equipment for the years ended December 31, 2014 and 2013 was as follows:

	Balance December 31, 2013	Additions	Disposals/ Adjustments	Balance December 31, 2014
Repairs to wells	\$ 21,644.00	\$ 0.00	\$ 0.00	\$ 21,644.00
Transmission and distribution mains	222,390.90	55,000.00	0.00	277,390.90
	<u>\$ 244,034.90</u>	<u>\$ 55,000.00</u>	<u>\$ 0.00</u>	<u>\$ 299,034.90</u>
	Balance December 31, 2012	Additions	Disposals/ Adjustments	Balance December 31, 2013
Repairs to wells	\$ 21,644.00	\$ 0.00	\$ 0.00	\$ 21,644.00
Transmission and 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, 2014**

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, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2014</u>		<u>2015 Budget</u>		<u>Balance To Succeeding Budgets</u>
Current Fund:					
Special emergency appropriations:					
Master plan	\$ 28,000.00	\$	7,000.00	\$	21,000.00

The appropriations in the 2015 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, 2014, 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, 2014**

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 October 27, 2014, 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 October 27, 2014, the developer owes the Township \$355,055.56 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.

On October 27, 2014, the Superior Court of New Jersey, Chancery Division, Salem County entered a judgement of foreclosure against Energy Freedom Pioneers, Inc. and Branchville Road, LLC. As a result of this judgement, the unpaid balance of the loan and outstanding interest was removed from the Township's records and the Township resumed ownership of the property known as Camp Pedricktown.

The Township has entered into negotiations with Salem County Community College to purchase a portion of the property to use as educational facilities. The Township is also in discussions with a developer to utilize the balance of the property for commercial purposes.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

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 August 10, 2015, 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, 2014

	Ref.	Regular Fund	State and Federal Grant Fund
Balance - December 31, 2013	A	\$ 1,522,011.39	\$ 14,732.64
Increased by:			
Tax collector:			
Taxes receivable	A-5	\$ 5,298,493.96	\$ 0.00
Tax title liens receivable	A-6	3,058.96	0.00
Interest and cost on taxes	A-2	48,957.25	0.00
Revenue accounts receivable	A-7		0.00
Taxes collected in advance	A	50,648.00	0.00
Miscellaneous revenue not anticipated	A-2	1,379.87	0.00
Tax overpayments		11,587.01	0.00
Revenue accounts receivable	A-7	1,212,788.97	0.00
Miscellaneous revenue not anticipated	A-2	20,104.34	0.00
Interest earned on investments		0.00	23.08
State of New Jersey - statutory deduction		31,750.00	0.00
State of New Jersey - marriage licenses		150.00	0.00
Amount due dog license trust fund		68.00	0.00
Amount due general capital fund		608,672.61	0.00
Amount due water utility operating fund		116.60	0.00
Amount due trust fund other	A	2,906.87	0.00
Renewal of bond anticipation note	Contra	1,280,000.00	0.00
Reserve for election workers	Contra	3,200.00	0.00
Reserve for POAA		2.00	0.00
Reserve for state and federal grants- unappropriated	A-11	19,577.41	1,400.00
State grants receivable	A-10	7,969.44	0.00
Budget appropriations reimbursed	A	4,280.79	0.00
		<u>8,605,712.08</u>	<u>1,423.08</u>
		10,127,723.47	16,155.72
Decreased by:			
2014 budget appropriations	A-3	942,635.54	0.00
2013 appropriation reserves	A-8	64,769.94	0.00
County taxes	A-5	2,323,556.99	0.00
Due county for added taxes	A-5	41,174.09	0.00
Local district school taxes	A-9	2,606,630.50	0.00
Refund of tax overpayments		150.00	0.00
Amount due trust fund other		1,370.01	0.00
Amount due waterdog license trust fund		68.00	0.00
Amount due general capital fund		500,000.00	0.00
Payment of bond anticipation note		1,280,000.00	0.00
Reserve for election workers	Contra	3,300.00	0.00
Budget appropriations reimbursed	Contra	4,280.79	0.00
Encumbrances payable- state and federal grants	A	905.75	0.00
Reserve for state grants	A-12	23,958.94	0.00
		<u>7,792,800.55</u>	<u>0.00</u>
Balance - December 31, 2014	A	<u>\$ 2,334,922.92</u>	<u>\$ 16,155.72</u>

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
For the Year Ended December 31, 2014

Year	Balance December 31, 2013	Levy	Added Taxes	Collections		Due From State Of New Jersey	Adjustments and Canceled	Transferred To Tax Title Liens	Balance December 31, 2014
				2013	2014				
2010	\$ 25,676.66	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 25,676.66
2011	49,180.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49,180.06
2012	1,988.75	0.00	250.00	0.00	0.00	250.00	0.00	0.00	1,988.75
2012	199,463.72	0.00	79,530.08	0.00	268,230.56	750.00	2,471.68	7,541.56	0.00
	276,309.19	0.00	79,780.08	0.00	268,230.56	1,000.00	2,471.68	7,541.56	76,845.47
2013	0.00	5,369,610.60	0.00	70,182.29	5,030,263.40	30,500.00	16,941.92	23,514.86	198,208.13
	<u>\$ 276,309.19</u>	<u>\$ 5,369,610.60</u>	<u>\$ 79,780.08</u>	<u>\$ 70,182.29</u>	<u>\$ 5,298,493.96</u>	<u>\$ 31,500.00</u>	<u>\$ 19,413.60</u>	<u>\$ 31,056.42</u>	<u>\$ 275,053.60</u>

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

Added/omitted taxes	\$ 79,530.08
Senior citizen deductions disallowed	250.00
	<u>\$ 79,780.08</u>

Analysis of 2014 property tax levy:

Tax yield:

General property tax	\$ 5,358,953.97
Added and rollback taxes (54:4-63.1 et seq.)	10,636.63

\$ 5,369,610.60

Tax levy:

Local district school tax	A-9	\$ 2,606,630.00
County tax	A-1,A-4	\$ 2,275,508.80
County open space preservation tax	A-1,A-4	48,048.19
Due county for added taxes	A	41,174.09
Total county taxes		2,364,731.08
Local tax for municipal purposes levied	A-2	426,741.17
Add: additional tax levied		(28,491.65)
Local tax for municipal purposes levied		<u>398,249.52</u>

\$ 5,369,610.60

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
For the Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	A		\$ 337,129.65
Increased by:			
Transfers from taxes receivable	A-5	\$ 31,056.42	
Special charges - lot cleaning		295.00	
Interest and costs on tax sale		<u>1,644.84</u>	
			<u>32,996.26</u>
			370,125.91
Decreased by:			
Cash collections	A-2,A-4	3,058.96	
Cancellation by sales N.J.S. 54:4-114.2		<u>217,907.52</u>	
			<u>220,966.48</u>
Balance - December 31, 2014	A		<u>\$ 149,159.43</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
For the Year Ended December 31, 2014**

	Balance December 31, 2013	Accrued In 2014	Collections Chief Financial Officer	Balance December 31, 2014
Clerk:				
Cable TV franchise fee	\$ 5,254.30	\$ 5,352.92	\$ 5,254.30	\$ 5,352.92
Other miscellaneous	0.00	69.35	69.35	0.00
Housing officer:				
Fees and permits	0.00	1,650.00	1,650.00	0.00
Registrar of vital statistics:				
Miscellaneous	0.00	386.00	386.00	0.00
Zoning officer:				
Fees and permits	0.00	1,880.00	1,880.00	0.00
Chief financial officer:				
Rental income	0.00	3,080.98	3,080.98	0.00
PILOT - Goya Foods	0.00	182,577.58	182,577.58	0.00
Construction code official:				
Construction fees	2,418.92	1,428,557.00	761,674.00	669,301.92
Interest earned	7.75	192.30	167.94	32.11
Municipal court:				
Fines and costs	2,021.37	22,368.20	23,165.33	1,224.24
Consolidated municipal property tax relief act	0.00	230,610.00	230,610.00	0.00
Interest earned on investments	0.00	2,273.49	2,273.49	0.00
Total	<u>\$ 9,702.34</u>	<u>\$ 1,878,997.82</u>	<u>\$ 1,212,788.97</u>	<u>\$ 675,911.19</u>
Ref.	A		A-4	A

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013
For the Year Ended December 31, 2014**

	Balance December 31, 2013	Balance After Transfers	Paid or Charged	Lapsed
Salaries and wages:				
Mayor and council	\$ 10.00	\$ 10.00	\$ 0.00	\$ 10.00
Township clerk	284.00	284.00	0.00	284.00
Financial administration	315.60	315.60	0.00	315.60
Assessment of taxes	86.00	86.00	0.00	86.00
Collection of taxes	602.20	602.20	0.00	602.20
Zoning board	575.00	575.00	0.00	575.00
Planning board	1,027.50	1,027.50	0.00	1,027.50
Emergency management services	50.00	50.00	0.00	50.00
Streets and roads maintenance	2,762.93	2,762.93	0.00	2,762.93
Recycling coordinator	50.00	50.00	0.00	50.00
Registrar of vital statistics	15.00	15.00	0.00	15.00
Construction official	620.00	620.00	0.00	620.00
Housing officer	54.00	54.00	0.00	54.00
Other expenses:				
Mayor and council	166.06	166.06	0.00	166.06
Township clerk	3,051.80	3,151.80	2,879.98	271.82
Financial administration	2,556.24	2,356.24	696.14	1,660.10
Assessment of taxes	1,444.53	1,444.53	724.33	720.20
Collection of taxes	1,098.00	1,098.00	0.00	1,098.00
Legal services and costs	860.24	860.24	271.25	588.99
Engineering services and costs	1,704.00	1,704.00	153.00	1,551.00

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013
For the Year Ended December 31, 2014**

	Balance December 31, 2013	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (continued):				
Public buildings and grounds	\$ 1,655.56	\$ 1,655.56	\$ 395.17	\$ 1,260.39
Zoning board	1,502.65	1,502.65	37.13	1,465.52
Planning board	1,278.55	1,278.55	489.72	788.83
Insurance:				
Workmans compensation	293.00	293.00	0.00	293.00
Liability	198.00	198.00	0.00	198.00
Unemployment compensation	235.40	235.40	0.00	235.40
Grant coordinator	2,000.00	200.00	0.00	200.00
Fire hydrant services	1,637.76	1,637.76	913.52	724.24
Aid to volunteer fire companies	18,851.68	18,851.68	14,978.61	3,873.07
Aid to first aid organization	0.00	0.00	0.00	0.00
Aid to volunteer ambulance companies	3,668.38	5,568.38	5,494.23	74.15
Emergency management services	1,557.23	1,557.23	1,490.75	66.48
Streets and roads maintenance	2,516.37	2,516.37	0.00	2,516.37
Vehicle maintenance	2,364.62	2,364.62	81.24	2,283.38
Municipal mosquito control	100.00	100.00	0.00	100.00
Demolition of buildings	2,000.00	2,000.00	0.00	2,000.00
Solid waste collection	5,066.66	5,066.66	2,717.31	2,349.35
Recycling collections	3,952.13	3,952.13	1,772.00	2,180.13
Animal control officer	1,989.83	1,989.83	0.00	1,989.83
Registrar of vital statistics	435.00	435.00	0.00	435.00
Parks and recreation	1,000.00	1,000.00	1,000.00	0.00
Celebration of public events	100.00	100.00	0.00	100.00

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013
For the Year Ended December 31, 2014

	Balance December 31, 2013	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (continued):				
Landfill/waste disposal costs	\$ 5,337.90	\$ 5,337.90	\$ 4,983.33	\$ 354.57
Sanitary landfill	2,574.77	2,574.77	0.00	2,574.77
Construction official	3,155.63	3,155.63	485.75	2,669.88
Housing officer	200.00	200.00	0.00	200.00
Water	546.30	546.30	102.73	443.57
Street lighting	1,809.38	1,809.38	1,651.28	158.10
Telephone	3,956.50	3,956.50	0.00	3,956.50
Heat	2,570.51	2,570.51	0.00	2,570.51
Gasoline	3,880.15	3,880.15	1,068.38	2,811.77
Electricity	2,252.67	2,252.67	0.00	2,252.67
JIF safety award	659.14	659.14	659.14	0.00
Contingent	100.00	100.00	0.00	100.00
Social security system	650.14	650.14	0.00	650.14
LOSAP	17,000.00	17,000.00	17,000.00	0.00
COAH - fair share plan	1,789.50	1,789.50	0.00	1,789.50

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013
For the Year Ended December 31, 2014

	Balance December 31, 2013	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (concluded):				
Interlocal municipal service agreement:				
Mid Salem County Municipal Court	\$ 6,934.83	\$ 6,934.83	\$ 4,724.95	\$ 2,209.88
Total	<u>\$ 123,153.34</u>	<u>\$ 123,153.34</u>	<u>\$ 64,769.94</u>	<u>\$ 58,383.40</u>
Ref.	A	A-8	A-4	A-1
Appropriation reserves	\$ 54,658.56			
Encumbrances payable	<u>68,494.78</u>			
	<u>\$ 123,153.34</u>			

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES
For the Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	A	\$ 1.00
Increased by:		
Levy- calendar year 2014	A-1,A-5	2,606,630.00
		<u>2,606,631.00</u>
Decreased by:		
Payments	A-4	2,606,630.50
		<u>2,606,630.50</u>
Balance - December 31, 2014	A	<u>\$ 0.50</u>

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE GRANTS RECEIVABLE
For the Year Ended December 31, 2014

Purpose	Balance December 31, 2013	2014 Revenue	Received	Unappropriated Reserve	Balance December 31, 2014
Recycling tonnage grant	\$ 0.00	\$ 15,389.03	\$ 0.00	\$ 15,389.00	\$ 0.03
Municipal alliance on alcohol and drug abuse	11,909.14	4,074.34	3,969.44	0.00	12,014.04
Clean communities grant	0.00	8,000.00	4,000.00	4,000.00	0.00
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>\$ 159,422.14</u>	<u>\$ 27,463.37</u>	<u>\$ 7,969.44</u>	<u>\$ 19,389.00</u>	<u>\$ 159,527.07</u>
Ref.	A	A-2	A-4	A-11	A

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
STATE AND FEDERAL GRANT
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS UNAPPROPRIATED
For the Year Ended December 31, 2014

Purpose	Balance December 31, 2013	Received In 2014	Applied to Receivables	Balance December 31, 2014
Municipal alliance on alcohol and drug abuse - program income	\$ 2,730.00	\$ 1,400.00	\$ 0.00	\$ 4,130.00
Clean communities grant	4,000.00	0.00	4,000.00	0.00
Recycling tonnage grant	15,389.00	19,577.41	15,389.00	19,577.41
	<u>\$ 22,119.00</u>	<u>\$ 20,977.41</u>	<u>\$ 19,389.00</u>	<u>\$ 23,707.41</u>
Ref.	A	A-4	A-10	A

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS APPROPRIATED
For the Year Ended December 31, 2014

Purpose	Balance		2014		Balance December 31, 2014
	December 31, 2013		Appropriations	Expended	
Clean communities grant	\$ 11,431.31	\$	8,000.00	\$ 3,175.00	\$ 16,256.31
Municipal alliance on alcohol and drug abuse	11,703.89		4,074.34	4,536.82	11,241.41
Hazardous discharge site remediation fund grant	142,899.13		0.00	0.00	142,899.13
Recycling tonnage grant	14,980.05		15,389.03	15,747.12	14,621.96
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		2,000.00	500.00	8,230.14
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>\$ 208,390.21</u>	<u>\$</u>	<u>29,463.37</u>	<u>\$ 23,958.94</u>	<u>\$ 213,894.64</u>
	<u>Ref.</u>	<u>A</u>	<u>A-3</u>		<u>A</u>
Paid or charged		<u>A-4</u>		<u>\$ 23,958.94</u>	
				<u>\$ 23,958.94</u>	

See Accompanying Auditor's Report

TRUST FUND

****SCHEDULES****

TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
For the Year Ended December 31, 2014

	Ref.	Dog License Fund	Trust Fund Other
Balance - December 31, 2013	B	\$ 6,058.83	\$ 396,212.26
Receipts:			
Interest earned		\$ 15.36	\$ 690.73
Escrow deposits		0.00	142,860.00
Due from current fund		0.00	17.48
Reserve for affordable housing (COAH)		0.00	1,620.75
Dog license fees collected	B-2	7,141.60	0.00
Dog license census fines, late fees, etc.	B-2	2,590.00	0.00
Due to State of New Jersey	Contra	917.40	0.00
Total receipts		<u>10,664.36</u>	<u>145,188.96</u>
		16,723.19	541,401.22
Disbursements:			
Due to State of New Jersey	Contra	917.40	0.00
Revolving trust fund expenditures		0.00	32,590.00
Due current fund		14.70	103.68
Escrow disbursements		0.00	95,227.63
Reserve for tax lien redemptions	B-3	0.00	4,004.68
Reserve for Camp Pedricktown		0.00	20,670.14
Dog fund expenditures	B-2	4,886.59	0.00
Total disbursements		<u>5,818.69</u>	<u>152,596.13</u>
Balance - December 31, 2014	B	\$ 10,904.50	\$ 388,805.09

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
For the Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	B	\$	6,103.08
Increased by:			
Dog license fees collected	B-1	\$	7,141.60
Dog license census fines, late fees, etc.	B-1	<u>2,590.00</u>	
			9,731.60
			<u>15,834.68</u>
Decreased by:			
Expenditures under R.S. 4:19-15.11	B-1		<u>4,886.59</u>
Balance- December 31, 2014	B	<u>\$</u>	<u>10,948.09</u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2012	\$ 8,089.00
2013	<u>8,986.80</u>
	<u>\$ 17,075.80</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, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	\$ 4,026.20
Increased by:		
Tax lien redemptions collected	B-1	0.00
		<u>4,026.20</u>
Decreased by:		
Tax lien redemptions disbursed	B-1	4,004.68
		<u>4,004.68</u>
Balance- December 31, 2014	B	<u><u>\$ 21.52</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, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	C		\$ 432,741.06
Increased by receipts:			
Interest on investments in checking account - due current fund		\$ 631.09	
Reserve for various capital improvements	C-7	50,000.00	
Capital improvement fund	C-5	10,000.00	60,631.09
			<u>493,372.15</u>
Decreased by disbursements:			
Due to current fund		628.33	
Contracts payable		34,789.36	
Improvement authorizations	C-6	214,292.05	249,709.74
Balance - December 31, 2014	C		<u>\$ 243,662.41</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
ANALYSIS OF CASH
For the Year Ended December 31, 2014**

	Balance December 31, 2014
Capital improvement fund	\$ 25,604.82
Amount due current fund	(121,359.70)
Due from State of New Jersey DOT	(42,644.39)
Contracts payable	57,747.15
Reserve for various capital improvements	162,488.00
Reserve for debt service	13,000.00
Fund balance	12,023.32
Improvement authorizations:	
Ordinance	
<u>Number</u>	
11-08 Construction of a new municipal complex	91,815.95
12-13 Purchase of computer equipment and upgrades for finance department, tax collector and offices	1,900.00
13-12 Purchase of office equipment	201.00
14-03 Improvement to Stumpy Road	9,009.53
14-04 Purchase of computer equipment	8,000.00
14-05 Purchase of public works vehicle and salt box	1,208.00
14-12 Purchase of equipment for public safety organizations	24,668.73
	<u>\$ 243,662.41</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, 2014

Improvement Description	Ordinance Number	Balance December 31, 2014	Analysis Of Balance December 31, 2014		
			Financed By Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
Construction of a new municipal complex	2011-08	\$ 1,280,000.00	\$ 1,280,000.00	\$ 0.00	\$ 0.00
		<u>\$ 1,280,000.00</u>	<u>\$ 1,280,000.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Ref.

C

C-8

C-6

C-6

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
For the Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	\$ 72,885.60
Increased by:		
Budget appropriation	C-2	10,000.00
Improvement authorization cancelled	C-6	719.22
		<u>83,604.82</u>
Decreased by:		
Appropriated to finance improvement authorization	C-6	<u>58,000.00</u>
Balance - December 31, 2014	C	<u><u>\$ 25,604.82</u></u>

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
For the Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date	Ordinance Amount	2014 Authorizations				State Road Aid	Paid or Charged	Contracts Payable	Canceled	Balance December 31, 2014	
				Reserve for Capital Projects	Fund Balance	Capital Improvement Fund	Balance						
							Funded					Unfunded	
11-07	Professional services for the construction of a municipal complex	07/06/11	\$ 100,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 719.22	\$ 0.00	\$ 0.00	\$ 0.00
11-08	Construction of a new municipal complex	11/02/11	1,800,000.00	0.00	0.00	0.00	0.00	0.00	4,404.05	0.00	0.00	0.00	91,815.95
12-13	Purchase of computer equipment and upgrades for the finance department, tax collector and offices	12/19/12	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,900.00	0.00
13-03	Purchase of public works equipment - lift trailer	06/12/13	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	635.00	0.00	0.00
13-06	Emergency improvement to roads	9/11/23	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00
13-12	Purchase of office equipment		8,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	201.00	0.00
13-12	Purchase of emergency equipment - fire companies and first aid squad		22,000.00	0.00	0.00	0.00	0.00	0.00	6,102.36	0.00	0.00	0.00	0.00
14-03	Improvement of Stumpy Road		175,000.00	0.00	8,683.00	15,000.00	0.00	151,317.00	147,663.64	18,326.83	0.00	9,009.43	0.00
14-04	Purchase of computer equipment		8,000.00	0.00	5,000.00	3,000.00	0.00	0.00	0.00	0.00	0.00	8,000.00	0.00
14-05	Purchase of public works vehicle and salt box		70,000.00	0.00	30,000.00	40,000.00	0.00	0.00	56,122.00	12,670.00	0.00	1,208.00	0.00
14-12	Purchase of equipment for volunteer public safety organizations		45,000.00	0.00	45,000.00	0.00	0.00	0.00	0.00	20,331.27	0.00	24,668.73	0.00
			\$ 10,057.58	\$ 96,220.00	\$ 43,683.00	\$ 45,000.00	\$ 45,000.00	\$ 151,317.00	\$ 214,292.05	\$ 51,328.10	\$ 1,854.22	\$ 44,987.26	\$ 91,815.95
				C	C	C-7	C-1	C-5	C-2	C	C-7	C	C
	Reserve for various capital projects		Ref.										
	Capital improvement fund		C-7								\$ 1,135.00		
			C-5								719.22		
											\$ 1,854.22		

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
STATEMENT OF RESERVE FOR VARIOUS CAPITAL PROJECTS
For the Year Ended December 31, 2014

Reserve For	Balance December 31, 2013	Budget Appropriation	Transfer to Improvement Authorizations	Balance December 31, 2014
Improvement to municipal property	\$ 9,373.47	\$ 0.00	\$ 0.00	\$ 9,373.47
Purchase of municipal property	513.25	0.00	0.00	513.25
Purchase of fire trucks	90,000.00	0.00	0.00	90,000.00
Purchase of dump truck	15,000.00	15,000.00	30,000.00	0.00
Purchase of ambulance	25,007.00	0.00	0.00	25,007.00
Purchase of computers	0.00	5,000.00	5,000.00	0.00
Improvements to municipal roads	3,781.62	10,000.00	8,183.00	5,598.62
Public works equipment	3,510.38	0.00	(635.00)	4,145.38
Purchase of emergency equipment	7,850.28	20,000.00	0.00	27,850.28
Total	\$ 155,036.00	\$ 50,000.00	\$ 42,548.00	\$ 162,488.00
Ref.	C	C-2		C
		Ref.		
Transfer to improvement authorization		C-6	\$ 43,683.00	
Improvement authorizations cancelled		C-6	(1,135.00)	
			\$ 42,548.00	

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
For the Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date Of Issue Of Original Note	Date Of Issue	Date Of Maturity	Interest Rate	Balance December 31, 2013	Decrease	Balance December 31, 2014
2011-08	Construction of a new municipal complex	05/14/12	05/14/14	05/14/15	0.68%	\$ 1,440,000.00	\$ 160,000.00	\$ 1,280,000.00
						<u>\$ 1,440,000.00</u>	<u>\$ 160,000.00</u>	<u>\$ 1,280,000.00</u>
					Ref.	C	A-3	C

See Accompanying Auditor's Report

WATER UTILITY FUND

****SCHEDULES****

TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
For the Year Ended December 31, 2014

	Ref.	Operating	Capital
Balance - December 31, 2013	D	\$ 7,093.02	\$ 5,070.64
Increased by receipts:			
Consumer accounts receivable	D-7	\$ 22,305.14	\$ 0.00
Interest earned on investments	D-3	12.43	7.27
Fire hydrant service	D-3	6,400.00	0.00
Utility rent prepayments	D	105.00	0.00
Capital improvement fund	D-12	0.00	5,000.00
Transfer for water mains		0.00	3,000.00
Due from utility capital fund	Contra	7.42	0.00
		<u>28,829.99</u>	<u>8,007.27</u>
		35,923.01	13,077.91
Decreased by disbursements:			
Due utility operating fund	Contra	0.00	7.42
Improvement authorizations	D-11	0.00	930.89
Budget appropriations	D-4	26,230.33	0.00
Appropriation reserves	D-10	2,360.00	0.00
		<u>28,590.33</u>	<u>938.31</u>
Balance - December 31, 2014	D	\$ 7,332.68	\$ 12,139.60

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
ANALYSIS OF CAPITAL CASH
For the Year Ended December 31, 2014**

	Balance December 31, 2014
	<u> </u>
Fund balance	\$ 333.74
Capital improvement fund	8,825.20
Reserve for capital improvements to water system	4,615.78
Amount due water utility operating fund	(5,874.23)
Amount due current fund	15,000.00

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
2012-10	Improvements of the Auburn water system in the Village of Auburn	1,239.11
2013-9	Capital repairs and improvements to the Auburn water system - additional funding	(12,000.00)
		<u> </u>
		<u>\$ 12,139.60</u>

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, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	D	\$	4,598.96
Increased by:			
Prior period adjustment		\$	292.06
Utility rents levied			<u>21,079.74</u>
			<u>21,371.80</u>
			25,970.76
Decreased by:			
Prepaid applied		\$	105.00
Due from current fund			116.10
Collection	D-5		<u>22,305.14</u>
			<u>22,526.24</u>
Balance - December 31, 2014	D	\$	<u><u>3,444.52</u></u>

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL
For the Year Ended December 31, 2014

	<u>Ref.</u>	
Balance- December 31, 2013	D	\$ 244,034.90
Increased by:		
Transfer from fixed assets authorized and uncompleted		<u>55,000.00</u>
Balance- December 31, 2014	D	<u><u>\$ 299,034.90</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
For the Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	D	\$ 55,000.00
Decreased by		
Transfer to fixed capital	D-13	<u>55,000.00</u>
Balance - December 31, 2014	D	<u>\$ 0.00</u>

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013
For the Year Ended December 31, 2014

	Balance December 31, 2013	Balance After Transfers	Paid Or Charged	Balance Lapsed
Operating:				
Salaries and wages	\$ 41.00	\$ 41.00	\$ 0.00	\$ 41.00
Other expenses	1,552.06	1,552.06	468.94	1,083.12
Capital improvements:				
Capital outlay	1,891.06	1,891.06	1,891.06	0.00
Statutory expenditures:				
Contribution to:				
Social security system	0.12	0.12	0.00	0.12
Unemployment insurance	35.00	35.00	0.00	35.00
	<u>\$ 3,519.24</u>	<u>\$ 3,519.24</u>	<u>\$ 2,360.00</u>	<u>\$ 1,159.24</u>
Ref.		D	D-5	D-1
Appropriation reserves	D \$ 2,900.55			
Accounts payable	D 618.69			
	<u>\$ 3,519.24</u>			

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
For the Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2013 Funded	Paid or Charged	Balance December 31, 2014 Funded
2012-10	Improvements of the Auburn water system in the Village of Auburn	12/5/2012	\$ 4,000.00	\$ 2,170.00	\$ 930.89	\$ 1,239.11
				\$ 2,170.00	\$ 930.89	\$ 1,239.11
		Ref.	D	D-5	D	

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
For the Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	\$ 3,825.20
Increased by:		
Budget appropriation	D-4	<div style="text-align: right;">5,000.00</div> <hr/> 8,825.20
Decreased by:		
Improvement authorizations funded	D-11	<div style="text-align: right;">0.00</div> <hr/>
Balance - December 31, 2014	D	<div style="text-align: right;">\$ 8,825.20</div> <hr/> <hr/>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
For the Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	D	\$ 243,140.90
Increased by		
Budget appropriation - deferred charges to		
future revenues - unfunded	D-3	3,894.00
Transferred to reserve for amortization	D-14	<u>40,000.00</u>
Balance - December 31, 2014	D	<u><u>\$ 287,034.90</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
For the Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	D	\$ 40,000.00
Decreased by:		
Transferred to reserve for amortization	D-13	<u>40,000.00</u>
Balance - December 31, 2014	D	<u><u>\$ 0.00</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, 2014**

Ordinance Number	Improvement Authorization	Balance December 31, 2014
13-9	Capital repairs and improvements to Auburn water system - additional funding	\$ 12,000.00
		<u>\$ 12,000.00</u>
		Ref. Footnote

See Accompanying Auditor's Report

PUBLIC ASSISTANCE TRUST FUND

****SCHEDULES****

TOWNSHIP OF OLDMANS
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
For the Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	E	\$ 12,543.28
Increased by:		
Interest earned		13.27
		<u>12,556.55</u>
Decreased by:		
Due from current fund		12,556.55
		<u>12,556.55</u>
Balance - December 31, 2014	E	\$ <u>0.00</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 June 30, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	E-1	\$ 0.00
Increased by:		
Cash receipts record		<u>0.00</u>
Balance - June 30, 2015	E-2	<u><u>\$ 0.00</u></u>
Balance on deposit per statement:		
Pennsville National Bank		<u>\$ 0.00</u>
		<u><u>\$ 0.00</u></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, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	F	\$ 14,720.65
Increased by:		
Prior period adjustment		\$ 0.09
Deposits to pay gross salaries		257,681.09
Interest earned- due to current fund		23.70
Township's share of social security, medicare, unemployment and pension		<u>40,406.85</u>
		<u>298,111.73</u>
		312,832.38
Decreased by:		
Net payroll		188,656.90
Deductions paid to various agencies		111,800.41
Due to current fund	D-5	<u>22.96</u>
		<u>300,480.27</u>
Balance - December 31, 2014	F	<u><u>\$ 12,352.11</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
PAYROLL ACCOUNT
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
For the Year Ended December 31, 2014**

Public employees' retirement system	\$ 10,558.20
Public employees' retirement system- contributory insurance	<u>791.99</u>
	<u><u>\$ 11,350.19</u></u>

Ref

F

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS

LETTER OF COMMENTS AND RECOMMENDATIONS

For the Year Ended December 31, 2014

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 no bids were requested by public advertising for the year under audit.

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 2014.

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

My examination of expenditures did not reveal any individual payments, contracts, or agreements in excess of \$17,500.00 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6:

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

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

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

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

Business registration certificates were on file for the required purchases.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 8, 2014, 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 22, 2014, 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>
2014	23
2013	24
2012	19

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

OTHER COMMENTS

Chief Financial Officer

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

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

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

There are currently old balances in the escrow trust fund. The 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, 2014

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.

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-1

Criteria or Specific Requirement

The Construction Code Official is required to maintain a permit log that agrees with and balances to the permits issued and the cash receipts of the construction office.

Condition

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

Effect

It was extremely questionable as to the accuracy of the records maintained by the Construction Code Official.

Cause

The Construction Code Official was not sufficiently trained in the operation and use of the software program. The software program was chosen by the Construction Code Official.

Recommendation

The Township should have the Construction Code Official properly trained in the use and operation of the software program. Also, the Construction Code Official should balance the computer records to the cash records.

View of Responsible Official and Corrective Action

The Township Committee agrees with the finding and will take corrective action in 2015.

Finding No. 2014-2

Criteria or Specific Requirement

The Construction Code Official is required to submit a quarterly report to the State of New Jersey detailing the collection of state surcharge fees on permits issued by the Township.

Condition

On the report submitted to the State of New Jersey the amount calculated and the amount collected were not in agreement. Also, the amount paid to the State of New Jersey was not always in agreement with the amount calculated or collected on the quarterly report.

Effect

The differences in amounts calculated, collected, and paid led to questions regarding the accuracy of the Construction Code Official's records and the report submitted to the State of New Jersey.

Cause

The Construction Code Official was not sufficiently trained in the operation and use of the software program. The software program was chosen by the Construction Code Official.

Recommendation

The Township should have the Construction Code Official properly trained in the use and operation of the software program. Also, the Construction Code Official should balance the computer records to the cash records.

View of Responsible Official and Corrective Action

The Township Committee agrees with the finding and will take corrective action in 2015.

**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 is resolved.

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.

Finding No. 2012-1

Condition

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

Current Status

Condition remains unresolved.

Planned Corrective Action

Corrective action has been taken on several items during 2014. The responsible officials agree with the finding and will take corrective action in 2015 to clear-up the remaining items.

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

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

<u>Name</u>	<u>Title</u>	<u>Amount Of Bond</u>
Harry A. Moore	Mayor	B
George W. Bradford	Deputy Mayor	B
Cordy Taylor	Committeeperson	B
James R. Hackett	Chief Financial Officer	A
Melinda Taylor	Township Clerk Municipal Improvement Search Officer Registrar of Vital Statistics Zoning Officer Dog License Clerk	A
Margie Schieber	Tax Collector and Tax Search Officer	A
Jeryl Goff	Construction Code Official	B
Michael Raio	Assessor	B
John G. Hoffman	Solicitor	B
Niki Trump	Back-Up Solicitor (From 11/12/14)	B
Thomas Tedesco, Jr.	Engineer	B

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

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

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

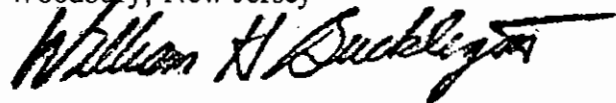
Should any questions arise as to my comments to recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

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

Respectfully submitted,

Ball, Buckley & Seher, LLP

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

A handwritten signature in black ink, appearing to read "William H. Buckley, III". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

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