

TOWNSHIP OF OLDMANS
COUNTY OF SALEM
REPORT OF AUDIT
For the Year Ended December 31, 2019

TOWNSHIP OF OLDMANS

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TOWNSHIP OF OLDMANS

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

For the Year Ended December 31, 2019



CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Oldmans, County of Salem, State of New Jersey, as of December 31, 2019 and 2018, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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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.

Opinions

Basis of Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

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

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

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America" 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, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township as of December 31, 2019 and 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2019, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

The supplemental statements and schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules, is fairly stated in all material respects, in relation to the basic financial statements as a whole.


Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 5, 2020, 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.

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

November 5, 2020



CERTIFIED PUBLIC ACCOUNTANTS



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Oldmans, County of Salem, State of New Jersey as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated November 5, 2020. That report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiencies as item 2010-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which is described in the accompanying schedule of findings and questioned costs as item 2010-2.

Township's Response to Findings

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


Purpose of this Report

This report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Ball, Buckley & Seher, LLP

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



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

November 5, 2020

CURRENT FUND

**TOWNSHIP OF OLDMANS
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE
REGULATORY BASIS
For the Years Ended December 31, 2019 and 2018**

	Ref.	Year 2019	Year 2018
Revenue and other income realized:			
Fund balance utilized	A-2	\$ 784,000.00	\$ 665,000.00
Miscellaneous revenue anticipated	A-2	1,617,444.66	1,205,973.86
Receipts from delinquent taxes	A-2	144,678.19	229,763.54
Receipts from current taxes	A-2	6,447,183.65	6,329,703.85
Non-budget revenue	A-2	111,981.06	94,610.73
Other credits to income:			
Appropriation reserves lapsed	A-8	112,125.62	97,052.91
Total income		<u>9,217,413.18</u>	<u>8,622,104.89</u>
Expenditures:			
Budget operations:			
Operations:			
Salaries and wages	A-3	323,731.00	302,537.00
Other expenses	A-3	915,545.24	781,127.52
Capital improvements	A-3	300,000.00	265,000.00
Deferred charges and statutory expenditures	A-3	354,690.37	438,754.00
Debt service	A-3	249,441.60	248,424.00
County taxes	A-5	2,998,282.45	2,965,778.18
Due county for added and omitted taxes	A-5	13,205.48	47,316.96
Local district school tax	A-9	3,115,833.00	3,059,786.00
Municipal open space tax	A-5	48,177.00	48,215.64
Due municipal open space for added and omitted taxes	A-5	212.57	227.38
Interfunds created		142,609.17	62,914.90
Prior period adjustment		112.52	0.00
Total expenditures		<u>8,461,840.40</u>	<u>8,220,081.58</u>
Excess or (deficit) in revenue		755,572.78	402,023.31
Adjustment to income before surplus:			
Expenditures included above which are by statute deferred charges to budgets of succeeding years		<u>20,000.00</u>	<u>0.00</u>
Statutory excess to surplus		775,572.78	402,023.31
Fund balance - January 1	A	<u>2,216,427.01</u>	<u>2,479,403.70</u>
		2,991,999.79	2,881,427.01
Decreased by utilization as anticipated revenue	A-2	<u>784,000.00</u>	<u>665,000.00</u>
Fund balance - December 31	A	<u>\$ 2,207,999.79</u>	<u>\$ 2,216,427.01</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS**

For the Year Ended December 31, 2019

	Ref.	Anticipated		Per N.J.S.A. 40A:4-87	Realized	Excess Or (Deficit)
		Budget	\$			
Fund balance anticipated	A-1	\$ 784,000.00	\$	0.00	\$ 784,000.00	\$ 0.00
Miscellaneous revenues:						
Fines and costs - municipal court	A-7	23,000.00		0.00	31,631.28	8,631.28
Interest and costs on taxes	A-4	27,000.00		0.00	32,278.19	5,278.19
Energy receipts tax	A-7	230,610.00		0.00	230,610.00	0.00
Uniform construction code fees	A-7	200,000.00		0.00	174,417.00	(25,583.00)
Clean communities grant	A-11	0.00		4,244.78	4,244.78	0.00
Municipal alliance on alcoholism and drug abuse	A-11	4,074.00		0.00	4,074.00	0.00
Recycling tonnage grant	A-11	6,076.46		0.00	6,076.46	0.00
Small cities grant	A-11	138,000.00		0.00	138,000.00	0.00
Pilot fees	A-7	420,000.00		0.00	996,112.95	576,112.95
Total	A-1	1,048,760.46		4,244.78	1,617,444.66	564,439.42
Receipts from delinquent taxes	A-2	100,000.00		0.00	144,678.19	44,678.19
Amount to be raised by taxes for support of municipal budget - local taxes for municipal purposes	A-2	409,438.00		0.00	485,012.15	75,574.15
Budget totals		2,342,198.46		4,244.78	3,031,135.00	684,691.76
Non-budget revenues	A-2	0.00		0.00	111,981.06	111,981.06
Total		\$ 2,342,198.46	\$	4,244.78	\$ 3,143,116.06	\$ 796,672.82

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
For the Year Ended December 31, 2019

ANALYSIS OF REALIZED REVENUES

	<u>Ref.</u>	
Allocations of current tax collections:		
Revenue from collections	A-5	\$ 6,447,183.65
Allocated to:		
School, county, and special district taxes	A-5	<u>6,175,710.50</u>
Balance for support of municipal appropriations		271,473.15
Add: appropriation "reserve for uncollected taxes"	A-3	<u>213,539.00</u>
 Amount for support of municipal budget appropriations	 A-2	 <u>\$ 485,012.15</u>
 Analysis of receipts from delinquent taxes:		
Delinquent tax collections	A-5	<u>\$ 144,678.19</u>
		<u>\$ 144,678.19</u>
 Miscellaneous revenue not anticipated:		
Revenue accounts receivable:		
Cable TV franchise fee	A-7	\$ 5,566.24
Clerk- licenses other	A-7	90.00
Construction code official - interest	A-7	31.47
JIF safety awards	A-7	4,377.00
Housing officer	A-7	2,110.00
Zoning officer	A-7	3,030.00
Pilot administrative fees	A-7	14,152.51
Interest and cost on investments	A-7	5,423.38
Registrar of vital statistics	A-7	<u>179.00</u>
		\$ 34,959.60

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
For the Year Ended December 31, 2019**

	<u>Ref.</u>		
Chief financial officer:			
Sale of recycling bins		\$ 24.00	
Bike race event fees		18.98	
Certified list - tax assessor		130.00	
Stormwater inspection fees		1,000.00	
Road opening permits		800.00	
Prior year's refunds		437.45	
Bulk transfer stamp		40.00	
Abandon property fees		13,000.00	
Farmland rental fee		150.00	
Interlocal service fee - construction code enforcement - Woodstown		47,022.69	
Administration fee - veteran and senior citizen deduction		545.00	
Tax sale premium forfeited		2,800.00	
Polling place rental		100.00	
Miscellaneous		<u>1,153.05</u>	
	A-4		\$ 67,221.17
Tax collector:			
Mailing fee homestead rebate		209.40	
Miscellaneous accounts receivable		8,473.46	
Miscellaneous		<u>69.33</u>	
			8,752.19
Other sources of income			
Utility appropriation reserves cancelled		1,033.77	
Tax overpayments cancelled		<u>14.33</u>	
			<u>1,048.10</u>
Total miscellaneous revenue not anticipated	A-2		<u>\$ 111,981.06</u>

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2019

	Appropriations		Expended			Cancelled
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	
\$	16,000.00	\$ 16,000.00	\$ 15,774.00	0.00	\$ 226.00	0.00
Salaries and wages	2,500.00	2,500.00	1,871.36	0.00	628.64	0.00
Other expenses						
Municipal clerk:						
Salaries and wages	25,000.00	25,000.00	22,962.00	0.00	2,038.00	0.00
Other expenses	9,000.00	9,000.00	5,030.23	259.45	3,710.32	0.00
Financial administration:						
Salaries and wages	48,000.00	53,775.00	53,772.38	0.00	2.62	0.00
Other expenses	12,000.00	10,000.00	6,573.86	3,080.00	346.14	0.00
Audit services:						
Other expenses	25,000.00	25,000.00	24,344.94	0.00	655.06	0.00
Assessment of taxes:						
Salaries and wages	34,300.00	34,300.00	34,224.00	0.00	76.00	0.00
Other expenses	4,500.00	4,500.00	4,410.25	40.01	49.74	0.00
Collection of taxes:						
Salaries and wages	19,600.00	19,600.00	19,572.00	0.00	28.00	0.00
Other expenses	6,500.00	6,500.00	3,222.08	2,927.00	350.92	0.00
Legal services and costs:						
Other expenses	8,000.00	5,050.00	3,944.50	0.00	1,105.50	0.00
Foreclosure costs:						
Other expenses	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00
Engineering services and costs:						
Other expenses	8,000.00	9,150.00	8,357.00	0.00	793.00	0.00
Public buildings and grounds:						
Other expenses	10,000.00	10,000.00	7,068.72	304.13	2,627.15	0.00
Insurance:						
Workman's compensation	33,000.00	33,000.00	31,056.00	0.00	1,944.00	0.00
Insurance - liability	20,000.00	17,150.00	16,198.00	0.00	952.00	0.00
JIF representative:						
Salaries and wages	420.00	420.00	412.00	0.00	8.00	0.00
Grant consultant:						
Other expenses	3,000.00	3,000.00	2,835.43	0.00	164.57	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, 2019

	Appropriations		Expended				Cancelled
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
\$	1,000.00	\$ 600.00	\$ 32.28	\$ 0.00	\$ 567.72	\$	0.00
Land use administration:							
Zoning board:							
Other expenses	7,000.00	7,000.00	6,960.00	0.00	40.00		0.00
Planning board:							
Salaries and wages	9,000.00	9,000.00	3,121.78	609.00	5,269.22		0.00
Other expenses							
Public safety functions:							
Fire:							
Fire hydrant service:							
Other expenses	34,000.00	34,000.00	27,471.79	0.00	6,528.21		0.00
Contribution to first aid organization	16,000.00	16,000.00	16,000.00	0.00	0.00		0.00
Aid to volunteer fire companies	56,000.00	56,000.00	55,736.47	0.00	263.53		0.00
Emergency management services:							
Salaries and wages	3,200.00	3,200.00	3,194.00	0.00	6.00		0.00
Other expenses	2,000.00	3,500.00	124.04	3,171.00	204.96		0.00
Emergency services coordinator:							
Salaries and wages	1,700.00	1,700.00	1,609.00	0.00	91.00		0.00
Public works functions:							
Streets and roads maintenance:							
Salaries and wages	84,000.00	84,000.00	81,472.00	0.00	2,528.00		0.00
Other expenses	10,000.00	8,500.00	2,181.75	0.00	6,318.25		0.00
Vehicle maintenance:							
Other expenses	8,000.00	8,000.00	3,957.08	2,926.29	1,116.63		0.00
Municipal mosquito control:							
Other expenses	5,000.00	5,000.00	0.00	0.00	5,000.00		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
Demolition of buildings:							
Other expenses	18,000.00	18,000.00	240.00	14,783.00	2,977.00		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, 2019

	Appropriations		Expended				Cancelled
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
OPERATIONS WITHIN "CAP"							
Solid waste collection	\$ 14,000.00	\$ 14,000.00	\$ 13,570.00	\$ 0.00	\$ 430.00	\$ 0.00	0.00
Recycling collection	8,000.00	8,000.00	7,140.00	0.00	860.00	0.00	0.00
Recycling coordinator:							
Salaries and wages	50.00	50.00	0.00	0.00	50.00	0.00	0.00
Health and human services:							
Animal control officer:							
Other expenses	50.00	50.00	0.00	0.00	50.00	0.00	0.00
Registrar of vital statistics:							
Salaries and wages	360.00	360.00	354.00	0.00	6.00	0.00	0.00
Other expenses	400.00	400.00	234.65	0.00	165.35	0.00	0.00
Parks and recreation functions:							
Parks and recreation:							
Other expenses	2,500.00	2,500.00	1,500.00	1,000.00	0.00	0.00	0.00
Celebration of public events:							
Other expenses	2,500.00	2,500.00	2,000.00	0.00	500.00	0.00	0.00
Landfill/solid waste costs:							
Landfill/solid waste disposal costs	50,000.00	50,000.00	39,984.45	5,553.76	4,461.79	0.00	0.00
Sanitary landfill:							
Other expenses	35,000.00	55,000.00	34,930.06	16,955.37	3,114.57	0.00	0.00
Uniform construction code:							
State uniform construction code:							
Construction official:							
Salaries and wages	61,000.00	67,000.00	65,731.00	0.00	1,269.00	0.00	0.00
Other expenses	80,000.00	74,000.00	16,522.05	10,472.00	47,005.95	0.00	0.00
Housing officer:							
Salaries and wages	7,000.00	7,000.00	6,735.00	0.00	265.00	0.00	0.00
Other expenses	3,000.00	3,000.00	76.94	0.00	2,923.06	0.00	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, 2019

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Cancelled
OPERATIONS WITHIN "CAP"						
Unclassified:						
Water	\$ 3,500.00	\$ 3,500.00	\$ 2,706.60	\$ 0.00	\$ 793.40	\$ 0.00
Street lighting	28,000.00	28,000.00	24,271.87	19.62	3,708.51	0.00
Telephone	5,000.00	5,000.00	2,169.03	0.00	2,830.97	0.00
Heat	5,500.00	5,500.00	3,631.71	0.00	1,868.29	0.00
Gasoline	6,000.00	6,000.00	1,629.33	0.00	4,370.67	0.00
Electricity	13,000.00	13,000.00	10,084.39	0.00	2,915.61	0.00
JIF safety awards	3,500.00	3,500.00	2,699.99	800.00	0.01	0.00
Contingent	100.00	100.00	0.00	0.00	100.00	0.00
Total operations including contingent within "CAP"	877,180.00	895,905.00	703,700.01	62,900.63	129,304.36	0.00
<i>Detail:</i>						
Salaries and wages	308,630.00	320,405.00	313,771.38	0.00	6,633.62	0.00
Other expenses	568,550.00	575,500.00	389,928.63	62,900.63	122,670.74	0.00
Deferred charges and statutory expenditures:						
Deferred charges:						
Deficit in water operating fund	15,000.00	15,000.00	5,162.37	0.00	0.00	9,837.63
Statutory expenditures:						
Contribution to:						
Public employees' retirement system	18,653.00	18,653.00	18,653.00	0.00	0.00	0.00
Unemployment	2,600.00	2,925.00	2,402.85	0.00	522.15	0.00
Social security system	27,000.00	27,950.00	27,139.41	0.00	810.59	0.00
Total deferred charges and statutory expenditures	63,253.00	64,528.00	53,357.63	0.00	1,332.74	9,837.63
Total appropriations for municipal purposes within "CAP"	940,433.00	960,433.00	757,057.64	62,900.63	130,637.10	9,837.63

See Accompanying Notes to the Financial Statements

TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2019

	Appropriations		Expended				Cancelled	
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved			
	\$	150.00	\$	150.00	\$	0.00	\$	0.00
Aid to library								
Emergency services volunteer length of service award program (LOSAP)	18,000.00	18,000.00	0.00	0.00	18,000.00			0.00
COAH fair share plan:								
Salaries and wages	3,326.00	3,326.00	1,326.00	0.00	2,000.00			0.00
Recycling tax:								
Other expenses	2,500.00	2,500.00	1,809.09	279.02	411.89			0.00
Interlocal municipal service agreements:								
Joint municipal court	34,000.00	34,000.00	25,078.91	0.00	8,921.09			0.00
Construction code enforcement - Woodstown	40,000.00	40,000.00	35,748.26	0.00	4,251.74			0.00
Waste and recycling collection - Lower Alloway Township	93,000.00	93,000.00	78,267.35	0.00	14,732.65			0.00
Public and private programs offset by revenues:								
Clean communities grant	4,244.78	4,244.78	4,244.78	0.00	0.00			0.00
Municipal alliance on alcohol and drug abuse	4,074.00	4,074.00	4,074.00	0.00	0.00			0.00
Small cities grant	138,000.00	138,000.00	138,000.00	0.00	0.00			0.00
Recycling tonnage grant	6,076.46	6,076.46	6,076.46	0.00	0.00			0.00
Total operations excluded from "CAP"	343,371.24	343,371.24	294,624.85	279.02	48,467.37			0.00
Detail:								
Salaries and wages	3,326.00	3,326.00	1,326.00	0.00	2,000.00			0.00
Other expenses	340,045.24	340,045.24	293,298.85	279.02	46,467.37			0.00
CAPITAL IMPROVEMENTS								
Capital improvement fund	300,000.00	300,000.00	300,000.00	0.00	0.00			0.00
Total capital improvements	300,000.00	300,000.00	300,000.00	0.00	0.00			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, 2019

	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	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest on notes	9,500.00	9,500.00	9,441.60	0.00	0.00	58.40
Total municipal debt service	249,500.00	249,500.00	249,441.60	0.00	0.00	58.40
<u>DEFERRED CHARGES</u>						
Deferred charges:						
Deferred charges to future taxation - unfunded	300,000.00	300,000.00	300,000.00	0.00	0.00	0.00
Total deferred charges	300,000.00	300,000.00	300,000.00	0.00	0.00	0.00
Total appropriations for municipal purposes excluded from "CAP"	1,192,871.24	1,192,871.24	1,144,066.45	279.02	48,467.37	58.40
Subtotal general appropriations	2,133,304.24	2,153,304.24	1,901,124.09	63,179.65	179,104.47	9,896.03
Reserve for uncollected taxes	213,539.00	213,539.00	213,539.00	0.00	0.00	0.00
Total general appropriations	\$ 2,346,843.24	\$ 2,366,843.24	\$ 2,114,663.09	\$ 63,179.65	\$ 179,104.47	\$ 9,896.03
Ref.	A-2		A-3	A	A	
	Ref.					
Adopted budget	A-2	\$ 2,342,598.46				
Budget amendments - N.J.S.A. 40A:1-87	A-2	4,244.78				
Emergency authorization	A	20,000.00				
		\$ 2,366,843.24				

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
CURRENT FUND
STATEMENT OF EXPENDITURES
For the Year Ended December 31, 2019**

	Ref.		
Paid or charged:			
Federal and state grants	A-13	\$	152,395.24
Deferred charges:			
Special emergency authorization - 5 years	A		3,595.25
Deferred charges to future taxation - unfunded			300,000.00
Due to water operating fund			5,162.37
Due from payroll account			(593.33)
Reserve for uncollected taxes	A-2		213,539.00
Cash disbursed	A-4		1,440,564.56
	A-3	\$	2,114,663.09

See Accompanying Notes to the Financial Statements

TRUST FUND

TOWNSHIP OF OLDMANS
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
REGULATORY BASIS
December 31, 2019 and 2018

	Balance December 31, 2019	Restated Balance December 31, 2018	Ref.	Balance December 31, 2019	Restated Balance December 31, 2018
<u>ASSETS</u>					
Dog license fund:					
Cash - chief financial officer	9,275.35	\$ 16,742.33	B-1	\$ 0.00	\$ 140.00
Change fund	50.00	50.00	A	0.00	2.25
Due from current fund	498.10	0.00	B-3	0.00	10.80
	<u>9,823.45</u>	<u>16,792.33</u>		<u>9,823.45</u>	<u>16,639.28</u>
				<u>9,823.45</u>	<u>16,792.33</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>					
Other trust funds:					
Cash - chief financial officer	1,117,172.94	1,101,550.79	A	3,434.23	3,427.55
Cash tax collector	29,278.66	12,270.99		94,648.40	94,298.88
Lease receivable	2,000.00	0.00		33,143.67	41,641.32
Due from developers	560.00	560.00		1,160,080.20	1,168,916.19
Amount due from current fund	4,142.12	395.44		10,105.73	10,090.57
Amount due from State of New Jersey	372,931.35	372,931.35	B-5	27,100.00	10,100.00
	<u>1,526,085.07</u>	<u>1,487,708.57</u>		63.00	63.00
				2,146.57	2,146.57
				121,402.31	72,876.17
				15,482.93	11,994.06
				4,500.00	0.00
				<u>53,978.03</u>	<u>72,154.26</u>
				<u>1,526,085.07</u>	<u>1,487,708.57</u>
Total all funds	<u>\$ 1,535,908.52</u>	<u>\$ 1,504,500.90</u>		<u>\$ 1,535,908.52</u>	<u>\$ 1,504,500.90</u>

See Accompanying Notes to the Financial Statements

GENERAL CAPITAL FUND

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
REGULATORY BASIS
December 31, 2019 and 2018**

	Ref.	Balance December 31, 2019	Balance December 31, 2018
<u>ASSETS</u>			
Cash - chief financial officer	C-2	\$ 306,640.76	\$ 359,805.42
State grants receivable	C-6	50,000.00	50,000.00
Due from current fund	A	487,013.69	237,008.76
Due from state and federal grant fund	A	16,000.00	16,000.00
Deferred charges to future taxation - unfunded	C-4	540,000.00	1,080,000.00
		<u>\$ 1,399,654.45</u>	<u>\$ 1,742,814.18</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>			
Capital improvement fund	C-5	\$ 187,725.13	\$ 27,725.13
Contracts payable		751,088.20	880,921.81
Bond anticipation notes payable	C-8	240,000.00	480,000.00
Improvement authorizations:			
Funded	C-6	92,606.96	221,619.08
Unfunded	C-6	0.88	4,314.88
Reserve for various capital improvements	C-7	28,563.63	28,563.63
Reserve for debt service		81,534.23	81,534.23
Fund balance	C-1	18,135.42	18,135.42
		<u>\$ 1,399,654.45</u>	<u>\$ 1,742,814.18</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, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	C	<u>\$ 18,135.42</u>
Balance - December 31, 2019	C	<u>\$ 18,135.42</u>

See Accompanying Notes to the Financial Statements

WATER UTILITY FUND

TOWNSHIP OF OLDMANS
WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
REGULATORY BASIS
December 31, 2019 and 2018

	Balance December 31, 2019	Balance December 31, 2018	Ref.	Balance December 31, 2019	Balance December 31, 2018
<u>ASSETS</u>					
Operating fund:					
Cash	187,969.30	163,351.82		5,195.10	1,454.98
State grants receivable	214,024.81	402,423.98	D-5		
Due from current fund	13,901.71	0.00	D-18	181.56	0.00
	415,895.82	565,775.80	A	2,958.75	0.00
Receivables with full reserves:				325.00	131.09
Consumer accounts receivable	2,699.74	5,170.14	D-7	119,713.64	399,145.59
	2,699.74	5,170.14	D	0.00	32,470.07
Deferred charges:				0.00	130,250.55
Emergency authorization	6,000.00	0.00	D-4	0.00	1,995.44
Deficit in operations	0.00	618.54	D-1	292,575.15	565,447.72
	6,000.00	618.54		420,949.20	5,170.14
	424,595.56	571,564.48		2,699.74	946.62
Total operating fund	424,595.56	571,564.48		946.62	571,564.48
Capital fund:					
Cash	5,992.43	65,135.64	D-11	0.00	11,947.75
Due utility operating fund	292,575.15	1,995.44	D-11	5,176.25	27,675.00
Fixed capital	304,993.79	303,093.79			
Fixed capital authorized and uncompleted	100,000.00	100,000.00	D-12	15,366.89	11,266.89
	703,561.37	470,224.87	D-15	304,993.79	303,093.79
Total capital fund	703,561.37	470,224.87	D-16	18,000.00	8,000.00
			A	345,783.00	99,000.00
			D-14	13,907.70	8,907.70
			D-2	333.74	333.74
Total capital fund	703,561.37	470,224.87			
	1,128,156.93	1,041,789.35		703,561.37	470,224.87
	\$ 1,128,156.93	\$ 1,041,789.35		\$ 1,128,156.93	\$ 1,041,789.35

LIABILITIES, RESERVES, AND FUND BALANCE

Operating fund:	
Appropriation reserves	1,454.98
Accounts payable:	
Current year	0.00
Small cities grant	131.09
Utility rent prepayments	399,145.59
Reserve for small cities grant	32,470.07
Due to current fund	130,250.55
Due to state and federal grant fund	1,995.44
Due to utility capital fund	565,447.72
Reserve for receivables	5,170.14
Fund balance	946.62
Total operating fund	571,564.48
Capital fund:	
Improvement authorization:	
Unfunded	11,947.75
Contracts payable	27,675.00
Reserves for:	
Capital improvements to water system	11,266.89
Amortization	303,093.79
Deferred amortization	8,000.00
Due to current fund	99,000.00
Capital improvement fund	8,907.70
Fund balance	333.74
Total capital fund	470,224.87

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN OPERATING FUND BALANCE
REGULATORY BASIS
For the Years Ended December 31, 2019 and 2018**

	<u>Ref.</u>	<u>Year 2019</u>	<u>Year 2018</u>
Revenue and other income realized:			
Fund balance appropriated	D-3	\$ 0.00	\$ 1,435.34
Rents	D-3	26,309.92	21,989.86
Miscellaneous revenue anticipated	D-3	16,000.00	14,000.00
Grant - small cities CDBG	D-3	0.00	400,000.00
Miscellaneous revenue not anticipated	D-3	2,202.43	1,431.60
Total income		<u>44,512.35</u>	<u>438,856.80</u>
Expenditures:			
Budget appropriations:			
Operations	D-4	33,841.18	26,790.00
Capital improvements	D-4	11,000.00	413,475.00
Deferred charges and statutory expenditures	D-4	10,833.54	7,210.34
Total expenditures		<u>55,674.72</u>	<u>447,475.34</u>
Excess or (deficit) in revenue		(11,162.37)	(8,618.54)
Adjustment to income before fund balance:			
Deferred charges to future taxation:			
Emergency authorization		6,000.00	0.00
Realized from general budget for anticipated deficit		5,162.37	8,000.00
Total adjustment to income before fund balance		<u>11,162.37</u>	<u>8,000.00</u>
Operating deficit to be raised in budget of succeeding year	D	<u>\$ 0.00</u>	<u>\$ (618.54)</u>
<u>FUND BALANCE</u>			
Balance - January 1	D	\$ 946.62	2,381.96
Decreased by:			
Utilization by operating budget	D-1	<u>0.00</u>	<u>1,435.34</u>
Balance - December 31	D	<u>\$ 946.62</u>	<u>\$ 946.62</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, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	D	\$ <u>333.74</u>
Balance - December 31, 2019	D	\$ <u>333.74</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
STATEMENT OF REVENUES
REGULATORY BASIS
For the Year Ended December 31, 2019**

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Rents	D-1	\$ 21,000.00	\$ 26,309.92	\$ 5,309.92
Fire hydrant service	D-5	14,000.00	16,000.00	2,000.00
Deficit (general budget)	D-1	15,000.00	5,162.37	(9,837.63)
		<u>50,000.00</u>	<u>47,472.29</u>	<u>(2,527.71)</u>
Non-budget revenues	D-1	0.00	2,202.43	2,202.43
	D-4	<u>\$ 50,000.00</u>	<u>\$ 49,674.72</u>	<u>\$ (325.28)</u>
Analysis of realized revenues - rents:				
Consumer accounts receivable	D-7			<u>\$ 26,309.92</u>
Total rents	D-1			<u>\$ 26,309.92</u>
Analysis of miscellaneous revenue not anticipated:				
Cash receipts:				
Interest on investments	D-5		\$ 266.02	
Interest on delinquent accounts	D-5		1,860.00	
Miscellaneous	D-5		<u>19.00</u>	
				\$ 2,145.02
Due from water capital fund:				
Interest on investments	D-5			<u>57.41</u>
				<u>\$ 2,202.43</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, 2019**

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid Or Charged	Canceled	Reserved
Operating:					
Salaries and wages	\$ 2,000.00	\$ 2,000.00	\$ 1,689.13	\$ 0.00	\$ 310.87
Other expenses	25,841.18	31,841.18	26,994.44	0.00	4,846.74
Total operating	<u>27,841.18</u>	<u>33,841.18</u>	<u>28,683.57</u>	<u>0.00</u>	<u>5,157.61</u>
Capital improvements:					
Capital improvement fund	5,000.00	5,000.00	5,000.00	0.00	0.00
Capital outlay	6,000.00	6,000.00	6,000.00	0.00	0.00
Total capital improvements	<u>11,000.00</u>	<u>11,000.00</u>	<u>11,000.00</u>	<u>0.00</u>	<u>0.00</u>
Deferred charges:					
Deferred charges to future taxation - unfunded	10,000.00	10,000.00	10,000.00	0.00	0.00
Operating deficit	943.82	943.82	618.54	325.28	0.00
Statutory expenditures:					
Contribution to:					
Social security system	190.00	190.00	158.49	0.00	31.51
Unemployment insurance	25.00	25.00	19.02	0.00	5.98
Total deferred charges and statutory expenditures	<u>11,158.82</u>	<u>11,158.82</u>	<u>10,796.05</u>	<u>325.28</u>	<u>37.49</u>
	<u>\$ 50,000.00</u>	<u>\$ 56,000.00</u>	<u>\$ 50,479.62</u>	<u>\$ 325.28</u>	<u>\$ 5,195.10</u>
Ref.	D-3	D-3			D
	<u>Ref.</u>				
Adopted budget	D-3	\$ 50,000.00			
Emergency authorization	D	<u>6,000.00</u>			
		<u>\$ 56,000.00</u>			
Cash disbursed	D-5		\$ 35,579.52		
Cash deficit	D		618.54		
Accounts payable	D		181.56		
Due to water capital fund			<u>14,100.00</u>		
			<u>\$ 50,479.62</u>		

See Accompanying Notes to the Financial Statements

PAYROLL ACCOUNT

**TOWNSHIP OF OLDMANS
PAYROLL ACCOUNT
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
REGULATORY BASIS
December 31, 2019 and 2018**

	<u>Ref.</u>	<u>Balance December 31, 2019</u>	<u>Balance December 31, 2018</u>
 <u>ASSETS</u>			
Cash - chief financial officer	F-1	\$ 29,632.82	\$ 24,108.51
		<u>\$ 29,632.82</u>	<u>\$ 24,108.51</u>
 <u>LIABILITIES AND RESERVES</u>			
Payroll taxes payable	F-2	\$ 28,855.80	\$ 23,924.57
Due current fund	A	<u>777.02</u>	<u>183.94</u>
		<u>\$ 29,632.82</u>	<u>\$ 24,108.51</u>

See Accompanying Notes to the Financial Statements

GENERAL FIXED ASSETS

**TOWNSHIP OF OLDMANS
GENERAL FIXED ASSETS
STATEMENTS OF GENERAL FIXED ASSETS
REGULATORY BASIS
At December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
General fixed assets:		
Land	\$ 724,600.00	\$ 724,600.00
Buildings	4,635,089.88	4,635,089.88
Equipment	3,011,615.54	2,718,260.15
Total general fixed assets	<u>8,371,305.42</u>	<u>8,077,950.03</u>
Investments in general fixed assets	<u>\$ 8,371,305.42</u>	<u>\$ 8,077,950.03</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, 2019**

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 Mayor and Deputy Mayor are elected by the members of the Committee and serve for a one-year term in this office.

Component Units

The Governmental Accounting Standards (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* an amendment to GASB Statements No. 14 and No. 39, and GASB Statement No. 80, *Blending Requirements for Certain Component Units* an amendment to GASB Statement No. 14 provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61 an amendment to GASB Statements No. 14 and 39, and GASB Statement No. 80 an amendment to GASB Statement No. 14. As of December 31, 2019, it has been determined by the Township that no component units exist.

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

B. Description of Funds and Account Groups

The accounting policies of the Township of Oldmans conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Oldmans accounts for its financial transactions through the following separate funds and accounts as presented below. This presentation differs from the three fund, two account group presentation as required by GAAP.

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

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

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

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

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

Payroll Fund - 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, 2019**

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, 2019**

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, 2019**

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, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

C. Basis of Accounting (Concluded)

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

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

Depreciation expense is not calculated on fixed assets.

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

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

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

E. Other Post-Retirement Benefits

GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. However, this statement has no effect on the Township's financial statements.

NOTE 2 - INVESTMENTS

As of December 31, 2019 and 2018, 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, 2019**

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, 2019, the Township's bank balances were exposed to custodial credit risk as follows:

Insurance	\$ 563,655.58
Uninsured and collateralized with securities held by pledging financial institutions (GUDPA)	<u>4,522,494.36</u>
	<u>\$ 5,086,149.94</u>

TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2019:

	Due From	Due To										Total Due From
		Current Fund	Federal and State Grant Fund	Dog License Trust Fund	Trust Funds Other	General Capital Fund	Water Operating Fund	Water Capital Fund				
Current fund	\$ 0.00	\$ 52,326.25	\$ 498.10	\$ 4,142.12	\$ 487,013.69	\$ 13,901.71	\$ 0.00	\$ 557,881.87				
Federal and state grant fund	0.00	0.00	0.00	0.00	16,000.00	0.00	0.00	16,000.00				16,000.00
Other trust fund	3,434.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00				3,434.23
Water operating fund	0.00	130,250.55	0.00	0.00	0.00	0.00	0.00	291,575.15				421,825.70
Water capital fund	345,783.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				345,783.00
Payroll fund	777.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00				777.02
Total due to	\$ 349,994.25	\$ 182,576.80	\$ 498.10	\$ 4,142.12	\$ 503,013.69	\$ 13,901.71	\$ 291,575.15	\$ 1,345,701.82				

The interfund with the grant fund is the result of expenditures made prior to year end that were not reimbursed by the granting agency. Interest earnings not transferred at year end are the interfunds for the other trust, general capital, water capital, and payroll 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 current fund collected kennel fees which were not transferred to the dog trust fund. The current fund raised deferred charges in the current and prior year budgets which were not transferred. The interfund for the capital fund to the current fund is the result of December interest not being transferred before year end. The water capital fund has an interfund with the water operating fund for interest not transferred at the end of the year. The water capital fund borrowed funds from the current fund for cash flows purposes and has not yet returned all the funds borrowed. The Chief Financial Officer transfers most of these interfunds after the audit report is received.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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

	2019	2018	2017
Total Tax Rate	\$ 2.729	\$ 2.691	\$ 2.589
Apportionate of Tax Rate:			
Municipal	\$ 0.170	\$ 0.170	\$ 0.181
County	1.245	1.231	1.153
Local school	1.294	1.270	1.224
Farmland preservation/county open space	0.020	0.020	0.031

Assessed Valuation:

2019	\$ 240,883,400.00				
2018		\$ 241,078,200.00		\$ 237,639,557.00	
2017					

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.

Year	Tax Levy	Currently	
		Cash Collections	Percentage Of Collection
2019	\$ 6,597,400.45	\$ 6,446,683.65	97.72%
2018	\$ 6,497,087.29	\$ 6,329,703.85	97.42%
2017	\$ 6,316,991.64	\$ 6,163,764.02	97.58%

Delinquent Taxes and Tax Title Liens

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

December 31, Year	Amount Of Tax Title Liens	Amount Of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2019	\$ 121,958.21	\$ 138,212.66	\$ 260,170.87	3.94%
2018	\$ 113,591.09	\$ 144,825.67	\$ 258,416.76	3.98%
2017	\$ 103,230.73	\$ 133,967.57	\$ 237,198.30	3.76%

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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>
2019	\$ 332,100.00
2018	\$ 332,100.00
2017	\$ 332,100.00

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>
2019	\$ 23,839.52
2018	\$ 23,840.00
2017	\$ 22,445.00

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:		
2019	\$ 2,207,999.79	\$ 785,000.00
2018	\$ 2,216,427.01	\$ 784,400.00
2017	\$ 2,479,403.70	\$ 665,000.00
2016	\$ 1,836,670.94	\$ 778,423.00
2015	\$ 1,965,639.94	\$ 864,106.96
Water Utility Fund:		
2019	\$ 946.62	\$ -
2018	\$ 946.62	\$ -
2017	\$ 2,381.96	\$ 1,435.34
2016	\$ 35.17	\$ -
2015	\$ 3,654.24	\$ 6,500.00

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 8 - TAXES COLLECTED IN ADVANCE

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

	<u>Balance December 31, 2019</u>	<u>Balance December 31, 2018</u>
Prepaid Taxes	<u>\$ 135,055.68</u>	<u>\$ 117,471.87</u>

NOTE 9 - LONG-TERM DEBT

There is no long-term debt and thus, as of December 31, 2019, there was no debt service requirements on long-term debt in future years.

Summary of Municipal Debt

During the calendar years 2019 and 2018, the following changes occurred in the municipal debt of the Township:

	<u>2019</u>	<u>2018</u>
Bonds and notes issued:		
General Capital Fund	\$ 240,000.00	\$ 480,000.00
Bonds and notes authorized but not issued:		
General Capital Fund	300,000.00	600,000.00
Water Capital Fund	<u>82,000.00</u>	<u>92,000.00</u>
	<u>\$ 622,000.00</u>	<u>\$ 1,172,000.00</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 \$540,000.00.

	<u>Gross Debt</u>	<u>Deduction</u>	<u>Net Debt</u>
General debt	\$ 540,000.00	\$ -	\$ 540,000.00
Local school district debt	2,434,559.00	2,434,559.00	-
Self-liquidating debt	<u>82,000.00</u>	<u>82,000.00</u>	<u>-</u>
	<u>\$ 3,056,559.00</u>	<u>\$ 2,516,559.00</u>	<u>\$ 540,000.00</u>

Net Debt \$540,000.00 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, \$238,256,235.00 =0.227%.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 9 - LONG-TERM DEBT (Concluded)

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

3 1/2% of equalized valuation basis (municipal)		\$ 8,338,968.22
Net debt		<u>540,000.00</u>
Remaining borrowing power		<u>\$ 7,798,968.22</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		\$ 43,512.35
Deductions:		
Operating and maintenance cost	\$ 33,862.18	
Debt service per utility account	<u>-</u>	<u>33,862.18</u>
Total deductions		
Excess in revenue		<u>\$ 9,650.17</u>

The foregoing is in agreement with the Annual Debt Statement.

NOTE 10 - BOND ANTICIPATION NOTES

The Township has outstanding at December 31, 2019 and 2018, bond anticipation notes in the general capital fund in the amount of \$240,000.00 and \$480,000.00, respectively. The December 31, 2019 amount payable to Pennsville National Bank is \$240,000.00, bears an interest rate of 2.50% and matures on May 13, 2020. These funds were for the construction of the new municipal complex.

NOTE 11 - PENSION PLAN

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

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 11 - PENSION PLAN (Continued)

General Information About the Pension Plan

Plan Description

Public Employees' Retirement System

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

Vesting and Benefit Provisions

Public Employees' Retirement System

The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death, and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

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

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

Tier 5 - Members who were eligible to enroll on or after June 28, 2011

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

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 11 - PENSION PLAN (Continued)

General Information About the Pension Plan (Concluded)

Contributions

Public Employees' Retirement System

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.5% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10.00% in State fiscal year 2019. Employers' contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2019 was 16.47% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$29,775.00, which was paid on April 1, 2020. No liability has been accrued in the financial statements for this amount. Based on the PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$18,653.00, which was paid on April 1, 2019. Employee contributions to the plan during the year ended December 31, 2019 were \$15,673.96.

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

Public Employees' Retirement System

At December 31, 2019, the Township's proportionate share of the PERS net pension liability was \$551,555.00. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, which was the measurement date, the Township's proportion was 0.0030610500% which was an increase of 0.0011857700% from its proportion measured as of June 30, 2018.

At December 31, 2019, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is \$551,555.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2019, the Township's contributions to the PERS were \$29,775.00 and were paid on April 1, 2020.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 11 - PENSION PLAN (Continued)

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

Public Employees' Retirement System (Continued)

At December 31, 2019, the Township had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow Of Resources</u>	<u>Deferred Inflow Of Resources</u>
Differences between expected and actual experience	\$ 9,900.00	\$ 2,437.00
Changes of assumptions	55,075.00	191,443.00
Net difference between projected and actual earnings on pension plan investments	-	8,707.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	227,313.00	38,026.00
Township contributions subsequent to the measurement date	<u>29,775.00</u>	<u>-</u>
	<u>\$ 322,063.00</u>	<u>\$ 240,613.00</u>

\$29,775.00 included in deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the year ending December 31, 2020. These amounts were based on an estimated April 1, 2021 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2019 to the Township's year end of December 31, 2019.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 11 - PENSION PLAN (Continued)

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

Public Employees' Retirement System (Continued)

The Township will amortize the other deferred outflows of resources and deferred inflows of resources related to PERS over the following number of years:

	Deferred Outflow Of Resources	Deferred Inflow Of Resources
Differences between expected and actual experience:		
Year of pension plan deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
Changes of assumptions:		
Year of pension plan deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net difference between projected and actual earnings on pension plan investments:		
Year of pension plan deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
Changes in proportion and differences between Fire District contributions and proportionate share of contributions:		
Year of pension plan deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 11 - PENSION PLAN (Continued)

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

Public Employees' Retirement System (Concluded)

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

Fiscal Year Ending June 30.	PERS
2020	\$ (5,981.00)
2021	(19,401.00)
2022	(17,324.00)
2023	(8,134.00)
2024	(835.00)
	\$ (51,675.00)

Actuarial Assumptions

Public Employees' Retirement System

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation dated to the measurement date of June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases (1):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Investment rate of return	7.00%
Mortality rate table	RP-2000
Period of actuarial experience study upon which actuarial assumptions were based	July 1, 2014 - June 30, 2018

(1) Based on years of service.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 11 - PENSION PLAN (Continued)

Actuarial Assumptions (Concluded)

Public Employees' Retirement System (Concluded)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of returns for each major asset class included in target asset allocation as of June 30, 2019, the plan's measurement date, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate Of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	<u>12.00%</u>	10.85%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2019 was 6.28%. The single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 11 - PENSION PLAN (Continued)

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

Public Employees' Retirement System

The following presents the Township's proportionate share of the net pension liability at June 30, 2019, the plan's measurement date, calculated using a discount rate of 6.28%, as well as what the Township's proportionate share of the net position liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rates used:

	1.00% Decrease (5.28%)	Current Discount Rate (6.28%)	1.00% Increase (7.28%)
Township's proportionate share of the net pension liability	<u>\$ 701,550.00</u>	<u>\$ 551,555.00</u>	<u>\$ 432,233.00</u>

Pension Plan Fiduciary Net Position

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

TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 11 - PENSION PLAN (Continued)

Supplementary Pension Information

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

Public Employees' Retirement System

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

	Measurement Date Ending June 30,					
	2019	2018	2017	2016	2015	2014
Township's proportion of the net pension liability	0.0030610500%	0.0018755280%	0.0018355057%	0.0017908888%	0.0024536722%	0.0024917952%
Township's proportionate share of the net pension liability	\$ 551,555.00	\$ 359,234.00	\$ 427,276.00	\$ 530,410.00	\$ 550,800.24	\$ 466,532.21
Township's covered-employee payroll	\$ 180,760.00	\$ 217,532.00	\$ 138,315.00	\$ 127,160.00	\$ 164,815.00	\$ 164,313.00
	305.13%	165.14%	308.92%	417.12%	334.19%	283.93%
Plan fiduciary net position as a percentage of the total pension liability	129.58%	115.50%	92.68%	67.39%	47.93%	52.08%

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

	Measurement Date Ending June 30,					
	2019	2018	2017	2016	2015	2014
Township's contractually required contribution	\$ 29,775.00	\$ 18,653.00	\$ 17,004.00	\$ 15,910.00	\$ 21,095.00	\$ 20,542.00
Township's contributions in relation to the contractually required contribution	(29,775.00)	(18,653.00)	(17,004.00)	(15,910.00)	(21,095.00)	(20,542.00)
Township's contribution deficiency (excess)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Township's covered-employee payroll	\$ 180,760.00	\$ 217,532.00	\$ 138,315.00	\$ 127,160.00	\$ 164,815.00	\$ 164,313.00
Township's contributions as a percentage of its covered-employee payroll	16.47%	8.57%	12.29%	12.51%	12.80%	12.50%

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 11 - PENSION PLAN (Concluded)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System

Changes in Benefit Terms - None.

Changes in Assumptions -The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30 th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

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, 2019, they are not members of the State Health Benefits Plan.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO THE FINANCIAL STATEMENTS**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2019:

NOTE 13 - GENERAL FIXED ASSETS

General fixed asset activity for the years ended December 31, 2019 and 2018 was as follows:

	Balance December 31, 2018	Additions	Disposals/ Adjustments	Balance December 31, 2019
Land	\$ 724,600.00	\$ 0.00	\$ 0.00	\$ 724,600.00
Buildings	4,635,089.88	0.00	0.00	4,635,089.88
Equipment	2,718,260.15	293,355.39	0.00	3,011,615.54
	<u>\$ 8,077,950.03</u>	<u>\$ 293,355.39</u>	<u>\$ 0.00</u>	<u>\$ 8,371,305.42</u>
	Balance December 31, 2017	Additions	Disposals/ Adjustments	Balance December 31, 2018
Land	\$ 724,600.00	\$ 0.00	\$ 0.00	\$ 724,600.00
Buildings	4,582,974.88	52,115.00	0.00	4,635,089.88
Equipment	1,915,954.14	847,306.01	(45,000.00)	2,718,260.15
	<u>\$ 7,223,529.02</u>	<u>\$ 899,421.01</u>	<u>\$ (45,000.00)</u>	<u>\$ 8,077,950.03</u>

Water utility plant and equipment for the years ended December 31, 2019 and 2018 was as follows:

	Balance December 31, 2018	Additions	Disposals/ Adjustments	Balance December 31, 2019
Repairs to wells	\$ 21,644.00	\$ 0.00	\$ 0.00	\$ 21,644.00
Transmission and distribution mains	566,983.30	0.00	73,115.93	493,867.37
	<u>\$ 588,627.30</u>	<u>\$ 0.00</u>	<u>\$ 73,115.93</u>	<u>\$ 515,511.37</u>
	Balance December 31, 2017	Additions	Disposals/ Adjustments	Balance December 31, 2018
Repairs to wells	\$ 21,644.00	\$ 0.00	\$ 0.00	\$ 21,644.00
Transmission and distribution mains	561,411.30	5,572.00	0.00	566,983.30
	<u>\$ 583,055.30</u>	<u>\$ 5,572.00</u>	<u>\$ 0.00</u>	<u>\$ 588,627.30</u>

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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, 2019, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2019</u>		<u>2020 Budget</u>		<u>Balance To Succeeding Budgets</u>
Current Fund:					
Emergency authorization	\$ 20,000.00	\$	20,000.00	\$	-
Water Utility Fund:					
Emergency authorization	\$ 6,000.00	\$	6,000.00	\$	-

The appropriations in the 2020 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, 2019, which can be obtained from:

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

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.

**TOWNSHIP OF OLDMANS
COUNTY OF SALEM
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

NOTE 17 - CAMP PEDRICKTOWN

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

Salem County Community College purchased a portion of the property to use as educational facilities from the Township. The Township is exploring development opportunities for the balance of the property.

NOTE 18 - LENGTH OF SERVICE AWARD PROGRAM

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

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

NOTE 19 - JOINT MUNICIPAL COURT

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

NOTE 20 - SUBSEQUENT EVENTS

Subsequent events were evaluated through November 5, 2020, 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, 2019

	Ref.	Regular Fund	State and Federal Grant Fund
Balance - December 31, 2018	A	\$ 2,946,891.73	\$ 24,365.04
Increased by:			
Tax collector:			
Taxes receivable	A-5	\$ 6,448,920.18	\$ 0.00
Interest and cost on taxes	A-2	32,278.19	0.00
Taxes collected in advance	A-10	130,341.40	0.00
Miscellaneous revenue not anticipated	A-2	8,752.19	0.00
Tax overpayments		9,782.58	0.00
Revenue accounts receivable	A-7	1,467,730.83	0.00
Miscellaneous revenue not anticipated	A-2	67,221.17	38.01
State of New Jersey - statutory deduction		27,250.00	0.00
State of New Jersey - marriage licenses		75.00	0.00
Due from dog trust fund		500.00	0.00
Due from trust funds other		1,500.00	0.00
Due to utility operating		188,399.17	0.00
Renewal of bond anticipation note	Contra	240,000.00	0.00
Reserve for election workers	Contra	3,200.00	0.00
County share of pilot fees		22,203.21	0.00
Donation - Logan Fire Company	A	5,000.00	0.00
Reserve for state and federal grants - appropriated	A-13	350.00	0.00
Reserve for state and federal grants - unappropriated	A-12	11,467.04	1,870.00
State grants receivable	A-11	13,530.06	0.00
Budget appropriations reimbursed	Contra	2,764.50	0.00
		<u>8,681,265.52</u>	<u>1,908.01</u>
		11,628,157.25	26,273.05
Decreased by:			
2019 budget appropriations	A-3	1,440,564.56	0.00
2018 appropriation reserves	A-8	82,137.89	0.00
County taxes	A-5	2,998,282.45	0.00
Due county for added taxes	A-5	13,205.48	0.00
Local district school taxes	A-9	3,129,884.50	0.00
Municipal open space tax		48,177.00	0.00
Refund of tax overpayments		4,682.74	0.00
Amount due trust fund other		7,703.70	0.00
Amount due water operating fund		9,937.63	0.00
Amount due water capital fund		246,783.00	0.00
Amount due general capital fund		50,000.00	0.00
Payment of bond anticipation note	Contra	240,000.00	0.00
Reserve for election workers	Contra	3,200.00	0.00
State of New Jersey - marriage license fees		75.00	0.00
Budget appropriations reimbursed	Contra	2,764.50	0.00
Reserve for state grants	A-13	30,652.13	260.00
		<u>8,308,050.58</u>	<u>260.00</u>
Balance - December 31, 2019	A	<u>\$ 3,320,106.67</u>	<u>\$ 26,013.05</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, 2019

Year	Balance December 31, 2018	Levy	Added Taxes	2018 Collections	2019 Collections	Due From State of New Jersey	Adjustments and Canceled	Transferred To Tax Title Liens	Balance December 31, 2019
2012	\$ 1,988.75	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,988.75
2018	142,836.92	0.00	5,239.85	0.00	145,178.19	(500.00)	40.84	0.00	3,357.74
	144,825.67	0.00	5,239.85	0.00	145,178.19	(500.00)	40.84	0.00	5,346.49
2019	0.00	6,597,400.45	0.00	116,191.66	6,303,741.99	27,250.00	8,983.51	8,367.12	132,866.17
	\$ 144,825.67	\$ 6,597,400.45	\$ 5,239.85	\$ 116,191.66	\$ 6,448,920.18	\$ 26,750.00	\$ 9,024.35	\$ 8,367.12	\$ 138,212.66

Ref. A A-5 A-10 A-4 A-6 A

Analysis of 2019 property tax levy:
Tax yield:
General property tax \$ 6,573,708.63
Added and rollback taxes (54.4-63.1 et seq.) 23,691.82
\$ 6,597,400.45

Tax levy:
Local district school tax A-9 \$ 3,115,833.00
County tax A-1,A-4 \$ 2,947,731.11
County open space preservation tax A-1,A-4 50,551.34
Due county for added taxes A 13,205.48
Total county taxes 3,011,487.93
Municipal open space tax 48,177.00
Due to municipal open space for added taxes 212.57
48,389.57
6,175,710.50

Local tax for municipal purposes levied A-2 409,438.00
Add: additional tax levied 12,251.95
Local tax for municipal purposes levied 421,689.95
\$ 6,597,400.45

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
For the Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	A	\$ 113,591.09
Increased by:		
Transfers from taxes receivable	A-5	<u>8,367.12</u>
Balance - December 31, 2019	A	<u>\$ 121,958.21</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
For the Year Ended December 31, 2019**

	Balance December 31, 2018	Accrued In 2019	Collections Chief Financial Officer	Balance December 31, 2019
Clerk:				
Cable TV franchise fee	\$ 5,566.24	\$ 5,833.30	\$ 5,566.24	\$ 5,833.30
Licenses - other	0.00	90.00	90.00	0.00
Housing officer:				
Fees and permits	0.00	2,110.00	2,110.00	0.00
Registrar of vital statistics:				
Miscellaneous	0.00	179.00	179.00	0.00
Zoning officer:				
Fees and permits	0.00	3,030.00	3,030.00	0.00
Construction code official:				
Construction fees	4,247.00	212,874.00	174,417.00	42,704.00
Interest earned	1.21	32.86	31.47	2.60
Municipal court:				
Fines and costs	2,287.36	31,152.80	31,631.28	1,808.88
Pilot programs:				
Pilot fees	0.00	996,112.95	996,112.95	0.00
Administrative fees	0.00	14,152.51	14,152.51	0.00
Consolidated municipal property tax relief act	0.00	230,610.00	230,610.00	0.00
JIF - safety award	0.00	4,377.00	4,377.00	0.00
Interest earned on investments	0.00	5,423.38	5,423.38	0.00
Total	\$ 12,101.81	\$ 1,505,977.80	\$ 1,467,730.83	\$ 50,348.78

Ref. A

A-4

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See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2018
For the Year Ended December 31, 2019**

	Balance December 31, 2018	Balance After Transfers	Paid or Charged	Lapsed
Salaries and wages:				
Mayor and council	\$ 188.00	\$ 188.00	0.00	\$ 188.00
Township clerk	707.00	707.00	0.00	707.00
Financial administration	227.58	227.58	0.00	227.58
Assessment of taxes	272.00	272.00	0.00	272.00
Collection of taxes	1,583.37	1,583.37	0.00	1,583.37
Planning board	244.00	244.00	0.00	244.00
Emergency management services	100.00	100.00	0.00	100.00
Emergency services coordinator	38.00	38.00	0.00	38.00
Streets and roads maintenance	224.80	224.80	0.00	224.80
Recycling coordinator	50.00	50.00	0.00	50.00
Register of vital statistics	6.00	6.00	0.00	6.00
Construction official	7,747.04	7,747.04	0.00	7,747.04
Housing officer	60.00	60.00	0.00	60.00
COAH - fair share plan	713.00	713.00	0.00	713.00
Other expenses:				
Mayor and council	1,715.40	1,215.40	0.00	1,215.40
Township clerk	3,690.72	3,340.72	1,264.38	2,076.34
Financial administration	201.31	201.31	200.00	1.31
Annual audit	1,208.00	1,208.00	0.00	1,208.00
Assessment of taxes	1,505.54	1,505.54	0.00	1,505.54
Collection of taxes	703.23	703.23	14.18	689.05
Legal services and costs	503.30	853.30	805.00	48.30
Cost of foreclosure	1,550.00	1,550.00	1,500.00	50.00
Engineering services and costs	2,145.00	2,145.00	1,608.00	537.00

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2018
For the Year Ended December 31, 2019

	Balance December 31, 2018	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (continued):				
Public buildings and grounds	\$ 3,527.88	\$ 3,527.88	\$ 140.87	\$ 3,387.01
Zoning board	812.63	812.63		812.63
Planning board	5,129.99	5,129.99	4,760.48	369.51
Insurance:				
Workman's compensation	493.00	493.00	0.00	493.00
Liability	191.00	191.00	0.00	191.00
Grant coordinator	1,200.00	1,200.00	0.00	1,200.00
Fire hydrant services	2,237.58	2,237.58	1,094.10	1,143.48
Aid to volunteer fire companies	3,900.00	3,900.00	1,718.00	2,182.00
Aid to volunteer ambulance companies	0.20	0.20	0.00	0.20
Emergency management services	3,100.00	3,100.00	3,058.00	42.00
Streets and roads maintenance	2,512.89	2,512.89	1.69	2,511.20
Vehicle maintenance	1,915.29	1,915.29	25.00	1,890.29
Municipal mosquito control	150.00	150.00	0.00	150.00
Demolition of buildings	11,000.00	11,000.00	1,300.00	9,700.00
Solid waste collection	7,668.34	7,668.34	6,931.89	736.45
Recycling collection	4,526.00	4,526.00	3,716.90	809.10
Animal control officer	50.00	50.00	0.00	50.00
Registrar of vital statistics	261.00	261.00	0.00	261.00

See Accompanying Auditor's Report

EXHIBIT A-8
(Continued)

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2018
For the Year Ended December 31, 2019

	Balance December 31, 2018	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (continued):	\$	\$	\$	\$
Celebration of public events	250.00	250.00	0.00	250.00
Landfill/solid waste disposal cost	8,078.39	8,078.39	2,922.73	5,155.66
Sanitary landfill	8,396.69	8,396.69	6,900.00	1,496.69
Construction official	47,259.60	47,259.60	20,458.00	26,801.60
Housing officer	2,545.19	2,545.19	0.00	2,545.19
Water	1,110.78	1,110.78	0.00	1,110.78
Street lighting	2,821.96	2,821.96	2,205.98	615.98
Telephone	2,815.46	2,815.46	0.00	2,815.46
Heat	852.57	852.57	0.00	852.57
Gasoline	6,000.00	6,000.00	3,765.72	2,234.28
Electricity	3,274.84	3,274.84	0.00	3,274.84
JIF safety award	1,763.59	1,763.59	1,763.59	0.00
Contingent	100.00	100.00	0.00	100.00
Public employees' retirement system	388.41	388.41	0.00	388.41
Social security system	444.79	444.79	0.00	444.79
Unemployment compensation	24.60	24.60	0.00	24.60
Aid to library	150.00	150.00	0.00	150.00
LOSAP	16,800.00	16,800.00	12,600.00	4,200.00
Recycling tax	314.97	314.97	160.59	154.38
COAH - fair share plan	1,287.00	1,287.00	0.00	1,287.00

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2018
For the Year Ended December 31, 2019

	Balance December 31, 2018	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (concluded):				
Interlocal municipal service agreement:				
Mid Salem County Municipal Court	\$ 7,282.29	\$ 7,782.29	\$ 7,740.79	\$ 41.50
Construction code enforcement	<u>12,761.29</u>	<u>12,761.29</u>	<u>0.00</u>	<u>12,761.29</u>
Total	<u>\$ 198,781.51</u>	<u>\$ 198,781.51</u>	<u>\$ 86,655.89</u>	<u>\$ 112,125.62</u>
Ref. A		A-8	A-4	A-1
Appropriation reserves	\$ 119,885.15			
Encumbrances payable	<u>78,896.36</u>			
	<u>\$ 198,781.51</u>			
		Ref.		
Cash disbursements		A-4	\$ 82,137.89	
Reserve for encumbrances		A	<u>4,518.00</u>	
			<u>\$ 86,655.89</u>	

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES
For the Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	A	\$ 14,052.50
Increased by:		
Levy- calendar year 2019	A-1,A-5	<u>3,115,833.00</u>
		3,129,885.50
Decreased by:		
Payments	A-4	<u>3,129,884.50</u>
Balance - December 31, 2019	A	<u><u>\$ 1.00</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
CURRENT FUND
SCHEDULE OF PREPAID TAXES
For the Year Ended December 31, 2019**

	<u>Ref.</u>		
Balance - December 31, 2018	A		\$ 117,471.87
Increased by:			
Cash receipts		\$ 130,341.40	
Overpayments applied		<u>4,046.91</u>	
			<u>134,388.31</u>
			251,860.18
Decreased by:			
Applied to current year taxes	A-5	116,191.66	
Transfer to overpayments		<u>612.84</u>	
			<u>116,804.50</u>
Balance - December 31, 2019	A		<u><u>\$ 135,055.68</u></u>

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF STATE GRANTS RECEIVABLE
 For the Year Ended December 31, 2019

Purpose	Balance December 31, 2018	2019 Revenue	Received	Balance December 31, 2019
Recycling tonnage grant	\$ 0.00	\$ 6,076.46	\$ 6,076.46	\$ 0.00
Municipal alliance on alcohol and drug abuse	19,873.30	4,074.00	3,208.83	20,738.47
Clean communities grant	4,500.00	4,244.78	4,244.78	4,500.00
Hazardous discharge site remediation fund grant	142,513.00	0.00	0.00	142,513.00
Small cities grant	0.00	138,000.00	0.00	138,000.00
Salem County wastewater management grant	<u>5,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5,000.00</u>
	<u>\$ 171,886.30</u>	<u>\$ 152,395.24</u>	<u>\$ 13,530.07</u>	<u>\$ 310,751.47</u>

Ref.

A

A-2

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, 2019

Purpose	Balance December 31, 2018	Received In 2019	Balance December 31, 2019
Municipal alliance on alcohol and drug abuse - program income	\$ 5,861.00	\$ 1,870.00	\$ 7,731.00
Recycling tonnage grant	1,153.64	11,537.04	12,690.68
	<u>\$ 7,014.64</u>	<u>\$ 13,407.04</u>	<u>\$ 20,421.68</u>
Ref.	A		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, 2019

Purpose	Balance	2019		Balance
	December 31, 2018	Appropriations	Expended	December 31, 2019
Clean communities grant	\$ 22,354.66	\$ 4,244.78	\$ 5,333.63	\$ 21,265.81
Municipal alliance on alcohol and drug abuse	12,436.20	4,074.00	5,682.54	10,827.66
Hazardous discharge site remediation fund grant	142,899.13	0.00	0.00	142,899.13
Recycling tonnage grant	2,386.01	6,076.46	3,453.74	5,008.73
Salem County Utilities Authority - recycling grant	376.63	0.00	0.00	376.63
Stormwater management grant	3,653.00	0.00	0.00	3,653.00
Small cities grant	0.00	138,000.00	21,799.83	116,200.17
Matching funds for grants	25,274.73	0.00	0.00	25,274.73
Matching funds - small cities rehabilitation grant	15,333.00	0.00	0.00	15,333.00
Municipal alliance on alcohol and drug abuse - program income	6,122.62	0.00	260.00	5,862.62
	<u>\$ 230,835.98</u>	<u>\$ 152,395.24</u>	<u>\$ 36,529.74</u>	<u>\$ 346,701.48</u>
	Ref.	A	A-3	A
Due to general capital fund	C		\$ 5,967.61	
Refunded	A-4		(350.00)	
Disbursements - general fund	A-4		30,652.13	
Disbursements - state and federal grants	A-4		<u>260.00</u>	
			<u>\$ 36,529.74</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, 2019

	Ref.	Dog License Fund	Trust Fund Other
Balance - December 31, 2018 (restated)	B	\$ 16,742.33	\$ 1,101,550.79
Receipts:			
Interest earned		\$ 23.31	\$ 1,856.63
Escrow deposits		0.00	59,109.00
Reserve for affordable housing (COAH)		0.00	3,530.75
Municipal open space funds	B-6	0.00	48,177.00
Camp Pedricktown - lease payment		0.00	1,500.00
Dedicated penalty fund	Contra	0.00	4,500.00
Dog license fees collected	B-3	5,285.40	0.00
Dog license census fines, late fees, etc.	B-3	2,240.00	0.00
Due to State of New Jersey	B-3	714.60	0.00
		<u>8,240.00</u>	<u>118,673.38</u>
Total receipts		8,263.31	1,220,224.17
		<u>25,005.64</u>	
Disbursements:			
Due to State of New Jersey		725.40	0.00
Due current fund		23.66	157.04
Escrow disbursements		0.00	77,284.94
Reserve for Camp Pedricktown		0.00	12,050.93
Reserve for affordable housing (COAH)		0.00	13,558.32
Contracts payable		140.00	0.00
Dog fund expenditures	B-3	14,841.23	0.00
		<u>15,730.29</u>	<u>103,051.23</u>
Total disbursements		15,730.29	103,051.23
Balance - December 31, 2019	B	\$ 9,275.35	\$ 1,117,172.94

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF CASH - COLLECTOR
For the Year Ended December 31, 2019**

	Ref.	Total	Tax Sale Premium Trust Fund	Tax Title Lien Redemption Account
Balance - December 31, 2018	B	\$ 12,270.99	\$ 10,111.02	\$ 2,159.97
Increased by:				
Deposits for redemption of liens	B-4	6,895.87	0.00	6,895.87
2019 Tax sale receipts		56,056.14	0.00	56,056.14
Tax sale premium	B-5	19,800.00	19,800.00	0.00
Interest on investment		32.09	26.06	6.03
		<u>82,784.10</u>	<u>19,826.06</u>	<u>62,958.04</u>
		95,055.09	29,937.08	65,118.01
Decreased by:				
Redemption of liens	B-4	6,895.87	0.00	6,895.87
Transfer of proceeds - 2019 tax sale		56,056.14	0.00	56,056.14
Premium refunded	B-5	2,800.00	2,800.00	0.00
Due to current fund		24.42	11.02	13.40
		<u>65,776.43</u>	<u>2,811.02</u>	<u>62,965.41</u>
Balance - December 31, 2019	B	\$ 29,278.66	\$ 27,126.06	\$ 2,152.60

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
For the Year Ended December 31, 2019**

	<u>Ref.</u>		
Balance - December 31, 2018	B	\$	16,639.28
Increased by:			
Dog license fees collected	B-1	\$	5,285.40
Dog license census fines, late fees, etc.	B-1		2,240.00
Kennel licenses			<u>500.00</u>
			<u>8,025.40</u>
			24,664.68
Decreased by:			
Expenditures under R.S. 4:19-15.11	B-1		<u>14,841.23</u>
Balance - December 31, 2018	B	\$	<u><u>9,823.45</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2017	\$ 6,992.88
2018	<u>7,766.20</u>
	<u><u>\$ 14,759.08</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS
For the Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	B	\$ 2,146.57
Increased by:		
Tax lien redemptions collected	B-2	<u>6,895.87</u>
		9,042.44
Decreased by:		
Tax lien redemptions disbursed	B-2	<u>6,895.87</u>
Balance - December 31, 2019	B	<u><u>\$ 2,146.57</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF PREMIUM RECEIVED AT TAX SALE
For the Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	B	\$ 10,100.00
Increased by		
2019 tax sale premiums	B-2	<u>19,800.00</u> 29,900.00
Decreased by:		
Tax sale premiums refunded	B-2	<u>2,800.00</u>
Balance - December 31, 2019	B	<u><u>\$ 27,100.00</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE AND FARMLAND
PRESERVATION TRUST FUND
For the Year Ended December 31, 2019**

	<u>Ref.</u>		
Balance - December 31, 2018	B	\$	72,876.17
Increased by:			
2019 municipal tax levy	B-1	\$	48,177.00
2019 added and omitted taxes			212.57
Interest earned	B-1		136.57
			<u>48,526.14</u>
Balance - December 31, 2019	B	\$	<u>121,402.31</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, 2019**

	<u>Ref.</u>		
Balance - December 31, 2018	C		\$ 359,805.42
Increased by receipts:			
Interest on investments in checking account - due current fund		\$ 467.33	
Capital improvement fund	C-5	<u>300,000.00</u>	<u>300,467.33</u>
			660,272.75
Decreased by disbursements:			
Due to current fund		472.26	
Contracts payable		173,767.31	
Improvement authorizations	C-6	<u>179,392.42</u>	<u>353,631.99</u>
Balance - December 31, 2019	C		<u><u>\$ 306,640.76</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
ANALYSIS OF CASH
For the Year Ended December 31, 2019**

	Balance December 31, 2019
	\$
Capital improvement fund	187,725.13
Due from State of New Jersey	(50,000.00)
Amount due from current fund	(487,013.69)
Due from state and federal grant fund	(16,000.00)
Contracts payable	751,088.20
Reserve for various capital improvements	28,563.63
Reserve for debt service	81,534.23
Fund balance	18,135.42
Improvement authorizations:	
Ordinance	
<u>Number</u>	
14-04 Purchase of computer equipment	6,238.06
15-08 New construction office building and generator	7,384.72
17-07 Purchase of dump truck - public works	219.16
17-08 Purchase of fire truck	2,118.79
17-20 New vehicle, equipment, and signage construction department	19,615.05
18-06 Road improvements - Lerro Road	20,196.31
18-07 Purchase of truck chase for EMS vehicle	730.42
18-10 Purchase of trash and recycling containers	12,030.88
18-11 Purchase of fire truck	(299,999.12)
18-12 Purchase of streets and road signage and emergency equipment	1,806.19
19-05 Purchase of leaf vacuum and emergency equipment	10,962.05
19-05 Expansion of municipal parking lot and road improvements	9,270.10
19-11 Equipment - streets and roads, tax collector, and emergency services	2,035.23
	\$ 306,640.76

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, 2019

Improvement Description	Ordinance Number	Balance December 31, 2019	Analysis Of Balance December 31, 2019		Unexpended Improvement Authorization
			Financed By Bond Anticipation Notes	Expended	
Construction of a new municipal complex	2011-08	\$ 240,000.00	\$ 240,000.00	\$ 0.00	\$ 0.00
Purchase of fire truck	2018-11	300,000.00	0.00	299,999.12	0.88
		<u>\$ 540,000.00</u>	<u>\$ 240,000.00</u>	<u>\$ 299,999.12</u>	<u>\$ 0.88</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, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	C	\$ 27,725.13
Increased by:		
Budget appropriation	C-2	<u>300,000.00</u> 327,725.13
Decreased by:		
Improvement authorization funded	C-6	<u>140,000.00</u>
Balance - December 31, 2019	C	<u><u>\$ 187,725.13</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
GENERAL CAPITAL FUND
STATEMENT OF RESERVE FOR VARIOUS CAPITAL PROJECTS
For the Year Ended December 31, 2019**

Reserve For	Balance December 31, 2018	Balance December 31, 2019
Purchase of computers	\$ 1,900.00	\$ 1,900.00
Improvements to municipal roads	1,667.97	1,667.97
Public works equipment	19,145.38	19,145.38
Purchase of emergency equipment	5,850.28	5,850.28
Total	\$ 28,563.63	\$ 28,563.63
Ref.	C	C

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 GENERAL CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date Of Issue	Date Of Maturity	Interest Rate	Balance December 31, 2018	Decrease	Balance December 31, 2019
2011-08	Construction of a new municipal complex	05/13/18	05/13/19	1.97%	\$ 480,000.00	\$ 240,000.00	\$ 240,000.00
					\$ 480,000.00	\$ 240,000.00	\$ 240,000.00

Ref. C A-3 C

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 GENERAL CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date of Ordinance	Balance December 31, 2018	Budget Appropriation	Balance December 31, 2019
2018-11	Purchase of fire truck	11/14/18	\$ 600,000.00	\$ 300,000.00	\$ 300,000.00
			<u>\$ 600,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ 300,000.00</u>

Footnote

A-3;C-2

Footnote

Ref.

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, 2019

	Ref.	Operating	Capital
Balance - December 31, 2018	D	\$ 163,351.82	\$ 65,135.64
Increased by receipts:			
Consumer accounts receivable	D-7	\$ 26,178.83	0.00
Interest earned on investments	D-3	266.02	57.41
Fire hydrant service	D-3	16,000.00	0.00
Utility rent prepayments	D	325.00	0.00
Interest on delinquent accounts	D-3	1,860.00	0.00
Miscellaneous	D-3	19.00	0.00
Due from current fund	A-4	15,905.44	246,783.00
Budget appropriations reimbursed	Contra	30.00	0.00
Due from utility capital fund		63.92	0.00
Due from utility operating fund		0.00	5,000.00
		<u>60,648.21</u>	<u>251,840.41</u>
		224,000.03	316,976.05
Decreased by disbursements:			
Due utility operating fund		0.00	276,537.12
Improvement authorizations	D-11	0.00	616.50
Contracts payable		0.00	33,830.00
Budget appropriations reimbursed	Contra	30.00	0.00
Budget appropriations	D-4	35,579.52	0.00
Appropriation reserves	D-10	421.21	0.00
		<u>36,030.73</u>	<u>310,983.62</u>
Balance - December 31, 2019	D	<u>\$ 187,969.30</u>	<u>\$ 5,992.43</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
ANALYSIS OF CAPITAL CASH
For the Year Ended December 31, 2019**

	Balance December 31, 2019
Fund balance	\$ 333.74
Capital improvement fund	13,907.70
Reserve for capital improvements to water system	15,366.89
Amount due water utility operating fund	(292,575.15)
Contracts payable	5,176.25
Amount due current fund	345,783.00

Ordinance Number	Improvement Authorizations	
2016-01	Auburn water system improvements - phase I	(28,000.00)
2018-05	Auburn water system improvements - phase 2	(54,000.00)
		\$ 5,992.43

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, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	D	\$ 5,170.14
Increased by:		
Utility rents levied		<u>23,839.52</u>
		29,009.66
Decreased by:		
Prepaid applied	D	\$ 131.09
Collection	D-5	<u>26,178.83</u>
		<u>26,309.92</u>
Balance - December 31, 2019	D	<u><u>\$ 2,699.74</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL
For the Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance- December 31, 2018	D	\$ 303,093.79
Increased by:		
Capital outlay - operating budget		<u>1,900.00</u>
Balance- December 31, 2019	D	<u>\$ 304,993.79</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, 2019**

	Ref.	
Balance- December 31, 2018	D	\$ 100,000.00
Balance- December 31, 2019	D	\$ 100,000.00

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 WATER UTILITY FUND
 SCHEDULE OF APPROPRIATION RESERVES - 2018
 For the Year Ended December 31, 2019

	Balance December 31, 2018	Balance After Transfers	Paid Or Charged	Balance Lapsed
Operating:				
Salaries and wages	\$ 19.75	\$ 19.75	\$ 0.00	\$ 19.75
Other expenses	1,425.76	1,425.76	421.21	1,004.55
Statutory expenditures:				
Contribution to:				
Social security system	2.94	2.94	0.00	2.94
Unemployment insurance	6.53	6.53	0.00	6.53
	<u>\$ 1,454.98</u>	<u>\$ 1,454.98</u>	<u>\$ 421.21</u>	<u>\$ 1,033.77</u>
			D-5	
Appropriation reserves	D \$ 1,454.98			
Accounts payable	D 0.00			
	<u>\$ 1,454.98</u>			<u>\$ 1,033.37</u>

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 WATER UTILITY FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance	
				December 31, 2018 Unfunded	December 31, 2019 Unfunded
2018-05	Auburn water system improvements - phase 2	4/11/2018	\$ 60,000.00	\$ 11,947.75	\$ 0.00
				\$ 11,947.75	\$ 0.00
	Contracts payable			\$ 11,331.25	
	Cash disbursements			616.50	
				\$ 11,947.75	

D

D

Ref.

D-5

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENTS
For the Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	D	\$ 11,266.89
Increased by:		
Capital outlay appropriation		<u>4,100.00</u>
Balance - December 31, 2019	D	<u>\$ 15,366.89</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
For the Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	D	\$ 8,907.70
Increased by:		
Budget appropriation	D-4	<u>5,000.00</u>
Balance - December 31, 2019	D	<u>\$ 13,907.70</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
For the Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	D	\$ 303,093.79
Increased by		
Capital outlay by operating budget		<u>1,900.00</u>
Balance - December 31, 2019	D	<u>\$ 304,993.79</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
For the Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	D	\$ 8,000.00
Increased by:		
Budget appropriation - deferred charges to future revenues - unfunded	D-3	<u>10,000.00</u>
Balance - December 31, 2019	D	<u>\$ 18,000.00</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, 2019**

Ordinance Number	Improvement Authorization	Balance December 31, 2019
2016-01	Auburn water system improvements - phase I	\$ 28,000.00
2018-05	Auburn water system improvements - phase 2	<u>54,000.00</u>
		<u>\$ 82,000.00</u>

Ref. Footnote

See Accompanying Auditor's Report

TOWNSHIP OF OLDMANS
 WATER UTILITY FUND
 SCHEDULE OF STATE GRANTS RECEIVABLE
 For the Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	D		\$ 402,423.98
Decreased by:			
Cash receipts	D-5	\$ 905.44	
Due from current fund		<u>187,493.73</u>	
			<u>188,399.17</u>
Balance - December 31, 2019	D		<u>\$ 214,024.81</u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
WATER UTILITY FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED
For the Year Ended December 31, 2019**

	<u>Ref.</u>		
Balance - December 31, 2018	D		\$ 399,145.59
Decreased by:			
Accounts payable	D	\$ 2,958.75	
Due to utility capital fund		<u>276,473.20</u>	
			<u>279,431.95</u>
Balance - December 31, 2019	D		<u>\$ 119,713.64</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, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	F	\$ 24,108.51
Increased by:		
Deposits to pay gross salaries		\$ 356,843.69
Interest earned- due to current fund		41.71
Township's share of social security, medicare, unemployment and pension		<u>48,874.08</u>
		<u>405,759.48</u>
		<u>429,867.99</u>
Decreased by:		
Net payroll		277,431.64
Deductions paid to various agencies		122,761.47
Due to current fund	D-5	<u>42.06</u>
		<u>400,235.17</u>
Balance - December 31, 2019	F	<u><u>\$ 29,632.82</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF OLDMANS
PAYROLL ACCOUNT
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
For the Year Ended December 31, 2019**

Federal taxes payable	\$ 7,680.40
State taxes payable	1,398.88
Public employees' retirement system	19,754.82
Other	<u>21.70</u>
	<u>\$ 28,855.80</u>

Ref

F

See Accompanying Auditor's Report

GENERAL FIXED ASSETS

****SCHEDULES****

NOT APPLICABLE

TOWNSHIP OF OLDMANS

LETTER OF COMMENTS AND RECOMMENDATIONS

For the Year Ended December 31, 2019

GENERAL COMMENTS

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

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

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

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

- Semi-annual gas sampling - Oldmans Landfill
- Environmental remediation - 1 Maple Avenue
- Trash and recycling containers

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 2019.

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 3, 2019, 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 2019 shall be 8% per annum on any amount up to an including \$1,500.00 of delinquency said 18% per annum on any amount in excess of \$1,500.00 and interest to be collectable on all taxes not paid within ten (10) days after the date upon which the same shall become payable for each quarter (which dates are the first day of February, May, August, and November). Taxes paid after said time shall bear interest from the due date.

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 28, 2019, 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>
2019	11
2018	11
2017	11

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

OTHER COMMENTS

Chief Financial Officer

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

N.J.A.C. 5:30-5.7 mandates that a general ledger system be utilized for proper accounting. For the year under review, a general ledger was maintained. However, the Treasurer only makes cash entries to the general ledger. The Treasurer should make non-cash adjustments as well to the general ledger. A new financial software system was implemented in early 2013 to help with this process. The new Chief Financial Officer is striving to fully implement that general ledger system in 2020.

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

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, 2019

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

None.

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

This section identifies the status of prior year findings related to the financial statements and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

Finding No. 2010-2

Condition

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

Current Status

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

Planned Corrective Action

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

**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>
George W. Bradford	Mayor	B
Anthony Musumeci	Deputy Mayor	B
Dean W. Sparks	Committeeman	B
Shawn Glynn	Chief Financial Officer (To 7/12/19)	A
James R. Hackett	Chief Financial Officer (From 7/12/19 to 9/11/19)	A
Diane A. Bowman	Chief Financial Officer (From 9/11/19)	A
Melinda Taylor	Township Clerk Municipal Improvement Search Officer Registrar of Vital Statistics Zoning Officer Dog License Clerk	A
Anne Deeck	Tax Collector and Tax Search Officer	A
Peter Veros	Construction Code Official	B
Michael Raio	Assessor	B
Niki Trunk	Solicitor	B
Thomas Tedesco, Jr.	Engineer	B

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

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

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

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

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

Respectfully submitted,

Ball, Buckley & Seher, LLP

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



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