

**TOWNSHIP OF TEWKSBURY
COUNTY OF HUNTERDON
STATE OF NEW JERSEY**

**REPORT OF AUDIT
DECEMBER 31, 2013**

TOWNSHIP OF TEWKSBURY

TABLE OF CONTENTS

PART I - REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

<u>AUDITORS' REPORTS</u>		<u>PAGE</u>
Independent Auditor's Report		3-5
<u>FINANCIAL STATEMENTS</u>		
<u>CURRENT FUND</u>	<u>EXHIBIT</u>	
Comparative Balance Sheet	A	6-7
Comparative Statement of Operations and Change in Fund Balance	A-1	8
Statement of Revenues	A-2	9-10
Statement of Expenditures	A-3	11-16
<u>TRUST FUND</u>		
Comparative Balance Sheet	B	17
<u>GENERAL CAPITAL FUND</u>		
Comparative Balance Sheet	C	18
Schedule of Fund Balance	C-1	19
<u>SEWER UTILITY FUND</u>		
Comparative Balance Sheet	D	20
Comparative Statement of Operations and Change in Fund Balance	D-1	21
Statement of Revenues	D-2	22
Statement of Expenditures	D-3	23
<u>PUBLIC ASSISTANCE FUND</u>		
Comparative Balance Sheet	E	24
<u>GENERAL FIXED ASSETS</u>		
Statement of General Fixed Assets	F	25
<u>PAYROLL AGENCY FUND</u>		
Comparative Balance Sheet	G	26
<u>NOTES TO FINANCIAL STATEMENTS</u>		27-41

TOWNSHIP OF TEWKSBURY

TABLE OF CONTENTS

PART I I - SUPPLEMENTARY INFORMATION

<u>CURRENT FUND</u>	<u>EXHIBIT</u>	<u>PAGE</u>
Schedule of Cash – Treasurer	A-4	43
Schedule of Cash - Collector	A-5	44
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	45
Schedule of Tax Title Liens	A-7	46
Schedule of Revenue Accounts Receivable	A-8	47
Schedule of Appropriation Reserves - 2012	A-9	48-49
Schedule of Reserve for Encumbrances	A-10	50
Schedule of Taxes Collected in Advance	A-11	51
Schedule of Tax Overpayments	A-12	52
Schedule of County Taxes Payable	A-13	53
Schedule of Local District School Tax Payable	A-14	54
Schedule of Regional School District Tax Payable	A-15	55
Schedule of Municipal Open Space Taxes	A-16	56
Schedule of Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-17	57
Schedule of State/Federal Grants Receivable	A-18	58
Schedule of Appropriated Reserves for State Grants	A-19	59
Schedule of Unappropriated Reserves for State Grants	A-20	60
Schedule of Reserve for Trees	A-21	61
Schedule of Reserve for Tax Sale Premiums/Liens Due Other Trust Fund	A-22	62
Schedule of Reserve for Police Donations	A-23	63
Schedule of Reserve for Various	A-24	64
Schedule of Reserve for Additional Aid to Fire Companies	A-25	65
Schedule of Reserve for Amount Due State - Marriage License Fees	A-26	66
Schedule of Reserve for DCA Fees Payable	A-27	67

TOWNSHIP OF TEWKSBURY

TABLE OF CONTENTS

PART II - SUPPLEMENTARY INFORMATION

<u>TRUST FUND</u>	<u>EXHIBIT</u>	<u>PAGE</u>
Schedule of Cash - Treasurer	B-2	69
Schedule of Reserve for Dog Fund Expenditures	B-3	70
Schedule of Amount Due to State of New Jersey Department of Health	B-4	71
Schedule of Amount Due Current Fund - Dog License Fund	B-5	72
Schedule of Amount Due Current Fund - Other Trust Funds	B-6	73
Schedule of Reserve for Developer's Escrow	B-7	74
Schedule of Reserve for Unemployment Trust	B-8	75
Schedule of Reserve for Whittemore Trust	B-9	76
Schedule of Reserve for Accumulated Leave	B-10	77
Schedule of Reserve for Developer's Housing Trust	B-11	78
Schedule of Reserve for Municipal Open Space Trust	B-12	79
Schedule of Reserve for Outside Police Duty	B-13	80
Schedule of Reserve for Ruth Mueller Trust	B-14	81
Schedule of Reserve for Tax Sale Premium Deposits	B-15	82
Schedule of Reserve for War Memorial Deposits	B-16	83
<u>GENERAL CAPITAL FUND</u>		
Schedule of Cash - Treasurer	C-2	84
Schedule of Amount Due Current Fund	C-3	85
Schedule of Accounts Receivable	C-4	86
Schedule of Deferred Charges to Future Taxation-Funded	C-5	87
Schedule of Deferred Charges to Future Taxation-Unfunded	C-6	88
Schedule of Encumbrances	C-7	89
Schedule of Capital Improvement Fund	C-8	90
Schedule of New Jersey Loan Programs	C-9	91
Schedule of Bond Anticipation Notes	C-10	92
Schedule of Improvement Authorizations	C-11	93
Schedule of Serial Bonds Payable	C-12	94
Schedule of Various Reserves	C-13	95

TOWNSHIP OF TEWKSBURY

TABLE OF CONTENTS

PART I I - SUPPLEMENTARY INFORMATION

<u>SEWER UTILITY FUND</u>	<u>EXHIBIT</u>	<u>PAGE</u>
Schedule of Cash - Treasurer	D-4	96
Schedule of Cash - Collector	D-5	97
Schedule of Consumer Accounts Receivable	D-6	98
Schedule of Appropriation Reserves-2012	D-7	99
Schedule of Fixed Capital	D-8	100
Schedule of Fixed Capital Authorized and Uncompleted	D-9	101
Schedule of Improvement Authorizations	D-10	102
Schedule of Sewer Capital Improvement Fund	D-11	103
Schedule of Reserve for Amortization	D-12	104
Schedule of Deferred Reserve for Amortization	D-13	105
Schedule of Loans Payable	D-14	106
<u>PUBLIC ASSISTANCE FUND</u>		
Schedule of Cash - Treasurer	E-1	107
<u>GENERAL FIXED ASSETS</u>		
Schedule of Additions and Deletions	F-1	108

PART I I I –SUPPLEMENTARY INFORMATION

	<u>PAGE</u>
General Comments	109-117
Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	118-119
Schedule of Federal/State Awards	120-121
Notes to Federal/State Awards	122
Status of Prior Audit Findings	123-124
Schedule of Findings and Responses	125-126

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2013

AUDITORS' REPORTS



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Tewksbury
169 Old Turnpike Road
County of Hunterdon, Califon, New Jersey 07830

Report on the Financial Statements

We have audited the accompanying balance sheets-regulatory basis of the various funds of the Township of Tewksbury as of December 31, 2013 and 2012, and the related statements of operations and changes in fund balance-regulatory basis for the year then ended and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year then ended. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with generally accepted auditing standards in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

-Continued-

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 entity'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

As described in Note 1, the Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the fifth paragraph, the financial statements referred to above do not present fairly the respective financial position of the Township of Tewksbury at December 31, 2013 and 2012, or the results of its operations, in conformity with generally accepted accounting principles in the United States of America.

However, in our opinion, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Township, as of December 31, 2013 and 2012, and the results of operations and changes in fund balance-regulatory basis of such funds for the year then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year then ended, on the basis of accounting 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 supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1 to the financial statements.

-Continued-

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2014, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP

A handwritten signature in black ink that reads "Ardito & Co., LLP". The script is cursive and fluid.

Frenchtown, New Jersey

March 31, 2014

A handwritten signature in black ink that reads "Anthony Ardito". The script is cursive and fluid.

Certified Public Accountant

Registered Municipal Accountant No.524

ARDITO & CO., LLP

Frenchtown, New Jersey

March 31, 2014

FINANCIAL STATEMENTS

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 1

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
Cash And Cash Equivalents:			
Cash - Treasurer	A-4	\$ 6,786,906	\$ 7,147,631
Amount Due from State of New Jersey for Senior Citizens and Veterans Deductions	A-17	<u>5,989</u>	<u>5,989</u>
		<u>6,792,895</u>	<u>7,153,620</u>
Receivables And Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	310,460	410,551
Tax Title Liens Receivable	A-7	58,666	80,026
Penalties & Interest on Taxes	A	13,193	12,047
Amount Due from Other Agencies	A	26,765	24,214
Amount Due From Dog License Fund	B	<u>3</u>	<u>8</u>
Subtotal		<u>409,087</u>	<u>526,846</u>
Federal And State Grant Fund:			
Federal/State Grants Receivable	A-18	-	-
Due From Current Fund	A	<u>13,926</u>	<u>44,487</u>
Subtotal		<u>13,926</u>	<u>44,487</u>
TOTAL ASSETS		<u>\$ 7,215,908</u>	<u>\$ 7,724,953</u>

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

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 2

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Reserve For Encumbrances	A-10	\$ 186,386	\$ 194,465
Appropriation Reserves	A-3:9	280,683	337,137
Amount Due To Grants Fund	A	13,926	44,487
Amount Due To General Capital Fund	C	110,238	115,555
Taxes Collected In Advance	A-11	195,004	185,670
Tax Overpayments	A-12	10,265	14,868
County Taxes Payable	A-13	45,404	24,082
Local District School Taxes Payable	A-14	434,789	419,755
Regional School Tax Payable	A-15	615,940	467,894
Due Other Trust - Municipal Open Space Tax Payable	A-16	4,972	2,662
Reserve for Trees	A-21	45,166	45,356
Due Other Trust - Premium on Tax Sales and Outside Liens	A-22	60,050	86,650
Reserve for Police	A-23	500	35,726
Reserve for Various	A-24	4,474	4,474
Reserve for Additional Aid to Fire Companies	A-25	29,521	39,747
Amount Due to State of New Jersey for Marriage License Fees	A-26	175	125
Amount Due to State of New Jersey for DCA Training	A-27	7,132	4,023
Subtotal		<u>2,044,625</u>	<u>2,022,676</u>
Reserve For Receivables And Other Assets	A	409,087	526,846
Fund Balance	A-1	<u>4,748,270</u>	<u>5,130,944</u>
Subtotal		<u>7,201,982</u>	<u>7,680,466</u>
Federal And State Grant Fund:			
Amount Due State of New Jersey	A	1,761	1,761
Reserve For State Grants - Appropriated	A-19	3,508	36,204
Reserve For State Grants - Unappropriated	A-20	<u>8,657</u>	<u>6,522</u>
Subtotal		<u>13,926</u>	<u>44,487</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 7,215,908</u>	<u>\$ 7,724,953</u>

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE

A-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>2013</u>	<u>YEAR</u> <u>2012</u>
Fund Balance Utilized	A-2	\$ 2,196,795	\$ 2,368,000
Miscellaneous Revenue Anticipated	A-2	2,374,226	2,033,563
Receipts From Delinquent Taxes	A-2	447,600	309,362
Receipts From Current Taxes	A-2	30,583,298	30,087,563
Non-Budget Revenues	A-2	54,831	37,077
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	A-9	294,075	189,098
Tax Overpaid Cancelled	A-12		5,636
Reserve Canceled	A-23	13,998	-
Interfunds Returned	A	8,846	1,726
TOTAL INCOME		35,973,669	35,032,025
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	2,447,005	2,538,360
Other Expenses	A-3	2,311,935	2,297,059
Deferred Charges and Statutory Expenditures	A-3	590,307	589,825
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	-	9,293
Other Expenses	A-3	217,263	157,427
Capital Improvements	A-3	400,000	600,000
Municipal Debt Service	A-3	1,925,930	1,400,904
Deferred Charges to Future Taxation	A-3	110,313	110,313
County Taxes	A-13	6,018,533	6,054,864
Amount Due County For Added and Omitted Taxes	A-13	45,404	24,082
Local District School Taxes	A-14	11,713,881	11,702,219
Regional School Tax	A-15	7,686,213	7,390,121
Municipal Open Space Tax	A-16	681,375	679,312
Refund of Prior Year Revenue	A-4	-	8,138
Interfund Advances	A-18:A	11,389	7,683
TOTAL EXPENDITURES		34,159,548	33,569,600
Excess (Deficit) Revenue Over Expenditures		1,814,121	1,462,425
 Fund Balance January 1	 A	 5,130,944	 6,036,519
		6,945,065	7,498,944
Decreased by:			
Utilization as Anticipated Revenue	A-1	2,196,795	2,368,000
Fund Balance December 31	A	\$ 4,748,270	\$ 5,130,944

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

CURRENT FUND
STATEMENT OF REVENUES

A-2

	REF.	ANTICIPATED		REVENUE	EXCESS OR
		BUDGET	N.J.S. 40A:4-87	RECEIVED	DEFICIT
Surplus Anticipated		\$ 2,196,795		\$ 2,196,795	
Licenses:					
Alcoholic Beverages - Clerk	A-8	4,000		4,000	
Other - Clerk	A-8	700		1,941	\$ (1,241)
Fees and Permits - Trailer Court Fees	A-8	72,000		83,592	(11,592)
Fines and Costs:					
Municipal Court	A-8	33,000		48,575	(15,575)
Interest and Costs on Taxes	A-5	75,000		94,513	(19,513)
Interest on Investments	A-8	14,000		10,591	3,409
Energy Receipts Tax	A-8	516,103		516,103	
Uniform Construction Code Fees	A-8	243,989		410,746	(166,757)
Clean Communities Program	A-19	20,548		20,548	
Body Armor	A-19	675		675	
Recycling Tonnage Grant	A-19	5,846		5,846	
ANJEC Grant	A-19		\$ 1,000	1,000	
Califon Borough - UCC	A-8	68,351		68,351	-
Hunter's Glen Sewer Utility - Debt Service	A-8	27,805		27,805	-
Open Space Trust Fund Reserve - Debt Service	A-8	675,000		675,000	
Capital Fund Balance	A-8	300,000		300,000	
Reserve Capital Fund - Debt Service	A-8	50,000		50,000	
Lease of Municipal Facilities	A-8	36,000		40,518	(4,518)
Fire Safety Fees	A-8	12,000		14,422	(2,422)
		<u>2,155,017</u>	<u>1,000</u>	<u>2,374,226</u>	<u>(218,209)</u>
Receipts from Delinquent Taxes	A-1	<u>300,000</u>	<u>-</u>	<u>447,600</u>	<u>(147,600)</u>
Amount to be Raised by Taxation	A-6	<u>4,667,181</u>	<u>-</u>	<u>5,468,864</u>	<u>(801,683)</u>
Total General Revenues		<u>9,318,993</u>	<u>1,000</u>	<u>10,487,485</u>	<u>(1,167,492)</u>
Non-Budget Revenue	A-2			<u>54,831</u>	<u>(54,831)</u>
		<u>\$ 9,318,993</u>	<u>\$ 1,000</u>	<u>\$ 10,542,316</u>	<u>\$ (1,222,323)</u>

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

CURRENT FUND
STATEMENT OF REVENUES

ANALYSIS OF REALIZED REVENUES

REF.

Allocation Of Current Tax Collections:

Revenue from Collections		\$ 30,543,048
State of New Jersey, Senior Citizens and Veterans Deductions		<u>40,250</u>
	A-6	30,583,298

Allocated To:

School, County and Municipal Open Space Taxes		26,145,406
Balance for Support of Municipal Budget		4,437,892
Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"	A-3	<u>1,030,972</u>
Amount For Support Of Municipal Budget Appropriations	A-2	<u>\$ 5,468,864</u>

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

ANALYSIS OF NON-BUDGET REVENUES

REF

Miscellaneous Revenue Not Anticipated:

Treasurer:

Comcast Franchise		\$ 5,027	
Donations		2,500	
Bundle 29 Sandy Relief		9,114	
FEMA, Net of Expenditures		23,865	
Miscellaneous		<u>13,631</u>	
	A-4	54,137	

Tax Collector

Miscellaneous		<u>694</u>	<u>\$ 54,831</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 1

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
GENERAL GOVERNMENT FUNCTIONS:					
General Administration:					
Salaries and Wages	\$ 232,067	\$ 232,067	\$ 223,044	\$ 1,023	\$ 8,000
Other Expenses:					
Lease of Equipment	14,000	23,000	20,745	2,255	
Miscellaneous Other Expenses	38,235	38,235	15,541	10,694	12,000
Mayor and Council:					
Salaries and Wages	21,888	21,388	21,251	137	
Other Expenses	9,690	10,890	10,850	40	
Financial Administration (Treasury):					
Salaries and Wages	148,753	148,753	143,554	299	4,900
Other Expenses	9,280	7,280	5,969	1,311	
Audit Services:					
Other Expenses	18,913	18,913	18,913		
Computerized Data Services:					
Other Expenses	39,795	39,795	29,125	6,670	4,000
Revenue Administration (Tax Collection):					
Salaries and Wages	47,970	47,970	46,010	160	1,800
Other Expenses	4,420	4,420	3,797	623	
Tax Assessment Administration:					
Salaries and Wages	35,493	35,493	33,192	101	2,200
Other Expenses	6,903	6,903	5,033	1,870	
Legal Services (Legal Dept.):					
Other Expenses	65,000	65,000	46,855	6,145	\$ 12,000
Engineering Services:					
Other Expenses	68,140	59,440	50,027	9,413	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages:					
Bartles Wastewater	15,600	13,600	12,053	1,547	
Salaries and Wages - Other	135,441	135,441	115,395	3,546	16,500
Other Expenses:					
Wastewater Management Study	4,080	80		80	
Bartles Wastewater	39,100	39,100	35,107	3,993	
Special Projects	16,982	16,982	15,442	1,540	
Miscellaneous Other Expenses	21,450	21,450	15,797	1,653	4,000

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 2

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>EXPENDED</u>			
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>CANCELED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>		
CODE ENFORCEMENT AND ADMINISTRATION:					
Uniform Construction Code Enforcement Functions:					
Building Sub Code Officials:					
Salaries and Wages	195,803	195,803	182,050	1,253	12,500
Other Expenses	12,450	12,450	6,345	3,105	3,000
INSURANCE:					
General Liability Insurance	142,500	142,500	136,155	1,345	5,000
Workmens Compensation Insurance	108,000	109,152	109,152		
Employee Group Insurance	567,424	562,424	470,777	13,647	78,000
PUBLIC SAFETY FUNCTIONS:					
Police:					
Salaries and Wages	940,000	946,000	937,637	8,363	
Other Expenses:					
PBA Contract Benefits	84,359	81,359	80,663	696	
Miscellaneous Other Expenses	40,491	40,491	39,698	793	
Office of Emergency Management:					
Other Expenses	6,000	6,000	4,318	1,682	
Contribution to First Aid Organizations	53,976	53,976	53,976		
Aid to Volunteer Fire Companies:					
Other Expenses - Oldwick Fire Company	90,000	90,000	90,000		
Aid to Volunteer Fire Companies in Adjoining Municipalities	157,035	157,035	157,035		
Fire Department Office:					
Salaries and Wages	8,500	8,500	7,672	828	
Other Expenses	2,500	2,500	1,210	1,290	
Other Expenses:					
Fire Hydrant Services	20,000	20,000	15,436	4,564	
Municipal Prosecutor's Office:					
Salaries and Wages	8,424	8,424	8,303	121	

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 3

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>BUDGET AFTER</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>PAID OR</u>		
			<u>CHARGED</u>		
PUBLIC WORKS FUNCTIONS:					
Streets and Road Maintenance:					
Salaries and Wages	746,200	706,200	661,048	152	45,000
Other Expenses	174,660	174,660	170,808	3,852	
Solid Waste Collection(Recycling Program):					
Other Expenses	17,850	17,850	6,221	1,629	10,000
Buildings and Grounds:					
Other Expenses	64,770	73,770	73,126	644	
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	99,050	139,050	122,845	16,205	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Public Health Services (Board of Health):					
Salaries and Wages	3,168	1,266	1,200	66	
Other Expenses	2,800	2,800	2,134	666	
Contribution to Social Services Agencies:					
Senior Citizens Centers	3,000	3,000	1,522	1,478	
PARK AND RECREATION FUNCTIONS:					
Maintenance of Parks:					
Other Expenses:					
Miscellaneous Other Expenses	34,786	34,786	27,944	6,842	
OTHER COMMON OPERATING FUNCTIONS:					
(Unclassified):					
Reserve for Sick Leave	150,000	150,000	103,953	46,047	

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 4

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	34,270	34,270	22,799	3,471	8,000
Street Lighting	6,500	6,500	6,240	260	
Telephone (excluding equipment acquisition)	35,382	35,382	30,039	5,343	
Gas (natural or propane)	17,000	17,000	12,588	4,412	
Fuel Oil	6,000	6,000	4,365	1,635	
Telecommunications Costs	26,132	26,882	25,750	1,132	
Gasoline	128,000	128,000	83,425	4,575	40,000
MUNICIPAL COURT:					
Municipal Court:					
Salaries and Wages	37,000	37,000	34,382	2,618	
Other Expenses	8,610	8,610	5,840	2,770	
Total Operations - Within "CAPS "	5,025,840	5,025,840	4,564,356	194,584	266,900
Detail:					
Salaries and Wages	2,576,307	2,537,905	2,426,791	20,214	90,900
Other Expenses	2,449,533	2,487,935	2,137,565	174,370	176,000
DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":					
Statutory Expenditures :					
Social Security System (O.A.S.I.)	210,000	210,000	193,981	16,019	
Contribution to:					
PERS	170,282	170,282	169,882		400
PFRS	171,925	171,925	171,925		
Deferred Compensation-Employers' Share	50,000	50,000	37,413	1,087	11,500
Total Deferred Charges and Statutory Expenditures-within "CAPS"	602,207	602,207	573,201	17,106	11,900
Total General Appropriations for Municipal Purposes Within "CAPS"	5,628,047	5,628,047	5,137,557	211,690	278,800

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 5

	<u>APPROPRIATION</u>	<u>BUDGET AFTER</u>	<u>EXPENDED</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>CHARGED</u>	<u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
OPERATIONS-EXCLUDED from "CAPS"						
Insurance (N.J.S.A. 40A:4-45.3(00)):						
Aid to Library	57,200	57,200	57,200			
Affordable Housing:						
Other Expenses	3,643	3,643			642	3,000
LOSAP	63,000	63,000	63,000			
Total Other Operations-Excluded from "CAPS"	123,843	123,843	120,200		642	3,000
 Interlocal Municipal Service Agreements Excluded from "CAPS":						
Califon Borough/Clinton Township Interlocal Agreement	68,351	68,351			68,351	
Total Interlocal Municipal Service Agreements	68,351	68,351			68,351	
 Public and Private Programs Offset by Revenues-:						
Excluded from "CAPS"						
Clean Communities Program:						
Other Expenses	20,548	20,548	20,548			
Body Armor Grant:						
Other Expenses	675	675	675			
Assn of NJ Environmental Commissions Grant:						
Other Expenses	1,000	1,000	1,000			
Recycling Tonnage Grant:						
Other Expenses	5,846	5,846	5,846			
Total Public and Private Programs						
Offset by Revenues-Excluded from "CAPS"	28,069	28,069	28,069			
Total Operations-Excluded from "CAPS"	220,263	220,263	148,269		68,993	3,000
Detail:						
Other Expenses	220,263	220,263	148,269		68,993	3,000

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 6

	<u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	
Capital Improvements-Excluded from "CAPS":				
Capital Improvement Fund	400,000	400,000	400,000	
Total Capital Improvements-Excluded from "CAPS"	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	
Municipal Debt Service-Excluded from "CAPS":				
Payment of Bond Principal	1,168,000	1,168,000	1,168,000	
Interest on Bonds	703,500	703,500	699,920	3,580
Interest on Bond Anticipation and Capital Notes			-	
Loan Payments for Principal and Interest	31,093	31,093	31,092	1
NJ Wastewater Treatment Trust	27,805	27,805	26,918	887
Total Municipal Debt Service	<u>1,930,398</u>	<u>1,930,398</u>	<u>1,925,930</u>	<u>4,468</u>
Deferred Charges-Excluded from "CAPS":				
Ordinance # 22-2003	47,700	47,700	47,700	
Ordinance # 23-2003	3,749	3,749	3,749	
Ordinance # 16-2003	42,664	42,664	42,664	
Ordinance # 15-2005	16,200	16,200	16,200	
Total Deferred Charges	<u>110,313</u>	<u>110,313</u>	<u>110,313</u>	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"				
	<u>2,660,974</u>	<u>2,660,974</u>	<u>2,584,512</u>	<u>68,993</u>
			<u>68,993</u>	<u>7,468</u>
Subtotal General Appropriations	8,289,021	8,289,021	7,722,069	286,268
Reserve For Uncollected Taxes	1,030,972	1,030,972	1,030,972	
TOTALS	<u>\$ 9,319,993</u>	<u>\$ 9,319,993</u>	<u>\$ 8,753,041</u>	<u>\$ 286,268</u>
	<u>REF.</u>		A	A-1
Budget	A-2	\$ 9,318,993		
Appropriation by 40A: 4-87	A-2	1,000		
		<u>\$ 9,319,993</u>		
	<u>REF.</u>			
Reserve for State Grants	A-19	\$ 28,069		
Deferred Charges	C	110,313		
Reserve for Encumbrances	A-10	7,583,687		
Reserve for Uncollected Taxes	A-2	1,030,972		
		<u>\$ 8,753,041</u>		

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

TRUST FUND
COMPARATIVE BALANCE SHEET

B

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
Dog License Fund:			
Cash and Cash Equivalents	B-2	\$ 12,370	\$ 8,775
Total Dog License Fund		<u>12,370</u>	<u>8,775</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-2	1,333,773	1,236,201
Amount Due from Current Fund	B-6	<u>65,022</u>	<u>89,312</u>
Total Other Trust Funds		<u>1,398,795</u>	<u>1,325,513</u>
TOTAL ASSETS		<u>\$1,411,165</u>	<u>\$1,334,288</u>

LIABILITIES, RESERVES AND FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$ 12,352	\$ 8,762
Amount Due State of New Jersey	B-4	15	5
Amount Due Current Fund	B-5	<u>3</u>	<u>8</u>
Total Dog License Fund		<u>12,370</u>	<u>8,775</u>
Other Trust Fund:			
Reserve for Developers Escrow	B-7	199,415	180,824
Reserve for State Unemployment Insurance	B-8	58,700	56,752
Reserve for Whittemore Trust	B-9	35	(42)
Reserve for Accumulated Leave	B-10	91,032	51,422
Reserve for Developers Housing	B-11	58,384	20,937
Reserve for Open Space Trust Fund	B-12	929,113	925,019
Reserve for Outside Police Duty	B-13	1,507	2,742
Reserve for Ruthe Mueller Trust	B-14	559	559
Reserve for Tax Sale Premiums	B-15	60,050	86,650
Reserve for War Memorial Fund	B-16	-	650
Total Other Trust Fund		<u>1,398,795</u>	<u>1,325,513</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$1,411,165</u>	<u>\$1,334,288</u>

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

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
Cash and Cash Equivalents	C-2	\$ 226,802	\$ 310,815
Due Current Fund	C-3	110,238	115,555
Accounts Receivable	C-4	313,000	313,000
Deferred Charges to Future Taxation:			
Funded	C-5	18,764,278	19,983,843
Unfunded	C-6	<u>2,075,797</u>	<u>271,110</u>
TOTAL ASSETS		<u>\$21,490,115</u>	<u>\$20,994,323</u>

LIABILITIES, RESERVES AND FUND BALANCE

Capital Improvement Fund	C-8	11,483	220,910
Loans Payable - State of New Jersey	C-9	278,278	329,843
Bond Anticipation Notes Payable	C-10	1,915,000	-
Serial Bonds Payable	C-12	18,486,000	19,654,000
Encumbrances	C-7	107,318	44,713
Improvement Authorizations:			
Funded	C-11	364,804	84,651
Unfunded	C-11	-	33,074
Various Reserves	C-13	304,897	326,897
Fund Balance	C-1	<u>22,335</u>	<u>300,235</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$21,490,115</u>	<u>\$20,994,323</u>

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

GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE

C-1

	<u>REF.</u>	
Balance December 31, 2012	C	\$ 300,235
Increased by:		
Reimbursement from Hunter's Glen Sewer Fund - Pr. Yr Ord. Expenditures	C-2	<u>22,100</u>
		322,335
Decreased by:		
Capital Fund Balance Anticipated as Revenue in Current Fund Budget	C-2	<u>300,000</u>
Balance December 31, 2013	C	<u>\$ 22,335</u>

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

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

D

ASSETS	REF.	HUNTERS GLEN	OLDWICK	TOTALS DECEMBER 31,	
				<u>2013</u>	<u>2012</u>
Operating Fund:					
Cash and Cash Equivalents	D-4	\$ 36,866	\$ 46,200	\$ 83,066	\$ 90,833
Receivables with Full Reserves:					
Consumer Accounts Receivable and Liens	D-6	1,025	3,124	4,149	3,220
Amount Due Sewer Capital Fund	D	-	111	111	46
Total Operating Fund		<u>37,891</u>	<u>49,435</u>	<u>87,326</u>	<u>94,099</u>
Capital Fund:					
Cash and Cash Equivalents	D-4	25,100	75,720	100,820	95,755
Fixed Capital	D-8	36,000	931,115	967,115	967,115
Fixed Capital - Authorized and Uncompleted	D-9		20,000	20,000	20,000
Total Capital Fund		<u>61,100</u>	<u>1,026,835</u>	<u>1,087,935</u>	<u>1,082,870</u>
TOTAL ASSETS		<u>\$ 98,991</u>	<u>\$ 1,076,270</u>	<u>\$ 1,175,261</u>	<u>\$ 1,176,969</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Liabilities:					
Appropriation Reserves :					
Encumbered	D-3	\$ 162	\$ 13,763	\$ 13,925	\$ 5,505
Unencumbered	D-3	10,337	6,277	16,614	13,756
Sewer Rent Prepaid	D-5	1,806	582	2,388	-
Reserve for Receivables	D	1,025	3,124	4,149	3,220
Fund Balance	D-1	<u>24,561</u>	<u>25,689</u>	<u>50,250</u>	<u>71,618</u>
Total Operating Fund		<u>37,891</u>	<u>49,435</u>	<u>87,326</u>	<u>94,099</u>
Capital Fund:					
Amount Due Sewer Operating Fund	D	-	111	111	46
General Electric Loan Payable	D-14		105,456	105,456	120,268
Capital Improvement Fund	D-11	25,100	49,000	74,100	69,100
Improvement Authorization - Funded	D-10		26,609	26,609	26,609
Deferred Reserve for Amortization	D-13		20,000	20,000	20,000
Reserve for Amortization	D-12	<u>36,000</u>	<u>825,659</u>	<u>861,659</u>	<u>846,847</u>
Total Capital Fund		<u>61,100</u>	<u>1,026,835</u>	<u>1,087,935</u>	<u>1,082,870</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 98,991</u>	<u>\$ 1,076,270</u>	<u>\$ 1,175,261</u>	<u>\$ 1,176,969</u>

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

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

D-1

REVENUE AND OTHER INCOME REALIZED	REF.	HUNTERS		TOTALS	
		<u>GLEN</u>	<u>OLDWICK</u>	DECEMBER 31, <u>2013</u>	<u>2012</u>
Operating Surplus	D-2	\$ 8,150	\$ 44,000	\$ 52,150	\$ 27,150
Rents	D-2	90,897	119,942	210,839	195,564
Miscellaneous					
Interest Earned	D-2	78	272	350	5,044
Interest/Penalties on Rent	D-2	1,906	2,875	4,781	2,239
Other Credits to Income					
Balance of Reserved Budget	D-7	6,103	6,905	13,008	16,378
Interfund Returned	D-4	-	-	-	600
Total Income		<u>107,134</u>	<u>173,994</u>	<u>281,128</u>	<u>246,975</u>
 EXPENDITURES 					
Operating	D-3	98,200	131,458	229,658	170,558
Debt Service	D-3	-	20,642	20,642	20,642
Interfund Advanced	D-4	-	46	46	-
Total Expenditures		<u>98,200</u>	<u>152,146</u>	<u>250,346</u>	<u>191,200</u>
Excess (Deficit) Revenue Over Expenditures		8,934	21,848	30,782	55,775
Balance January 1	D	<u>23,777</u>	<u>47,841</u>	<u>71,618</u>	<u>42,993</u>
		32,711	69,689	102,400	98,768
Decreased by:					
Utilized as Anticipated Revenue	D-1	<u>8,150</u>	<u>44,000</u>	<u>52,150</u>	<u>27,150</u>
Balance December 31	D	<u>\$ 24,561</u>	<u>\$ 25,689</u>	<u>\$ 50,250</u>	<u>\$ 71,618</u>

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

SEWER UTILITY FUND
STATEMENT OF REVENUES

D-2

HUNTERS GLEN

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus	D-1	\$ 8,150	\$ 8,150	
Rents	D-1	67,950	68,797	\$ 847
Special Assessment	D-1	22,100	22,100	
Delinquent Penalties	D-1		1,906	1,906
Miscellaneous - Interest	D-1		78	78
 Total Sewer Utility Revenue		 <u>\$ 98,200</u>	 <u>\$ 101,031</u>	 <u>\$ 2,831</u>
REF.		D-3	D-1	

OLDWICK

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus	D-1	\$ 44,000	\$ 44,000	
Rents	D-1	108,000	119,942	\$ 11,942
Delinquent Penalties	D-1	100	2,875	2,775
Miscellaneous - Interest	D-1		272	272
 Total Sewer Utility Revenue		 <u>\$ 152,100</u>	 <u>\$ 167,089</u>	 <u>\$ 14,989</u>
REF.		D-3	D-1	

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

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES

D-3

HUNTERS GLEN

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
OPERATING:				
Salaries and Wages	\$ 6,500	\$ 6,500	\$ 4,061	\$ 2,439
Other Expenses	61,895	61,445	53,547	7,898
To Current Fund - Debt Service	27,805	27,805	27,805	
Capital Improvement Fund	2,000	2,000	2,000	-
DEP Permits		450	450	-
Total Sewer Utility Appropriations	\$ 98,200	\$ 98,200	\$ 87,863	\$ 10,337

REF.

D-2

D

	Paid	D-4	\$ 87,701
Charged - Encumbered		D	<u>162</u>
			<u>\$ 87,863</u>

OLDWICK

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
OPERATING:				
Salaries and Wages	\$ 17,000	\$ 17,000	\$ 10,910	\$ 6,090
Other Expenses	108,175	108,044	107,857	187
Capital Improvement Fund	3,000	3,000	3,000	
Debt Service - Principal	14,812	14,812	14,812	
Debt Service - Interest	5,830	5,830	5,830	
DEP Permits	3,283	3,414	3,414	0
Total Sewer Utility Appropriations	\$ 152,100	\$ 152,100	\$ 145,823	\$ 6,277

REF.

D-2

D

	Paid	D-4	\$ 132,060
Charged - Encumbered		D	<u>13,763</u>
			<u>\$ 145,823</u>

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

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

E

ASSETS	REF.	BALANCE 12/31/13	BALANCE 12/31/12
Cash and Cash Equivalents	E-1	\$ 8,702	\$ 8,689
TOTAL ASSETS		<u>\$ 8,702</u>	<u>\$ 8,689</u>

LIABILITIES AND RESERVES

Reserve for Public Assistance		\$ 8,702	\$ 8,689
TOTAL LIABILITIES AND RESERVES		<u>\$ 8,702</u>	<u>\$ 8,689</u>

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

GENERAL FIXED ASSETS
STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 2013

F

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
General Fixed Assets:		
Land and Buildings	\$ 37,075,102	\$ 37,075,102
Machinery and Equipment	9,483,196	9,471,993
 Total General Fixed Assets	 <u>\$ 46,558,298</u>	 <u>\$ 46,547,095</u>
 Investment In General Fixed Assets	 <u>\$ 46,558,298</u>	 <u>\$ 46,547,095</u>

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

PAYROLL AGENCY FUND
COMPARATIVE BALANCE SHEET

G

ASSETS	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
Cash and Cash Equivalents	\$ 2,695	\$ 5,689
TOTAL ASSETS	<u>\$ 2,695</u>	<u>\$ 5,689</u>
 LIABILITIES AND RESERVES 		
Payroll Deductions Payable	\$ 2,695	\$ 5,689
TOTAL LIABILITIES AND RESERVES	<u>\$ 2,695</u>	<u>\$ 5,689</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of Tewksbury include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as The financial statements of the Township do not include the operations of the Board of Education.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America(GAAP).

The accounting policies of the Township of Tewksbury 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 Tewksbury accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

Current Fund

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

Trust Funds

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

General Capital Fund

The receipts and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

Sewer Operating and Capital Fund

Account for the operations and acquisition of capital facilities of the municipality-owned Sewer Utility.

Public Assistance Fund

Receipt and disbursements of funds that provide assistance to certain residents of the Township pursuant to the provisions of Title 44 of New Jersey statutes.

General Fixed Assets Account Group

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

Revenues--are recorded as received in cash except for certain amounts which are due from other governmental units. Receipts from State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible of accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures--are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Tax Revenue--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15, May 15, August 15 and November 15. The Open Space Levy is paid quarterly to the Township's other trust funds on February 15, May 15, August 15 and November 15.

When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears after the eleventh day of the eleventh month in the year in which they are due, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

C. Basis of Accounting (Continued)

Deferred School Taxes--A portion of the school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such revenue to be deferred and recognized in the accounting period when it becomes susceptible to accrual.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreclosed Property--Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds--Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies--The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

General Fixed Assets--In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality develops a fixed asset accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation is to be provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Budget and Budgetary Procedures--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

The Township is not required to adopt budgets for the following funds:

**General Capital Fund
Public Assistance Fund
Trust Fund**

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption, must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

Expenditures--Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Charges to Future Taxation Funded and Unfunded--Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A.40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the municipality's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Departures from Generally Accepted Accounting Principles--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Statutory-Basis Financial Statements--The GASB Codification also defines the financial statements of a governmental unit to be presented to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

Note 2: CASH AND CASH EQUIVALENTS

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2013, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 2: CASH AND CASH EQUIVALENTS (Continued)

As of December 31, 2013, cash and cash equivalents of the municipality consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking	\$ <u>8,555,134</u>	\$ <u>8,555,134</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2013, was \$8,555,134 and the bank balance was \$8,833,776. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$500,559 was covered by federal depository insurances and \$8,333,217 was covered by collateral pool.

Note 3: LONG-TERM DEBT

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Long Term Debt:				
Bonds Payable	\$ 19,654,000		\$ 1,168,000	\$ 18,486,000
Bond Anticipation Notes	-	1,915,000		1,915,000
Loans Payable-State of New Jersey	329,843		51,565	278,278
Loans Payable-Oldwick Sewer Fund	120,268		14,812	105,456
Compensated absences payable	None			None
Total Long-Term Debt	<u>\$ 20,104,111</u>	<u>1,915,000</u>	<u>\$ 1,234,377</u>	<u>\$ 20,784,734</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued by temporarily finance capital projects, must be paid off within ten years or retired by issuance of bonds.

The Township debt is summarized as follows:

Summary of Municipal Debt

	YEAR <u>2013</u>	YEAR <u>2012</u>	YEAR <u>2012</u>
Issued			
General:			
Bonds and Notes	\$ 20,679,278	\$ 19,983,843	\$ 20,888,549
Sewer Utility:			
Bonds and Notes	105,456	120,268	134,366
Net Debt Issued	<u>20,784,734</u>	<u>20,104,111</u>	<u>21,022,915</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: LONG-TERM DEBT (Continued)

Authorized But Not Issued

General:			
Bonds and Notes	160,797	271,110	381,423
Sewer Utility:			
Bonds and Notes	NONE	NONE	NONE
Total Authorized But Not Issued	160,797	271,110	381,423
Total Deductions	(410,353)	(442,091)	(341,959)
Net Bonds and Notes Issued			
and Authorized But Not Issued			
	\$ 20,535,178	\$ 19,933,130	\$ 21,062,379

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.23%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 8,368,647	\$ 8,368,647	
Utility Debt	105,457	105,457	-
General Debt	20,840,075	304,897	\$ 20,535,178
	\$ 29,314,178	\$ 8,779,000	\$ 20,535,178

Net Debt \$ 20,535,178 Divided by Equalized Valuation Basis per
N.J.S.A. 40A:2-2 as amended, \$ 1,672,216,571 equals 1.23%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 58,527,580
Net Debt	20,535,178
Remaining Borrowing Power	\$ 37,992,402

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: LONG-TERM DEBT (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Calendar Year	General		Sewer Utility	
	Principal	Interest	Principal	Interest
2014	\$ 1,240,617	\$ 619,012	\$ 15,561	\$ 5,081
2015	1,260,692	569,879	16,349	4,393
2016	1,283,730	520,929	17,177	3,465
2017	1,311,288	471,475	18,046	2,596
2018	1,327,856	423,226	18,960	1,682
2018-2039	<u>12,340,095</u>	<u>3,501,390</u>	<u>19,364</u>	<u>722</u>
	<u>\$ 18,764,278</u>	<u>\$ 6,105,911</u>	<u>\$ 105,457</u>	<u>\$ 17,939</u>

General Obligation Bonds and Loans

The Township has outstanding at December 31, 2013, a New Jersey Green Trust Loan in the amount of \$228,801. This note matures on September 5, 2021. The interest rate on the note was 2%. Principal and interest on this note is paid on a semiannual basis from the current fund budget of the Township.

The Township has outstanding at December 31, 2013, a New Jersey Wastewater Loan in the amount of \$49,477. This note matures on August 1, 2015. The interest rate on the note is at zero interest. Principal on this note is paid on a semiannual basis from the current fund budget of the Township.

Refunding Bonds-Multi-Purposes-dated June 30, 2005, issued in the original amount of \$5,485,000 with interest rates ranging from 3.00% to 5.00% to advance refund \$5,269,000 bonds with interest rates of 5.00%. The net proceeds were used to purchase U.S. government securities, which were deposited in an irrevocable trust to provide debt service payments until the bonds are called. This refunding bond is payable in annual installments ranging from \$25,000 to \$500,000 through August 1, 2019. Interest is calculated at 3.0-5.0% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2013, was \$3,055,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

General Improvement Bonds-Multi-Purposes-dated January 12, 2006, issued in the original amount of \$1,880,000. This bond is payable in annual installments ranging from \$117,000 to \$181,000 through January 1, 2019. Interest is calculated ranging from 4.0% to 3.60%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2013, was \$987,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: LONG-TERM DEBT (Continued)

General Obligation Bonds and Loans (Continued)

General Obligation Bonds-Open Space Purpose-dated January 12, 2006, issued in the original amount of \$6,396,000. This bond is payable in annual installments ranging from \$225,000 to \$1,590,000 through January 1, 2026. Interest is calculated ranging from 4.0% to 3.60%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2013, was \$4,696,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

General Obligation Bonds-dated June 19, 2013, issued in the original amount of \$9,998,000. This bond is payable in annual installments ranging from \$250,000 to \$498,000 through February 15, 2039. Interest is calculated ranging from 2.0% to 3.125%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2013, was \$9,748,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

Bond Anticipation Notes

The Township has outstanding at December 31, 2013, bond anticipation notes in the amount of \$1,915,000 payable to Peapack-Gladstone Bank.. These notes mature on October 10, 2014. The interest rate on the notes are 0.53%. Principal and interest on this note is paid from the current fund.

	<u>Debt Outstanding</u>
Total General Capital Bonds, Loans and Notes Above	\$ 20,679,278
Total Sewer Utility Bonds, Loans and Notes Above	<u>105,456</u>
Total Debt Issued and Outstanding	<u>\$ 20,784,734</u>

Note 4: GENERAL FIXED ASSETS

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

	<u>Balance 1/1/13</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance 12/31/13</u>
Land and Buildings	\$ 37,075,102	-		\$ 37,075,102
Machinery and Equipment	9,471,993	\$ 11,203	-	9,483,196
	<u>\$ 46,547,095</u>	<u>\$ 11,203</u>	<u>-</u>	<u>\$ 46,558,298</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 5: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014, were as follows:

Current Fund	\$2,196,795	(Introduced Budget)
Sewer Utility Fund	\$33,150	(Introduced Budget)

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The Township elected to fund various capital ordinances over a five year period through the municipal operating budget. At December 31, 2013, the Township recorded the following deferred charges which are included in the following budgets:

	<u>Balance</u> <u>12/31/13</u>	<u>Raised as</u> <u>2014 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Capital Fund:			
Debt Authorized to be Raised as Budgeted Appropriations	\$ 110,797	\$ 110,797	-
	<u>\$ 110,797</u>	<u>\$ 110,797</u>	<u>-</u>

The appropriations in the 2014 Budget are not less than that required by statute.

Note 7: SCHOOL TAXES

Local District Tax has been raised and liabilities deferred by statute (under provisions of C.63, P.L.1991, as amended), resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	TOTAL DEFERRED TAX <u>12/31/13</u>	LOCAL DISTRICT <u>SCHOOL TAX</u> BALANCE <u>12/31/13</u>	BALANCE <u>12/31/12</u>	TOTAL DEFERRED TAX <u>12/31/12</u>	REGIONAL <u>HIGH SCHOOL TAX</u> BALANCE <u>12/31/13</u>	BALANCE <u>12/31/12</u>
Balance of Tax	\$ 5,954,793	\$ 5,939,759		\$ 3,843,106	\$ 3,695,060	
Deferred	<u>5,520,004</u>	<u>5,520,004</u>		<u>3,227,166</u>	<u>3,227,166</u>	
Tax Payable	<u>\$ 434,789</u>	<u>\$ 419,755</u>		<u>\$ 615,940</u>	<u>\$ 467,894</u>	
Tax Deferred	<u>\$ 8,747,170</u>			<u>\$ 8,747,170</u>		

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 8: PENSIONS

Description of Plans - All required employees of the Township are covered by the Public Employees' Retirement System which has been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Legislation enacted during the year ended June 30, 1997, (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Township's normal contributions to the Fund may be reduced based on the revaluation of assets.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 8: PENSIONS-(Continued)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

<u>Three-Year Trend Information for PERS and PERS</u>			
<u>Year</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2013	\$341,807	100%	-0-
2012	\$339,005	100%	-0-
2011	\$362,199	100%	-0-

Note 9: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2012 there were 97,661 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality does not provide post-employment benefits other than pension.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 10: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon amount as determined by the Township Committee. At the time of audit the cost of such unpaid compensation totaled \$78,690. Such compensation would be included in the Township's budget operating expenditures in the year it is used.

Note 11: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

LITIGATION

The Township is involved with various litigation matters. We are advised by Township Counsel, that the Township is not involved in any current litigation that would have a material impact on the Financial Statements.

Note 12: INTERFUND BALANCES

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 3	\$ 189,186
Federal/State Grants Fund	13,926	-
General Capital Fund	110,238	-
Other Trust Funds	<u>65,022</u>	<u>3</u>
	<u>\$ 189,189</u>	<u>\$ 189,189</u>

Note 13: RISK FINANCING

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

PART II
SUPPLEMENTARY INFORMATION
CURRENT FUND SCHEDULES

CURRENT FUND/FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH -TREASURER

A-4

	<u>REF.</u>	<u>CURRENT FUND</u>
Balance December 31, 2012	A	\$ 7,147,631
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	\$ 54,137
Collector	A-5	31,373,527
Revenue Accounts Receivable	A-8	2,251,644
Senior Citizens/Veterans Deductions	A-17	40,250
Federal/State Grant Funds	A-18	21,548
Federal/State Grant Funds	A-20	8,657
Reserve for Police	A-23	500
Marriage License Fees	A-26	525
DCA Fees	A-27	<u>22,664</u>
		<u>33,773,452</u>
		40,921,083
Decreased by Disbursements:		
Reimburse General Capital Fund	C	115,555
2012 Appropriation Reserves	A-9	236,804
Reserve for Encumbrances	A-10	7,400,644
Tax Overpayments Refunded	A-12	244,541
County Taxes	A-13	6,042,615
Local District School Tax	A-14	11,698,847
Regional District School Tax	A-15	7,538,167
Municipal Open Space Tax to Trust Fund	A-16	679,065
Federal/State Grant Funds	A-19	60,765
Reserve for Trees	A-21	190
Reserve for Liens and Tax Sale Premium Payments	A-22	65,000
Reserve for Police	A-23	21,728
Reserve for Additional Aid to Fire Companies	A-25	10,226
Marriage License Fees	A-26	475
DCA Fees	A-27	<u>19,555</u>
		<u>34,134,177</u>
Balance December 31, 2013	A	<u>\$ 6,786,906</u>

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

Received:

Interest and Costs on Taxes	A-2	\$	94,513	
Miscellaneous	A-2		694	
Taxes Receivable	A-6		30,776,398	
Tax Title Liens	A-7		17,845	
2014 Prepaid Taxes	A-11		195,004	
Tax Overpayments	A-12		32,473	
Outside Liens	A-12		218,200	
Reserve for Tax Sale Premiums	A-22		38,400	<u>\$ 31,373,527</u>

Decreased by Disbursements:

Payments to Treasurer	A-4			<u>\$ 31,373,527</u>
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CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

A-6

YEAR	BALANCE	ADDED TAXES	2013 LEVY	CASH COLLECTIONS		TRANSFERRED TO TAX TITLE LIENS	OVERPAID APPLIED	CANCELLED	BALANCE
	12/31/12			2012	2013				12/31/13
2005	\$ 1,240							\$ 469	\$ 771
2006	218							166	52
2007	168							168	-
2008	210							210	-
2009	167							167	-
2010	163							163	-
2011	1,179				\$ 838			295	46
2012	407,206	\$ 22,132			428,917				421
	410,551	22,132			429,755	-		1,638	1,290
2013			\$ 30,992,663	\$ 185,670	30,386,893	\$ 2,430	\$ 10,735	97,765	309,170
TOTALS	\$ 410,551	\$ 22,132	\$ 30,992,663	\$ 185,670	\$ 30,816,648	\$ 2,430	\$ 10,735	\$ 99,403	\$ 310,460

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

REF.

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

A-2	\$ 40,250
A-5	<u>30,776,398</u>
	<u>\$ 30,816,648</u>

ANALYSIS OF PROPERTY TAX LEVY:

Tax Yield:

General Purpose Tax	\$ 30,091,024
Special Purpose Tax	676,403
Added/Omitted Taxes (54:4-63.1 et.seq.)	<u>225,236</u>
	<u>\$ 30,992,663</u>

Tax Levy:

	<u>REF.</u>	
Local District School Tax	A-14	\$ 11,713,881
Regional High School Tax	A-15	7,686,213
Municipal Open Space Tax	A-16	681,375
County Taxes:		
County Tax (Abstract)	A-13	\$ 5,017,490
County Library Tax (Abstract)	A-13	501,717
County Open Space Tax	A-13	499,326
Due County for Added and Omitted Taxes(54.4-63.1.et.seq.)	A-13	<u>45,404</u>
Local Tax for Municipal Purposes	A-2	4,667,181
Add: Additional Tax Levied		<u>180,076</u>
		<u>\$ 30,992,663</u>

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>		
Balance December 31, 2012	A		\$ 80,026
Increased by:			
Interest and Costs		\$ 7,825	
Transfers from Taxes Receivable	A-6	<u>2,430</u>	<u>10,255</u>
			90,281
Decreased by:			
Paid	A-5	17,845	
Canceled		<u>13,770</u>	<u>31,615</u>
Balance December 31, 2013	A		<u>\$ 58,666</u>

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-8

	<u>REF.</u>	<u>ACCRUED</u> <u>IN 2013</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 4,000	\$ 4,000
Other - Clerk	A-2	1,941	1,941
Fees and Permits	A-2	83,592	83,592
Municipal Court:			
Fines and Costs	A-2	48,575	48,575
Interest on Investments and Deposits	A-2	10,591	10,591
Energy Receipts Tax	A-2	516,103	516,103
Uniform Construction Code Fees	A-2	410,746	410,746
Califon Borough - Uniform Construction Codes	A-2	68,351	68,351
Hunters Glen Sewer Utility - Debt Service	A-2	27,805	27,805
Open Space Trust Fund Reserve - Debt Service	A-2	675,000	675,000
Capital Fund Balance	A-2	300,000	300,000
Reserve Capital Fund - Debt Service	A-2	50,000	50,000
Municipal Lease	A-2	40,518	40,518
Fire Safety Fees	A-2	14,422	14,422
 Totals		 \$ 2,251,644	 \$ 2,251,644
	REF.	A-2	A-4

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012

A-9
Sheet 1

	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/12</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
General Administration:				
Other Expenses	\$ 8,270	\$ 790	\$ 326	\$ 464
Mayor and Committee:				
Other Expenses	699	5,399	4,950	449
Financial Administration:				
Other Expenses	334	491	390	101
Audit Services:				
Other Expenses		11,119	11,119	-
Computerized Data Processing	4,152	8,800	8,422	378
Tax Assessment:				
Other Expenses	2,077	77		77
Bartles Wastewater:				
Other Expenses	1,720	1,720	66	1,654
Legal Services (Legal Dept.):				
Other Expenses	8,403	58,403	3,351	55,052
Engineering:				
Other Expenses	4,772	2,972	2,958	14
Public Building and Ground:				
Other Expenses	3,586	4,973	2,769	2,204
Planning Board:				
Salaries and Wages	2,466	366		366
Other Expenses	4,802	1,352	1,279	73
Special Projects	1,869	3,269	300	2,969
Building Official:				
Other Expenses	2,895	11,002	5,332	5,670
Insurance:				
Group Health	63,907	907	448	459
Aid to Municipal Fire Departments		21,311	21,311	-
Police:				
Salaries and Wages	108,071	158,071	806	157,265
Other Expenses	15,073	11,379	9,376	2,003
PBA Contract Expenses	1,055	1,055	203	852
Purchase of Vehicles		60,000	60,000	-
Vehicle Equipment		6,618	6,618	-
Aid to First Aid Squads		10,607	10,607	-
Fire Safety:				
Salaries and Wages	2,833	33		33
Other Expenses	912	1,112	1,044	68
Streets and Road Maintenance:				
Salaries and Wages	18,993	93		93
Other Expenses	2,673	17,852	17,796	56
Board of Health:				
Other Expenses	557	682	247	435
Park Maintenance:				
Other Expenses	2,112	860	492	368
Fleet Maintenance:				
Other Expenses	14,208	9,577	9,100	477
Garbage and Trash Removal:				
Other Expenses	2,571	2,571	378	2,193

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012 - (Continued)

A-9
Sheet 2

	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/12</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
Unclassified:				
Natural Gas	4,869	4,869	2,175	2,694
Telecommunications	1,378	2,178	2,132	46
Gasoline and Diesel	10,883	6,883	6,439	444
Telephone	3,011	3,011	1,877	1,134
Street Lighting	3,020	520	435	85
Electricity	3,365	3,365	2,401	964
Water and Hydrants	3,500	3,500	1,606	1,894
Municipal Court:				
Other Expenses	85	2,340	2,306	34
Lease of Equipment	1,974	2,388	1,139	1,249
LOSAP		62,322	36,606	25,716
Other Accounts - No Change	26,042	26,042		26,042
TOTALS	<u>\$ 337,137</u>	<u>\$ 530,879</u>	<u>\$ 236,804</u>	<u>\$ 294,075</u>

	A		A-4	A-1
Appropriation Reserve		\$ 337,137		
Encumbrances	A-10	<u>193,742</u>		
		<u><u>\$ 530,879</u></u>		

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-10

	<u>REF.</u>		
Balance December 31, 2012	A	\$	194,465
Increased by:			
Encumbrances Added	A-3	\$	3,295
Transfer from Current Year Appropriations	A-3	<u>7,583,687</u>	<u>7,586,982</u>
			7,781,447
Decreased by:			
Encumbrances Cancelled			
Prior Year Encumbrances Transferred to Appropriation Reserve	A-9	193,742	
Prior Year Encumbrances Cancelled		675	
Cash Disbursements	A-4	<u>7,400,644</u>	<u>7,595,061</u>
Balance December 31, 2013	A	\$	<u>186,386</u>

CURRENT FUND
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-11

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 185,670
Increased by:		
2014 Taxes Collected in Advance	A-5	<u>195,004</u> 380,674
Decreased by:		
Applied to 2013 Taxes Receivable	A-6	<u>185,670</u>
Balance December 31, 2013	A	<u>\$ 195,004</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

A-12

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 14,868
Increased by:		
2013 Tax Overpayments	A-5	32,473
Outside Liens	A-5	<u>218,200</u> <u>250,673</u>
		265,541
Decreased by:		
Applied	A-6	\$ 10,735
Refunded-Outside Liens	A-4	218,200
Refunded-Tax Overpayments	A-4	<u>26,341</u> <u>255,276</u>
Balance December 31, 2013		<u>\$ 10,265</u>

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

A-13

	<u>REF.</u>	
Balance December 31, 2012		\$ 24,082
Increased by:		
2013 Levy:		
County Taxes	A-1:6	\$ 5,017,490
County Library Taxes	A-1:6	501,717
County Open Space Tax	A-1:6	499,326
County Added and Omitted Taxes	A-1:6	<u>45,404</u>
		<u>6,063,937</u>
		6,088,019
Decreased by:		
Payments	A-4	<u>6,042,615</u>
Balance December 31, 2013		<u>\$ 45,404</u>

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-14

	<u>REF.</u>	
Balance December 31, 2012:		
School Tax Payable		\$ 419,755
School Tax Deferred	A	<u>5,520,004</u> \$ 5,939,759
Increased by:		
Levy - School Year July 1, 2013 to June 30, 2014	A-6	<u>11,713,881</u>
		17,653,640
Decreased by:		
Payments	A-4	<u>11,698,847</u>
Balance December 31, 2013:		
School Tax Payable	A	434,789
School Tax Deferred		<u>5,520,004</u> <u>\$ 5,954,793</u>
2013 Liability for Local District School Tax:		
Tax Paid		\$ 11,698,847
Tax Payable 12/31/13		<u>5,954,793</u>
		17,653,640
Less -- Tax Payable 12/31/12		<u>5,939,759</u>
Amount Charged to 2013 Operations	A-1	<u>\$ 11,713,881</u>

CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

A-15

	<u>REF.</u>		
Balance December 31, 2012:			
School Tax Payable	A	\$ 467,894	
School Tax Deferred		<u>3,227,166</u>	\$ 3,695,060
Increased by:			
Levy - School Year July 1, 2013 to June 30, 2014	A-6		<u>7,686,213</u>
			11,381,273
Decreased by:			
Payments	A-4		<u>7,538,167</u>
Balance December 31, 2013:			
School Tax Payable	A	615,940	
School Tax Deferred		<u>3,227,166</u>	<u>\$ 3,843,106</u>
2013 Liability for Regional District School Tax:			
Tax Paid			\$ 7,538,167
Add -- Tax Payable 12/31/13			<u>3,843,106</u>
			11,381,273
Less -- Tax Payable 12/31/12			<u>3,695,060</u>
Amount Charged to 2013 Operations	A-1		<u><u>\$ 7,686,213</u></u>

CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX

A-16

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 2,662
Increased by:		
Levy - 2013	A-1:A-6	\$ 676,403
Added Levy	A-1:A-6	<u>4,972</u>
		<u>\$ 681,375</u>
		684,037
Decreased by:		
Payments to Other Trust Fund	A-4	<u>679,065</u>
Balance December 31, 2013	A	<u>\$ 4,972</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-17

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 5,989
Increased by:		
Received in Cash From State	A-4	<u>40,250</u> 46,239
Decreased by:		
Senior Citizens Deductions per Tax Billings		\$ 1,250
Veterans Deductions per Tax Billings		39,000
Sr and Vet Disallowed		<u>-</u> <u>40,250</u>
Balance December 31, 2013	A	<u>\$ 5,989</u>

CURRENT FUND
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-18

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/13</u>
Clean Communities		\$ 20,548	\$ 20,548	
ANJEC Grant		1,000	1,000	
Totals	<u>-</u>	<u>\$ 21,548</u>	<u>\$ 21,548</u>	<u>-</u>
REF.	A	A-2	A-4	A

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-19

	<u>BALANCE</u> <u>12/31/12</u>	TRANSFER FROM 2013 BUDGET <u>APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>BALANCE</u> <u>12/31/13</u>
Clean Communities - CY 13		\$ 20,548	\$ 20,548	-
Clean Communities - CY 12	\$ 6,994		6,994	-
Clean Communities - CY 11	9,323		9,323	-
Clean Communities - CY 10	13,695		13,695	-
Tonnage Grant	3,473	5,846	8,514	\$ 805
Storm Water Management Grant - 2008	1,491			1,491
Body Armor Replacement Fund	992	675	691	976
US Forest Service Grant	236			236
ANJEC Grant - Ch 159		1,000	1,000	-
Totals	\$ 36,204	\$ 28,069	\$ 60,765	\$ 3,508
	A	A-3	A-4	A

CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-20

	<u>BALANCE</u> <u>12/31/12</u>	TRANSFER TO 2013 BUDGET <u>APPROPRIATIONS</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/13</u>
Body Armor Replacement Fund	\$ 676	\$ 676	\$ 1,413	\$ 1,413
Recycling Grant	5,846	5,846	3,366	3,366
Clean Communities			3,578	3,578
ANJEC Grant			300	300
Totals	<u>\$ 6,522</u>	<u>\$ 6,522</u>	<u>\$ 8,657</u>	<u>\$ 8,657</u>
	A	A-19	A-4	A

CURRENT FUND
SCHEDULE OF RESERVE FOR TREES

	A-21
	<u>REF.</u>
Balance December 31, 2012	A \$ 45,356
Decreased by:	
Payments	A-4 <u> 190</u>
Balance December 31, 2013	A <u>\$ 45,166</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS AND OUTSIDE LIENS DUE OTHER TRUST FUND

	<u>REF.</u>	A-22
Balance December 31, 2012	A	\$ 86,650
Increased by:		
Receipts-Premiums	A-5	<u>38,400</u>
		125,050
Decreased by:		
Payments-Premiums	A-4	<u>65,000</u>
Balance December 31, 2013	A	<u>\$ 60,050</u>
<u>Detail:</u>		
Tax Sale Premiums		\$ 60,050
Outside Liens		-
		<u>\$ 60,050</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR POLICE DONATIONS AND CONTRACT SETTLEMENT

A-23

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 35,726
Increased by:		
Donation	A-4	<u>500</u>
		36,226
Decreased by:		
Contract Settlement	A-4	\$ 20,928
Reserve for Police Contract Canceled	A-1	13,998
Purchases of Police Equipment - Donation	A-4	<u>800</u> \$ 35,726
Balance December 31, 2013	A	<u>\$ 500</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR VARIOUS

A-24

REF.

Balance December 31, 2012	A	\$ 4,474
Balance December 31, 2013	A	<u>\$ 4,474</u>
<u>Detail:</u>		
DDEF		\$ 2,680
Various		<u>1,794</u>
		<u>\$ 4,474</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR ADDITIONAL AID TO FIRE COMPANIES

A-25

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 39,747
Decreased by:		
Purchase Fire Company Equipment and Maintenance	A-4	<u>10,226</u>
Balance December 31, 2013	A	<u>\$ 29,521</u>

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

	A-26	
	<u>REF.</u>	
Balance December 31, 2012	A	\$ 125
Increased by:		
Receipts	A-4	<u>525</u>
		650
Decreased by:		
Expenditures	A-4	<u>475</u>
Balance December 31, 2013	A	<u>\$ 175</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY - DCA FEES PAYABLE

A-27

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 4,023
Increased by:		
Fees	A-4	<u>22,664</u>
		26,687
Decreased by:		
Payments - State of New Jersey	A-4	<u>19,555</u>
Balance December 31, 2013	A	<u>\$ 7,132</u>

TRUST FUND SCHEDULES

TRUST FUND
SCHEDULE OF CASH - TREASURER

B-2

		<u>DOG</u>	
	<u>REF.</u>	<u>LICENSES</u>	<u>OTHER</u>
Balance December 31, 2012	B	\$ 8,775	\$ 1,236,201
Increased by Receipts:			
Dog License Fees	B-3	11,055	
State Dog License Fees	B-4	1,642	
Amount Due Current Fund	B-5/6	21	2,662
Developers Escrow Deposits	B-7		159,482
Unemployment Trust	B-8		3,537
Whittemore Trust Deposits	B-9		36,025
Accumulated Leave Deposits	B-10		90,516
Developers Housing Deposits	B-11		92,643
Open Space Deposits	B-12		677,808
Outside Police Duty	B-13		1,728
War Memorial Fund	B-16		2,500
Total Receipts		12,718	1,066,901
		21,493	2,303,102
Decreased by Disbursements:			
Administrative Expenses	B-3	7,465	
State Dog License Fees	B-4	1,632	
Amount Due Current Fund	B-5/6	26	
Developers Escrow Deposits	B-7		140,891
Unemployment Trust	B-8		1,589
Whittemore Trust Deposits	B-9		35,948
Accumulated Leave Deposits	B-10		50,906
Developers Housing Deposits	B-11		55,196
Open Space Deposits	B-12		678,686
Outside Police Duty	B-13		2,963
War Memorial Fund	B-16		3,150
Total Disbursements		9,123	969,329
Balance December 31, 2013	B	\$ 12,370	\$ 1,333,773

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>		
Balance December 31, 2012	B	\$	8,762
Increased by:			
Dog License Fees Collected	B-2		11,055
			19,817
Decreased by:			
Administrative Expenses	B-2		7,465
			7,465
Balance December 31, 2013	B	\$	12,352

LICENSE FEES COLLECTED

CY 2011	\$		11,874
CY 2012			12,344
			24,218

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

B-4

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 5
Increased by:		
Collected in 2013:		
State Board of Health Fees	B-2	<u>1,642</u> 1,647
Decreased By:		
Payments	B-2	<u>1,632</u>
Balance December 31, 2013	B	<u>\$ 15</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND
DOG LICENSE FUND

B-5

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 8
Increased by:		
Interest Credits Due Current Fund	B-2	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 1px solid black; width: 20px; margin-right: 5px;"></div> 21 </div>
		29
Decreased by:		
Interfund Returned	B-2	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 1px solid black; width: 20px; margin-right: 5px;"></div> 26 </div>
Balance December 31, 2013	B	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 3px double black; width: 20px; margin-right: 5px;"></div> 3 </div>

TRUST FUND
SCHEDULE OF AMOUNT DUE OTHER FUNDS
OTHER TRUST FUND

B-6

	<u>REF.</u>		
Balance December 31, 2012	B	\$	89,312
Increased by:			
Added/Omitted Taxes Due to Municipal Open Space Fund	B-12	\$	4,972
Tax Sale Premiums Received in Current Fund and Due Trust Fund	B-15	<u>39,738</u>	<u>44,710</u>
			134,022
Decreased by:			
Interfund Returned Prior Year Added/Omitted-Open Space Trust	B-2	2,662	
Tax Sale Premiums Paid in Current Fund	B-15	<u>66,338</u>	<u>69,000</u>
Balance December 31, 2013	B	\$	<u><u>65,022</u></u>
		Tax Sale Premiums \$	60,050
		Open Space Tax	<u>4,972</u>
		<u>\$</u>	<u><u>65,022</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW TRUST FUND DEPOSITS

B-7

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 180,824
Increased by:		
Escrow Deposits	B-2	<u>159,482</u>
		340,306
Decreased by:		
Escrow Refunds	B-2	<u>140,891</u>
Balance December 31, 2013	B	<u>\$ 199,415</u>

TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-8

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 56,752
Increased by:		
Receipts	B-2	<u> 3,537</u>
		60,289
Decreased by:		
Quarterly Unemployment Charges	B-2	<u> 1,589</u>
Balance December 31, 2013	B	<u>\$ 58,700</u>

TRUST FUND
SCHEDULE OF RESERVE FOR WHITTEMORE TRUST DEPOSITS
TRUST DEPOSITS

B-9

	<u>REF.</u>	
Balance December 31, 2012	B	\$ (42)
Increased by:		
Escrow Deposits	B-2	<u>36,025</u> 35,983
Decreased by:		
Escrow Refunds	B-2	<u>35,948</u>
Balance December 31, 2013	B	<u>\$ 35</u>

TRUST FUND
SCHEDULE OF RESERVE FOR ACCUMULATED LEAVE DEPOSITS

B-10

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 51,422
Increased by:		
Escrow Deposits	B-2	<u>90,516</u>
		141,938
Decreased by:		
Escrow Refunds	B-2	<u>50,906</u>
Balance December 31, 2013	B	<u>\$ 91,032</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS HOUSING DEPOSITS

B-11

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 20,937
Increased by:		
Escrow Deposits	B-2	<u>92,643</u>
		113,580
Decreased by:		
Escrow Refunds	B-2	<u>55,196</u>
Balance December 31, 2013	B	<u>\$ 58,384</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

B-12

	<u>REF.</u>		
Balance December 31, 2012	B		\$ 925,019
Increased by:			
Open Space Levy	B-2	\$ 676,403	
Open Space Levy - Added	B-6	4,972	
Interest Credits	B-2	<u>1,405</u>	<u>682,780</u>
			1,607,799
Decreased by:			
Open Space Reserve Anticipated as Revenue in Current Fund	B-2	675,000	
Open Space Expenses, net of Reimbursements	B-2	<u>3,686</u>	<u>678,686</u>
Balance December 31, 2013	B		<u>\$ 929,113</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OUTSIDE POLICE DUTY DEPOSITS

B-13

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 2,742
Increased by:		
Police Deposits	B-2	<u>1,728</u>
		4,470
Decreased by:		
Police Refunds	B-2	<u>2,963</u>
Balance December 31, 2013	B	<u>\$ 1,507</u>

TRUST FUND
SCHEDULE OF RESERVE FOR RUTHE MUELLER TRUST

B-14

	<u>REF.</u>
Balance December 31, 2012	B <u>\$ 559</u>
Balance December 31, 2013	B <u><u>\$ 559</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS DEPOSITS

B-15

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 86,650
Increased by:		
Tax Sale Premiums Received in Current Fund	B-6	<u>39,738</u>
		126,388
Decreased by:		
Tax Sale Premiums Paid in Current Fund	B-6	<u>66,338</u>
Balance December 31, 2013	B	<u>\$ 60,050</u>

TRUST FUND
SCHEDULE OF RESERVE FOR WAR MEMORIAL FUND DEPOSITS

B-16

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 650
Increased by:		
Donations	B-2	\$ <u>2,500</u>
		3,150
Decreased by:		
Payments for Memorial	B-2	<u>3,150</u>
Balance December 31, 2013	B	<u><u>-</u></u>

GENERAL CAPITAL FUND SCHEDULES

GENERAL CAPITAL FUND
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2012	C		\$ 310,815
Increased by Receipts:			
Reimbursement from Hunter's Glen Sewer Fund - Pr. Yr Ord. Expenditure:	C-1	\$ 22,100	
Reimbursement from Current Fund - Prior Year Interfund Balance	C-3	115,555	
Current Fund Budgeted Appropriation - Capital Improvement Fund	C-8	400,000	
Special Emergency Notes - Hurricane Sandy	C-10	1,915,000	
Interest Credits	C-3	<u>526</u>	<u>2,453,181</u>
			2,763,996
Decreased by Disbursements:			
Payment to Current Fund for Interest Credits	C-3	451	
Prior Year Encumbrances Paid	C-7	30,247	
Improvements Authorizations Paid	C-11	2,156,496	
Debt Service Reserve Anticipated as Revenue in Current Fund Budget	C-13	50,000	
Capital Fund Balance Anticipated as Revenue in Current Fund Budget	C-1	<u>300,000</u>	<u>2,537,194</u>
Balance December 31, 2013	C		<u>\$ 226,802</u>

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-3

	<u>REF.</u>		
Balance December 31, 2012	C	\$	(115,555)
Increased by:			
Interest Credits	C-2	\$	526
Reimbursement from Current Fund - Prior Year Interfund Balance	C-2		116,081
			<u>526</u>
Decreased by:			
Payment of Interest Credits to Current Fund	C-2		451
Deferred Charges Appropriated in Current Fund Budget	C-6		110,764
			<u>110,764</u>
Balance December 31, 2013	C	\$	<u>(110,238)</u>

GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS RECEIVABLE

C-4

REF.

Balance December 31, 2012

C

\$ 313,000

Balance December 31, 2013

C

\$ 313,000

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

	<u>REF.</u>	C-5
Balance December 31, 2012	C	\$ 19,983,843
Decreased by:		
2013 Budget Appropriations - Loans Payable	C-9	\$ 51,565
2013 Budget Appropriations - Bond Principal	C-12	<u>1,168,000</u>
		<u>1,219,565</u>
Balance December 31, 2013	C	<u>\$ 18,764,278</u>

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

C-6

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE 12/31/12	2013 AUTHORIZATIONS	CANCELED	BUDGET APPROPRIATION DEFERRED CHARGES	BALANCE 12/31/13	ANALYSIS OF BALANCE	
							BOND ANTI- ANTICIPATION NOTES	BONDS/NOTES AUTHORIZED NOT ISSUED
N/A	Acquisition of Development Easements	\$ 485				\$ 485		\$ 485
21-1998	Purchase of Gurasich Property	50,000				50,000		50,000
16-2003	Acquisition of Easement in Real Property	85,329			\$ 42,664	42,665		42,665
22-2003	Purchase of Parcels of Real Estate	95,398			47,700	47,698		47,698
23-2003	Purchase of First Aid Squad Building	7,498			3,749	3,749		3,749
15-2005	Various Improvements	32,400			16,200	16,200		16,200
74-2013	Superstorm Sandy-Repair and Reconstruction of Streets, Road or Bridges, or Other Public Property Damage		\$ 2,400,000	\$ 485,000		1,915,000	\$ 1,915,000	-
		\$ 271,110	\$ 2,400,000	\$ 485,000	\$ 110,313	\$ 2,075,797	\$ 1,915,000	\$160,797
REF.		C	C-11	C-11	C-3	C	C-10	

GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES

C-7

	<u>REF.</u>	
Balance December 31, 2012	C	\$ 44,713
Increased by:		
Improvement Authorization Purchase Orders Issued	C-11	<u>94,677</u> 139,390
Decreased by:		
Prior Year Purchase Orders Canceled	C-11	\$ 1,825
Payment of Prior Year Encumbrances	C-2	<u>30,247</u> \$ <u>32,072</u>
Balance December 31, 2013	C	<u>\$ 107,318</u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

	<u>REF.</u>	
Balance December 31, 2012	C	\$ 220,910
Increased by:		
Canceled Improvement Authorizations-Funded	C-11	\$ 15,926
2013 Budget Appropriations	C-2	<u>400,000</u> <u>415,926</u>
		636,836
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-11	<u>625,353</u>
Balance December 31, 2013	C	<u>\$ 11,483</u>

GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY LOAN PROGRAMS

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/12</u>	<u>DECREASED</u>	<u>BALANCE 12/31/13</u>
New Jersey Green Trust Loan Program Department of Environmental Protection	1991	2014-2021	\$26,123 to \$30,631	2.0%	\$ 254,924	\$ 26,123	\$ 228,801
New Jersey Wastewater Treatment Trust Loan Program Department of Environmental Protection	11/1/1995	2014-2015	\$15,000	None	45,000	15,000	30,000
New Jersey Wastewater Treatment Fund Loan Program New Jersey Environmental Infrastructure Trust	11/1/1995	2014-2015	\$10,442 to \$9,508	4.0% to 5.5%	29,919	10,442	19,477
					\$ 329,843	\$ 51,565	\$ 278,278
REF.					C	C-5	C

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

C-10

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE 12/31/13</u>
74-2013	Special Emergency Notes - Superstorm Sandy	10/11/13	10/11/13	10/10/14	0.53%	\$ 1,915,000	\$ 1,915,000
						<u>\$ 1,915,000</u>	<u>\$ 1,915,000</u>

REF.

C-2

C

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

C-11

IMPROVEMENT DESCRIPTION	NO.	ORDINANCE		BALANCE 12/31/12		AUTHORIZED	OTHER	CAPITAL	PAID OR CHARGED	BALANCE 12/31/13	
		DATE	AMOUNT	FUNDED	UNFUNDED	DEFERRED CHARGES	VARIOUS RESERVES	IMPROVEMENT FUND		CANCELLED	FUNDED
Open Space Acquisition and Emergency Service Comm.	16-2006	9/12/06	\$ 310,000	\$ 21,122							\$ 21,122
Various Capital Improvements	07-2007	5/22/07	3,085,000		\$ 33,074				\$ 33,074		
Road Improvements, Stormwater Improvements, Public Buildings and Grounds Improvements	06-2011	5/10/11	450,000	9,546					\$ 9,546		-
Road Improvements	08-2012	4/26/12	300,000	26,854					13,078		13,776
Forced Main Repairs Hunters Glen	09-2012	4/26/12	75,000	15,926					15,926		
Public Works Equipment	10-2012	4/26/12	60,000	11,203					11,203		-
Road Imp, Stormwater/Drainage, Building Imps, Equip. Acquisition, Telephone System	04-2013	6/11/13	630,427				\$ 5,074	\$ 625,353	300,521		329,906
Superstorm Sandy-Repair and Reconstruction of Streets, Road or Bridges, or Other Public Property Damage	74-2013	6/11/13	2,400,000			\$ 2,400,000			485,000	1,915,000	
			\$ 84,651	\$ 33,074	\$ 2,400,000	\$ 5,074	\$ 625,353	\$ 534,000	\$ 2,249,348	\$ 364,804	-
REF.			C	C	C-6	C-13	C-8			C	C
								C-6	\$ 485,000		
								C-8	15,926		
								C-13	33,074		
									<u>\$ 534,000</u>		
								C-2	\$ 2,156,496		
								C-7	(1,825)		
								C-7	94,677		
									<u>\$ 2,249,348</u>		

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-12

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/12</u>	<u>DECREASED</u>	<u>BALANCE 12/31/13</u>
Refunding Bonds of 2005	6/30/05	\$ 5,485,000	8/1/14	\$ 500,000	5.000%	\$ 3,555,000	\$ 500,000	\$ 3,055,000
			8/1/15	500,000	5.000%			
			8/1/16	525,000	5.000%			
			8/1/17	300,000	5.000%			
			8/1/17 *	225,000	4.000%			
			8/1/18	520,000	4.000%			
			8/1/19	485,000	4.000%			
General Improvement Bonds Series 2006	1/12/06	\$ 1,880,000	1/1/14	149,000	4.000%	1,130,000	143,000	987,000
			1/1/15	154,000	4.000%			
			1/1/16	161,000	3.600%			
			1/1/17	168,000	3.650%			
			1/1/18	174,000	3.700%			
			1/1/19	181,000	3.750%			
Open Space Bonds Series 2006	1/12/06	\$ 6,396,000	1/1/14	285,000	4.000%	4,971,000	275,000	4,696,000
			1/1/15	295,000	4.000%			
			1/1/16	305,000	3.600%			
			1/1/17	320,000	3.650%			
			1/1/18	330,000	3.700%			
			1/1/19	345,000	3.750%			
			1/1/20	360,000	3.800%			
			1/1/21	375,000	3.950%			
			1/1/22	390,000	3.950%			
			1/1/23	405,000	3.950%			
			1/1/24 *	420,000	3.950%			
			1/1/25	435,000	4.050%			
			1/1/26 *	431,000	4.050%			
			General Obligation Bonds Series 2013	6/19/12	\$ 9,998,000			
2/15/15	260,000	2.000%						
2/15/16	265,000	2.000%						
2/15/17	270,000	2.000%						
2/15/18	275,000	2.000%						
2/15/19	280,000	2.000%						
2/15/20	285,000	2.000%						
2/15/21	290,000	2.000%						
2/15/22	295,000	2.000%						
2/15/23	300,000	2.000%						
2/15/24	320,000	2.125%						
2/15/25	345,000	3.000%						
2/15/26	360,000	3.000%						
2/15/27	370,000	3.000%						
2/15/28	390,000	3.000%						
2/15/29	405,000	3.000%						
2/15/30	435,000	3.000%						
2/15/31	455,000	3.000%						
2/15/32	460,000	3.000%						
2/15/33	470,000	3.000%						
2/15/34	490,000	3.000%						
2/15/35	490,000	3.000%						
2/15/36	495,000	3.125%						
2/15/37	495,000	3.125%						
2/15/38	495,000	3.125%						
2/15/39	498,000	3.125%						

\$ 19,654,000	\$ 1,168,000	\$ 18,486,000
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C	C-5	C
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* - Term Bond

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

C-13

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>12/31/13</u>
Municipal Facilities	\$ 74		\$ 74	
Offsite/Ontract Improvements	5,000		5,000	
Debt Service	321,823	\$ 33,074	\$ 50,000	304,897
	<u>\$ 326,897</u>	<u>\$ 33,074</u>	<u>\$ 55,074</u>	<u>\$ 304,897</u>
REF.	C	C-11		C
		C-2	\$ 50,000	
		C-11	5,074	
			<u>\$ 55,074</u>	

SEWER UTILITY FUND

SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

D-4

HUNTERS GLEN

	<u>REF.</u>	<u>OPERATING</u>		<u>CAPITAL</u>
Balance December 31, 2012	D	\$ 32,338		\$ 23,100
Increased by Receipts:				
Water Rents	D-5	\$ 92,703		
Capital Improvement Fund Appropriation	D-3		\$ 2,000	
Interest on Investment income	D-2	<u>1,984</u>	<u>94,687</u>	<u>-</u> <u>2,000</u>
			127,025	25,100
Decreased by Disbursements:				
2012 Appropriation Reserve	D-7	2,458		
2013 Appropriations	D-3	<u>87,701</u>	<u>90,159</u>	<u>-</u> <u>-</u>
Balance December 31, 2013	D	<u>\$ 36,866</u>		<u>25,100</u>

OLDWICK

	<u>REF.</u>	<u>OPERATING</u>		<u>CAPITAL</u>
Balance December 31, 2012	D	\$ 58,495		\$ 72,655
Increased by Receipts:				
Water Rents	D-5	\$ 120,524		
Capital Improvement Fund Appropriation	D-3		\$ 3,000	
Interest on Investment income	D-2	<u>3,082</u>	<u>123,606</u>	<u>65</u> <u>3,065</u>
			182,101	75,720
Decreased by Disbursements:				
2012 Appropriation Reserve	D-7	3,795		
Interfunds Returned to Operating Fund	D-1	46		
2013 Appropriations	D-3	<u>132,060</u>	<u>135,901</u>	<u>-</u> <u>-</u>
Balance December 31, 2013	D	<u>\$46,200</u>		<u>\$75,720</u>

SEWER UTILITY FUND
SCHEDULE OF CASH - COLLECTOR

D-5

	<u>REF.</u>	HUNTERS <u>GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Increased by Receipts:				
Consumer Accounts Receivable Collections	D-6	\$ 90,897	\$ 119,942	\$ 210,839
Prepaid Rent		<u>1,806</u>	<u>582</u>	<u>2,388</u>
		92,703	120,524	213,227
Decreased by Disbursements:				
Payment to Treasurer	D-4	<u>\$ 92,703</u>	<u>\$ 120,524</u>	<u>\$ 213,227</u>

SEWER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

		HUNTERS			
	<u>REF.</u>	<u>GLEN</u>	<u>OLDWICK</u>		<u>TOTAL</u>
Balance December 31, 2012	D	\$ 1,051	\$ 2,169		\$ 3,220
Increased by:					
Water Rents Levied		90,871	120,897		211,768
		91,922	123,066		214,988
Decreased by:					
Pre-Paid in 2012	D	-	-		-
Collection	D-2:5	90,897	119,942		210,839
		90,897	119,942		210,839
Balance December 31, 2013	D	\$ 1,025	\$ 3,124		\$ 4,149

SEWER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012

D-7

HUNTER'S GLEN

	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages	\$ 1,423	\$ 1,423		\$ 1,423
Other Expenses	7,138	7,138	\$ 2,458	4,680
TOTALS	<u>\$ 8,561</u>	<u>\$ 8,561</u>	<u>\$ 2,458</u>	<u>\$ 6,103</u>

REF.

D

D-4

D-1

Appropriation Reserves	\$ 6,561
Encumbrances	<u>2,000</u>
	<u>\$ 8,561</u>

OLDWICK

	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages	\$ 1,429	\$ 1,429		\$ 1,429
Other Expenses	9,271	9,271	3,795	5,476
TOTALS	<u>\$ 10,700</u>	<u>\$ 10,700</u>	<u>\$ 3,795</u>	<u>\$ 6,905</u>

REF.

D

D-4

D-1

Appropriation Reserves	\$ 7,195
Encumbrances	<u>3,505</u>
	<u>\$ 10,700</u>

SEWER UTILITY FUND
SCHEDULE OF FIXED CAPITAL
DECEMBER 31, 2013

D-8

	<u>Balance December 31, 2012</u>		<u>FIXED CAPITAL</u>	<u>Balance December 31, 2013</u>	
	<u>Hunters Glen</u>	<u>Oldwick</u>	<u>ADDITIONS</u>	<u>Hunters Glen</u>	<u>Oldwick</u>
Land Acquisition		\$ 91,720			\$ 91,720
Wind Monitoring Device		10,000			10,000
Monitoring Well	\$ 6,000			\$ 6,000	
Sanitary Sewer System		816,395			816,395
Emergency Power/Alarm		13,000			13,000
Hunter's Glen Generator	30,000			30,000	
	\$ 36,000	\$ 931,115	-	\$ 36,000	\$ 931,115

REF.	D	D		D	D
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SEWER UTILITTY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-9

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE 12/31/12</u>	<u>BALANCE 12/31/13</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
			<u>\$ 20,000</u>	<u>\$ 20,000</u>
	REF.		D	D

SEWER UTILITTY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE FUNDED 12/31/12</u>	<u>BALANCE FUNDED 12/31/13</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
2010-07	Oldwick Sewer Improvements	9/14/10	6,609	6,609
			<u>\$ 26,609</u>	<u>\$ 26,609</u>
	REF.		D	D

SEWER UTILITY FUND
SCHEDULE OF SEWER CAPITAL IMPROVEMENT FUND

D-11

		HUNTERS		<u>TOTAL</u>
	<u>REF.</u>	<u>GLEN</u>	<u>OLDWICK</u>	
Balance December 31, 2012	D	\$ 23,100	\$ 46,000	\$ 69,100
Increased by:				
Operating Fund Appropriation	D-3	<u>\$ 2,000</u>	<u>\$ 3,000</u>	<u>\$ 5,000</u>
Balance December 31, 2013	D	<u>\$ 25,100</u>	<u>\$ 49,000</u>	<u>\$ 74,100</u>

SEWER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

D-12

	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Balance December 31, 2012	D	\$ 36,000	\$ 810,847	\$ 846,847
Increased by:				
General Electric Loan Paid by Sewer Operating Budget	D-3	-	14,812	14,812
		<u>36,000</u>	<u>825,659</u>	<u>861,659</u>
Balance December 31, 2013	D	<u>\$ 36,000</u>	<u>\$ 825,659</u>	<u>\$ 861,659</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

D-13

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE 12/31/12</u>	<u>BALANCE 12/31/13</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
			<u>\$ 20,000</u>	<u>\$ 20,000</u>
	REF.		D	D

SEWER UTILITY FUND
SCHEDULE OF LOANS PAYABLE

D-14

	<u>REF.</u>	<u>OLDWICK</u>
Balance December 31, 2012	D	\$120,268
Decreased by:		
Principal Payments	D-12	<u>14,812</u>
Balance December 31, 2013	D	<u>\$105,456</u>

Schedule of Principal and Interest Payments

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 15,561	5,081	\$ 20,642
2015	16,349	4,393	20,742
2016	17,177	3,465	20,642
2017	18,046	2,596	20,642
2018	18,960	1,682	20,642
2019	19,363	722	20,085
	<u>\$ 105,456</u>	<u>\$ 17,939</u>	<u>\$ 123,395</u>

PUBLIC ASSISTANCE FUND SCHEDULES

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

E-1

	<u>REF.</u>	<u>P.A.T.F.</u> <u>#1</u>	<u>FUND</u> <u>TOTAL</u>
Balance December 31, 2012	E	\$ 8,689	\$ 8,689
Increased by Receipts:			
Interest Credits		13	13
Total Receipts		13	13
		8,702	8,702
Balance December 31, 2013	E	\$ 8,702	\$ 8,702

SCHEDULE OF GENERAL FIXED ASSETS

GENERAL FIXED ASSETS
SCHEDULE OF ADDITIONS AND DELETIONS
DECEMBER 31, 2013

F-1

	<u>BALANCE</u> <u>12/31/12</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/13</u>
General Fixed Assets:				
Land and Buildings	\$ 37,075,102			\$ 37,075,102
Machinery and Equipment	9,471,993	\$ 11,203		9,483,196
Total General Fixed Assets	<u>\$ 46,547,095</u>	<u>11,203</u>	<u>-</u>	<u>\$ 46,558,298</u>
 Investment In General Fixed Assets	 <u>\$ 46,547,095</u>	 <u>\$ 11,203</u>	 <u>-</u>	 <u>\$ 46,558,298</u>

**PART III
SUPPLEMENTARY INFORMATION**

General Comments

**Report on Internal Control over Financial Reporting
and Compliance and Other Matters based on an
Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Schedule of Federal/State Awards

Status of Prior Audit Findings

Schedule of Findings and Responses

GENERAL COMMENTS

Scope of Audit

The audit of the financial statements of the Township of Tewksbury, County of Hunterdon, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

a.

When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b.

Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (i) of paragraph (a) of subsection (1) of Section 5 of P.L.1971, C.198(C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c.

Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish as set forth in subsection **a.** of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2(pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.40A:11-4 (as amended) states, "Every contract or agreement for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2011, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$36,000 for Qualified Purchasing Agents (QPA), and \$17,500 for units without QPA's.

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

The Minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.40A:11-5.

The system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not determine whether any clear-cut violations existed.

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 1, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2012, at the rate or rates heretofore governing, and on all delinquents on and after January 2, 2013, at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500, and the rate of 6% per annum for and upon any amount in excess of \$10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

The governing body, on January 1, 2013 adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2013, include real property taxes from the 2013, 2012, 2011, 2006 and 2005 tax levy.

The last tax sale was held on November 30, 2013 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates from tax sales were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2013	8
2012	9
2011	8

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

Verification of Delinquent Taxes and Other Charges

Verification notices were mailed to confirm balances as of November 26, 2013. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

<u>Verification Type</u>	<u>Type of Receivable - Real Property Tax</u>		<u>Date of Circulars - November 26, 2013-Real Estate</u>	
	<u>Request Form</u>	<u>Total No. of Items</u>	<u>Total No. of Circular</u>	<u>Total No. Returned</u>
2013 Property Tax	Positive	3,150	60	21
2014 Property Tax	Positive	3,150	60	21
2013 Delinquent Tax	Negative	348	25	4

Technical Accounting Directives

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of Tewksbury to these new directives are as follows:

<u>Requirement</u>	FY 2013 Required	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System	X	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
CURRENT FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2013</u>	<u>%</u>	<u>YEAR 2012</u>	<u>%</u>
Fund Balance Utilized	\$ 2,196,795	6.11%	\$ 2,368,000	6.76%
Miscellaneous - From Other Than				
Local Property Tax Levies	2,745,976	7.63%	2,267,100	6.47%
Collection of Delinquent Taxes and				
Tax Title Liens	447,600	1.24%	309,362	0.88%
Collection of Current Tax Levy	<u>30,583,298</u>	<u>85.02%</u>	<u>30,087,563</u>	<u>85.89%</u>
Total Income	<u>35,973,669</u>	<u>100.00%</u>	<u>35,032,025</u>	<u>100.00%</u>

EXPENDITURES

Budget Expenditures:				
Municipal Purposes	7,892,440	23.10%	7,592,868	22.62%
County Taxes	6,063,937	17.75%	6,078,946	18.11%
Local and Regional Taxes	19,400,094	56.79%	19,092,340	56.87%
Municipal Open Space Tax	681,375	1.99%	679,312	2.02%
Deferred Charges	110,313	0.32%	110,313	0.33%
Other Expenditures	<u>11,389</u>	<u>0.03%</u>	<u>15,821</u>	<u>0.05%</u>
Total Expenditures	<u>\$34,159,548</u>	<u>100.00%</u>	<u>\$33,569,600</u>	<u>100.00%</u>
Excess (Deficit) Revenue Over Expenditures	1,814,121		1,462,425	
Fund Balance January 1	5,130,944		6,036,519	
Less:				
Utilization as Anticipated Revenue	<u>2,196,795</u>		<u>2,368,000</u>	
Fund Balance December 31	<u>\$ 4,748,270</u>		<u>\$ 5,130,944</u>	

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

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2013</u>	<u>%</u>	<u>YEAR 2012</u>	<u>%</u>
Operating Surplus	\$ 52,150	18.55%	\$ 27,150	10.99%
Rents	210,839	75.00%	195,564	79.18%
Miscellaneous	5,131	1.83%	7,283	2.95%
Other Credits to Income	<u>13,008</u>	<u>4.63%</u>	<u>16,978</u>	<u>6.87%</u>
Total Income	281,128	100.00%	246,975	100.00%

EXPENDITURES

Budget Expenditures:				
Operating	<u>250,346</u>	100.00%	<u>191,200</u>	100.00%
Excess in Revenue	30,782		55,775	
Fund Balance January 1	71,618		42,993	
Less:				
Utilization as Anticipated Revenue	<u>52,150</u>		<u>27,150</u>	
Fund Balance December 31	<u>\$ 50,250</u>		<u>\$ 71,618</u>	

Comparative Schedule of Tax Rate Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	<u>\$2.271</u>	<u>\$2.254</u>	<u>\$2.205</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.345	\$0.345	\$0.333
Municipal Open Space Tax	\$0.050	\$0.050	\$0.050
County	\$0.445	\$0.448	\$0.446
Local School	\$0.865	\$0.865	\$0.865
Regional High School	\$0.567	\$0.546	\$0.512

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2013	\$1,354,807,408
2012	\$1,353,300,353
2011	\$1,365,531,185

Comparison of Tax Levies and Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$30,992,663	\$ 30,583,298	98.67%
2012	\$30,621,678	\$30,087,564	98.25%
2011	\$30,204,265	\$29,802,044	98.66%

Delinquent Taxes and Tax Title Liens

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

<u>Dec.31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$58,666	\$310,460	\$369,126	1.19%
2012	\$80,026	\$410,551	\$490,577	1.60%
2011	\$41,299	\$308,997	\$350,296	1.16%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2013 by foreclosure or deed as a result of liquidation of tax title liens.

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized</u> <u>In Budget of Succeeding Year</u> <u>Regular</u>
2013	\$ 4,748,270	\$ 2,196,795
2012	\$ 5,130,944	\$ 2,196,795
2011	\$ 6,036,519	\$ 2,368,000
2010	\$ 6,470,750	\$ 2,368,000
2009	\$ 7,868,209	\$ 3,368,000

Sewer Utility Fund

2013	\$ 50,250	\$ 33,150
2012	\$ 71,618	\$ 52,150
2011	\$ 42,993	\$ 28,884
2010	\$ 47,262	\$ 27,150
2009	\$ 71,844	\$ 56,187

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of</u> <u>Bond</u>	<u>Name</u> <u>Of Corporate Surety</u>
Louis DiMare	Mayor		
Dana Desiderio	Committeeperson		
Peter Melick	Committeeperson		
Shaun C. Van Doren	Committeeperson		
William Voyce	Committeeperson		
Jesse W. Landon	Administrator		
Roberta Brassard	Township Clerk; Assessment Search Officer		
Katherine Winzenreid Ciarlariello	Tax Collector; Sewer Collector; Tax Search Officer	\$250,000	Selective Insurance Co.

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Judie A. McGrorey	Certified Municipal Finance Officer	\$250,000	Selective Insurance Co.
Ann Marie Obiedzinski	Assessor		
Michael Selvaggi	Attorney		
Charles Rogers	Construction Official		
Ralph Price	Fire Sub-Code Official		
Robert O'Conner	Plumbing Sub-Code Official		
Shana L. Goodchild	Land Use Administrator		
Randall Benson	Zoning/Housing Officer		

The minimum bond coverage required for the Tax Collector and the Municipal Court personnel based on their respective prior years' tax levies and Court income, would be as follows:

<u>Collector</u>	
<u>Year</u>	<u>Amount</u>
2013	\$156,054

There are public employees' blanket bonds providing coverage to municipal officials and employees not specifically bonded. The municipal officials and employees are covered by a "faithful performance blanket position bond" in the amount of \$250,000. provided by the National Union Fire Insurance Company of Pittsburgh, Pa.

All the bonds were examined and were properly executed.



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Douglas R. Williams, CPA, RMA, PSA
Anthony F. Ardito, PA, RMA, PSA

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

Independent Auditor's Report

The Honorable Mayor and
Members of the Township Committee
Township of Tewksbury
169 Old Turnpike Road
County of Hunterdon, Califon, New Jersey 07830

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Tewksbury in the County of Hunterdfon, State of New Jersey, as of and for the fiscal year ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Township of Tewksbury's basic financial statements, and have issued our report thereon dated March 31, 2014, which indicated that the financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

-Continued-

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

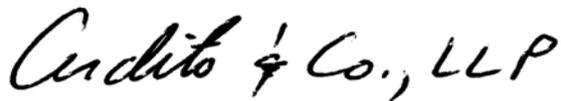
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

ARDITO & CO., LLP



Frenchtown, New Jersey
March 31, 2014



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
March 31, 2014

SCHEDULE OF FEDERAL/STATE AWARDS

SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013
N/A

SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

STATE GRANTOR/ PROGRAM TITLE	<u>ACCOUNT NUMBER</u>	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/13	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/13
<u>DEPT. OF LAW AND PUBLIC SAFETY</u>									
Body Armor Grant	N/A	\$ 1,413	2013	A		\$ 1,413			\$ 1,413
Body Armor Grant	N/A		2012	A	\$ 676				676
Body Armor Grant	N/A		2011	A	992			691	301
<u>DEPT. OF ENVIR. PROTECTION</u>									
Solid Waste Admin.-Clean Communities Program	4900-765-178900	24,126	2013	A		24,126		20,548	3,578
			2012	A	6,994			6,994	-
			2011	A	9,323			9,323	-
			2010	A	13,695			13,695	
Storm Water Management Grant	N/A	N/A	2006	A	1,491				1,491
Recycling Tonnage Grant		3,366	2013	A		3,366			3,366
			2012	A	5,846			5,041	805
			2011	A	3,473			3,473	-
<u>DEPT. OF HUMAN SERVICES</u>									
Payments to Municipalities for Cost of General Assistance (State Share)	75050-150-158010-60	N/A	N/A	E	8,689	13			8,702
<u>OTHER STATE AIDS</u>									
US Forest Service Grant	N/A	N/A	N/A	A	236				236
ANJEC Grant	N/A	1,300	2013	A		1,300		1,000	300
TOTAL STATE ASSISTANCE					<u>\$ 51,415 \$ 30,218 \$ - \$ 60,765 \$ 20,868</u>				

Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 04-04.

TOWNSHIP OF TEWKSBURY

NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2013

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Township of Tewksbury. The Township of Tewksbury is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies, are included on the schedules of expenditures of federal and state awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

NOTE 3. RELATIONSHIP TO THE FINANCIAL STATEMENTS

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

STATUS OF PRIOR AUDIT FINDINGS

STATUS OF PRIOR AUDIT FINDINGS

CY
Occurrence

N/A

SCHEDULE OF FINDINGS AND RESPONSES
GENERAL FINDINGS

SCHEDULE OF FINDINGS AND RESPONSES

GENERAL FINDINGS

YEAR ENDED DECEMBER 31, 2013

Summary of Auditor's Results

The Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The audit did not disclose any material weaknesses in the internal controls of the Township.

The audit did not disclose any noncompliance that is material to the financial statements of the Township.

The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB Circular NJOMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2013 as grant expenditures were less than the single audit thresholds of \$500,000, identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Finding

None