

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

**REPORT OF AUDIT
DECEMBER 31, 2014**

TOWNSHIP OF TEWKSBURY

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PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2014

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 financial statements-regulatory basis, which comprise the comparative balance sheets-regulatory basis of the various funds of the Township of Tewksbury, County of Hunterdon, State of New Jersey (the "Township"), as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis, and statement of expenditures-regulatory basis of the various funds, and the related notes to the financial statements for the year ended December 31, 2014, which collectively comprise the Township's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 audit in accordance with auditing standards generally accepted 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 Township's preparation and fair presentation of

-Continued-

the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with regulatory basis 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 accounting principles generally accepted in the United States of America. 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2014 and 2013, or the results of its operations and changes in its fund balances for the years then ended.

Opinion on Regulatory Basis of Accounting

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, 2014 and 2013, and the results of operations and changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the years then ended, in conformity with accounting principals and practices as described in Note 1 to the financial statements.

Other Matters

Report on Supplementary Information

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

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-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements-regulatory basis 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-regulatory basis, or to the basic financial statements-regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

-Continued-

In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements-regulatory basis taken as a whole, on the basis of accounting described in Note 1 to the financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2015, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP



Frenchtown, New Jersey
April 13, 2015



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
April 13, 2015

FINANCIAL STATEMENTS

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 1

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Cash And Cash Equivalents:			
Cash - Treasurer	A-4	\$ 6,373,717	\$ 6,786,906
Amount Due from State of New Jersey for Senior Citizens and Veterans Deductions	A-17	<u>5,989</u>	<u>5,989</u>
		<u>6,379,706</u>	<u>6,792,895</u>
Receivables And Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	282,513	310,460
Tax Title Liens Receivable	A-7	61,154	58,666
Penalties & Interest on Taxes	A	12,813	13,193
Amount Due from Other Agencies	A	19,267	26,765
Amount Due From Dog License Fund	B	28	3
Amount Due From General Capital Fund	C	<u>1,737</u>	<u>-</u>
Subtotal		<u>377,512</u>	<u>409,087</u>
Federal And State Grant Fund:			
Federal/State Grants Receivable	A-18	-	-
Due From Current Fund	A	<u>22,271</u>	<u>13,926</u>
Subtotal		<u>22,271</u>	<u>13,926</u>
TOTAL ASSETS		<u>\$ 6,779,489</u>	<u>\$ 7,215,908</u>

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

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 2

LIABILITIES, RESERVES AND FUND BALANCE	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Liabilities:			
Reserve For Encumbrances	A-10	\$ 104,112	\$ 186,386
Appropriation Reserves	A-3:9	394,314	280,683
Amount Due To Grants Fund	A	22,271	13,926
Amount Due To General Capital Fund	C	-	110,238
Taxes Collected In Advance	A-11	251,002	195,004
Tax Overpayments	A-12	7,938	10,265
County Taxes Payable	A-13	20,263	45,404
Local District School Taxes Payable	A-14	488,028	434,789
Regional School Tax Payable	A-15	992,560	615,940
Due Other Trust - Municipal Open Space Tax Payable	A-16	2,263	4,972
Reserve for Trees	A-21	39,817	45,166
Due Other Trust - Premium on Tax Sales and Outside Liens	A-22	225,065	60,050
Reserve for Police	A-23	2,171	500
Reserve for Various	A-24	4,474	4,474
Reserve for Additional Aid to Fire Companies	A-25	7	29,521
Amount Due to State of New Jersey for Marriage License Fees	A-26	75	175
Amount Due to State of New Jersey for DCA Training	A-27	6,956	7,132
Due Other Trust - Reserve for Snow Storms	A-28	50,000	-
Subtotal		<u>2,611,316</u>	<u>2,044,625</u>
Reserve For Receivables And Other Assets	A	377,512	409,087
Fund Balance	A-1	<u>3,768,390</u>	<u>4,748,270</u>
Subtotal		<u>6,757,218</u>	<u>7,201,982</u>
Federal And State Grant Fund:			
Amount Due State of New Jersey	A	1,761	1,761
Reserve For State Grants - Appropriated	A-19	13,826	3,508
Reserve For State Grants - Unappropriated	A-20	<u>6,684</u>	<u>8,657</u>
Subtotal		<u>22,271</u>	<u>13,926</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 6,779,489</u>	<u>\$ 7,215,908</u>

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

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>2014</u>	<u>YEAR</u> <u>2013</u>
Fund Balance Utilized	A-2	\$ 2,196,795	\$ 2,196,795
Miscellaneous Revenue Anticipated	A-2	2,690,165	2,374,226
Receipts From Delinquent Taxes	A-2	317,453	447,600
Receipts From Current Taxes	A-2	31,297,352	30,583,298
Non-Budget Revenues	A-2	35,310	54,831
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	A-9	287,541	294,075
Tax Overpaid Cancelled	A-12		-
Reserve Canceled	A-23		13,998
Interfunds Returned	A	-	8,846
TOTAL INCOME		36,824,616	35,973,669
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	2,612,892	2,447,005
Other Expenses	A-3	2,309,072	2,311,935
Deferred Charges and Statutory Expenditures	A-3	560,444	590,307
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	-	-
Other Expenses	A-3	173,344	217,263
Capital Improvements	A-3	400,000	400,000
Municipal Debt Service	A-3	2,212,198	1,925,930
Deferred Charges to Future Taxation	A-3	110,797	110,313
County Taxes	A-13	6,031,939	6,018,533
Amount Due County For Added and Omitted Taxes	A-13	20,263	45,404
Local District School Taxes	A-14	11,737,111	11,713,881
Regional School Tax	A-15	8,439,453	7,686,213
Municipal Open Space Tax	A-16	679,667	681,375
Refund of Prior Year Revenue	A-4	320,521	-
Interfund Advances	A-18:A	-	11,389
TOTAL EXPENDITURES		35,607,701	34,159,548
Excess (Deficit) Revenue Over Expenditures		1,216,915	1,814,121
 Fund Balance January 1	 A	 4,748,270	 5,130,944
		5,965,185	6,945,065
Decreased by:			
Utilization as Anticipated Revenue	A-1	2,196,795	2,196,795
Fund Balance December 31	A	\$ 3,768,390	\$ 4,748,270

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

CURRENT FUND
STATEMENT OF REVENUES

A-2

	REF.	<u>ANTICIPATED BUDGET</u>	<u>REVENUE RECEIVED</u>	<u>EXCESS OR DEFICIT</u>
Surplus Anticipated		\$ 2,196,795	\$ 2,196,795	-
Licenses:				
Alcoholic Beverages - Clerk	A-8	4,000	4,000	
Other - Clerk	A-8	1,300	2,252	\$ (952)
Fees and Permits - Trailer Court Fees	A-8	71,000	80,693	(9,693)
Fines and Costs:				
Municipal Court	A-8	37,300	66,712	(29,412)
Interest and Costs on Taxes	A-5	75,000	79,576	(4,576)
Interest on Investments	A-8	5,000	10,486	(5,486)
Energy Receipts Tax	A-8	516,103	516,103	
Uniform Construction Code Fees	A-8	244,000	374,414	(130,414)
Clean Communities Program	A-19	27,704	27,704	
Body Armor	A-19	1,414	1,414	
Recycling Tonnage Grant	A-19	3,365	3,365	
ANJEC Grant	A-19	300	300	
Califon Borough - UCC	A-8	69,718	69,718	-
Hunter's Glen Sewer Utility - Debt Service	A-8	26,545	26,545	-
Open Space Trust Fund Reserve - Debt Service	A-8	675,000	675,000	
Capital Fund Balance	A-8	22,335	22,335	
Reserve Capital Fund - Debt Service	A-8	683,000	683,000	
Lease of Municipal Facilities	A-8	36,000	34,581	1,419
Fire Safety Fees	A-8	8,000	11,967	(3,967)
		<u>2,507,084</u>	<u>2,690,165</u>	<u>(183,081)</u>
Receipts from Delinquent Taxes	A-1	<u>300,000</u>	<u>317,453</u>	<u>(17,453)</u>
Amount to be Raised by Taxation	A-6	<u>4,669,114</u>	<u>5,430,083</u>	<u>(760,969)</u>
Total General Revenues		<u>9,672,993</u>	<u>10,634,496</u>	<u>(961,503)</u>
Non-Budget Revenue	A-2		<u>35,310</u>	<u>(35,310)</u>
		<u>\$ 9,672,993</u>	<u>\$ 10,669,806</u>	<u>\$ (996,813)</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		\$ 31,256,602
State of New Jersey, Senior Citizens and Veterans Deductions		<u>40,750</u>
	A-6	31,297,352

Allocated To:

School, County and Municipal Open Space Taxes		26,908,433
	A-6	

Balance for Support of Municipal Budget		4,388,919
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Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"		<u>1,041,164</u>
	A-3	

Amount For Support Of Municipal Budget Appropriations		<u>\$ 5,430,083</u>
	A-2	

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		\$ 5,485	
Stavola Permits		5,000	
In Lieu Taxes		4,500	
Sale of Equipment		12,342	
Miscellaneous		<u>7,475</u>	

		34,802	
	A-4		

Tax Collector

Miscellaneous		<u>508</u>	<u>\$ 35,310</u>
	A-5		

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	\$ 229,800	\$ 230,500	\$ 230,453	\$ 47	
Other Expenses:					
Lease of Equipment	25,000	25,000	21,846	3,154	
Miscellaneous Other Expenses	39,175	39,175	18,233	5,942	15,000
Mayor and Council:					
Salaries and Wages	21,889	21,889	21,676	213	
Other Expenses	10,890	10,890	7,204	3,686	
Financial Administration (Treasury):					
Salaries and Wages	148,000	164,500	164,466	34	
Other Expenses	9,230	9,230	6,955	2,275	
Audit Services:					
Other Expenses	19,905	19,905	6,578	13,327	
Computerized Data Services:					
Other Expenses	39,795	39,795	26,645	9,150	4,000
Revenue Administration (Tax Collection):					
Salaries and Wages	47,391	47,391	46,810	581	
Other Expenses	4,420	4,420	4,382	38	
Tax Assessment Administration:					
Salaries and Wages	34,188	34,188	33,932	256	
Other Expenses	7,053	7,053	5,682	1,371	
Legal Services (Legal Dept.):					
Other Expenses	65,000	65,000	50,585	4,415	10,000
Engineering Services:					
Other Expenses	68,140	68,140	52,624	15,516	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages:					
Bartles Wastewater	15,000	15,000	6,604	3,396	5,000
Salaries and Wages - Other	120,000	120,000	103,094	1,906	15,000
Other Expenses:					
Wastewater Management Study	4,080	4,080	-	4,080	
Bartles Wastewater	41,750	36,750	31,824	4,926	
Special Projects	14,332	14,332	4,584	2,248	7,500
Miscellaneous Other Expenses	23,350	23,350	16,834	6,516	

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>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	
CODE ENFORCEMENT AND ADMINISTRATION:				
Uniform Construction Code Enforcement Functions:				
Building Sub Code Officials:				
Salaries and Wages	190,000	191,500	187,304	4,196
Other Expenses	12,450	12,450	3,792	8,658
INSURANCE:				
General Liability Insurance	145,150	145,150	129,146	12,004
Workmens Compensation Insurance	112,000	112,000	111,992	8
Employee Group Insurance	514,484	514,484	465,452	9,032
				40,000
PUBLIC SAFETY FUNCTIONS:				
Police:				
Salaries and Wages	1,159,690	1,027,690	967,072	60,618
Other Expenses:				
Purchase of Police Car	34,310	34,310	-	310
PBA Contract Benefits	44,000	19,000	16,584	2,416
Miscellaneous Other Expenses	42,351	28,351	23,186	5,165
Office of Emergency Management:				
Other Expenses	12,000	12,000	1,920	10,080
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	130,325	130,325	130,207	118
Fire Department Office:				
Salaries and Wages	8,200	8,200	6,694	1,506
Other Expenses	2,500	2,500	18	2,482
Other Expenses:				
Fire Hydrant Services	20,000	20,000	18,208	1,792
Municipal Prosecutor's Office:				
Salaries and Wages	8,424	8,524	8,509	15

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>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
PUBLIC WORKS FUNCTIONS:					
Streets and Road Maintenance:					
Salaries and Wages	734,310	731,510	672,503	51,007	8,000
Other Expenses	208,100	253,100	246,301	6,799	
Solid Waste Collection(Recycling Program):					
Other Expenses	10,000	10,000	6,256	3,744	
Buildings and Grounds:					
Other Expenses	79,770	56,770	56,379	391	
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	99,050	93,050	90,529	2,521	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Public Health Services (Board of Health):					
Salaries and Wages	2,500	3,000	2,850	150	
Other Expenses	2,798	2,798	2,188	610	
Contribution to Social Services Agencies:					
Senior Citizens Centers	3,000	3,000	2,755	245	
PARK AND RECREATION FUNCTIONS:					
Maintenance of Parks:					
Other Expenses:					
Miscellaneous Other Expenses	34,775	26,775	26,387	388	
OTHER COMMON OPERATING FUNCTIONS:					
(Unclassified):					
Reserve for Sick Leave		150,000	150,000		
Reserve for Snow Removal/Storms		50,000	50,000		

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	30,770	30,770	27,036	3,734	
Street Lighting	6,800	6,800	6,746	54	
Telephone (excluding equipment acquisition)	35,582	35,582	32,806	2,776	
Gas (natural or propane)	17,000	17,000	15,012	1,988	
Fuel Oil	6,000	10,000	7,813	2,187	
Telecommunications Costs	27,900	27,900	23,905	3,995	
Gasoline	118,000	118,000	83,906	14,094	20,000
MUNICIPAL COURT:					
Municipal Court:					
Salaries and Wages	36,500	37,000	36,334	666	
Other Expenses	10,361	10,361	2,147	8,214	
Total Operations - Within "CAPS "	5,031,464	5,084,464	4,616,924	305,040	162,500
Detail:					
Salaries and Wages	2,755,892	2,640,892	2,488,301	124,591	28,000
Other Expenses	2,275,572	2,443,572	2,128,623	180,449	134,500
DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":					
Statutory Expenditures :					
Social Security System (O.A.S.I.)	210,382	210,382	189,919	20,463	
Contribution to:					
PERS	161,814	161,814	159,677		2,137
PFRS	178,248	178,248	149,724	661	27,863
Deferred Compensation-Employers' Share	50,000	50,000	38,157	1,843	10,000
Total Deferred Charges and Statutory Expenditures-within "CAPS"	600,444	600,444	537,477	22,967	40,000
Total General Appropriations for Municipal Purposes Within "CAPS"	5,631,908	5,684,908	5,154,401	328,007	202,500

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 5

	<u>BUDGET</u>	<u>APPROPRIATION BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR 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:					
Salaries and Wages	10,000	10,000	-		10,000
Other Expenses	3,643	643	-	643	
LOSAP	63,000	63,000	894	62,106	
Total Other Operations-Excluded from "CAPS"	133,843	130,843	58,094	62,749	10,000
Interlocal Municipal Service Agreements Excluded from "CAPS":					
Califon Borough/Clinton Township Interlocal Agreement	69,718	19,718	16,160	3,558	
Total Interlocal Municipal Service Agreements	69,718	19,718	16,160	3,558	
Public and Private Programs Offset by Revenues-: Excluded from "CAPS"					
Clean Communities Program:					
Other Expenses	27,704	27,704	27,704		
Body Armor Grant:					
Other Expenses	1,414	1,414	1,414		
Assn of NJ Environmental Commissions Grant:					
Other Expenses	300	300	300		
Recycling Tonnage Grant:					
Other Expenses	3,365	3,365	3,365		
Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"	32,783	32,783	32,783		
Total Operations-Excluded from "CAPS"	236,344	183,344	107,037	66,307	10,000
Detail:					
Salaries and Wages	10,000	10,000	-	-	10,000
Other Expenses	226,344	173,344	107,037	66,307	0

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>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u> <u>CANCELED</u>
Capital Improvements-Excluded from "CAPS":				
Capital Improvement Fund	400,000	400,000	400,000	
Total Capital Improvements-Excluded from "CAPS"	400,000	400,000	400,000	
Municipal Debt Service-Excluded from "CAPS":				
Payment of Bond Principal	1,189,000	1,189,000	1,189,000	
Interest on Bonds	612,993	612,993	612,964	29
Bond Anticipation Note Principal	383,000	383,000	383,000	
Interest on Bond Anticipation and Capital Notes	10,150	10,150	10,150	
Loan Payments for Principal and Interest	31,092	31,092	435	30,657
NJ Wastewater Treatment Trust	26,545	26,545	16,649	9,896
Total Municipal Debt Service	2,252,780	2,252,780	2,212,198	- 40,582
Deferred Charges-Excluded from "CAPS":				
Pre 2000 Ordinances	485	485	485	
Ordinance # 22-2003	47,698	47,698	47,698	
Ordinance # 23-2003	3,749	3,749	3,749	
Ordinance # 16-2003	42,665	42,665	42,665	
Ordinance # 15-2005	16,200	16,200	16,200	
Total Deferred Charges	110,797	110,797	110,797	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"				
	2,999,921	2,946,921	2,830,032	66,307 50,582
Subtotal General Appropriations	8,631,829	8,631,829	7,984,433	394,314 253,082
Reserve For Uncollected Taxes	1,041,164	1,041,164	1,041,164	
TOTALS	\$ 9,672,993	\$ 9,672,993	\$ 9,025,597	\$ 394,314 253,082
	<u>REF.</u>			A A-1
Budget	A-2	\$ 9,672,993		
Appropriation by 40A: 4-87	A-2			
		\$ 9,672,993		
	<u>REF.</u>			
Reserve for State Grants	A-19	\$ 32,783		
Reserve for Snow Storms	A-28	50,000		
Reserve for Encumbrances	A-10	7,901,650		
Reserve for Uncollected Taxes	A-2	1,041,164		
		\$ 9,025,597		

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>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Dog License Fund:			
Cash and Cash Equivalents	B-2	\$ 16,547	\$ 12,370
Total Dog License Fund		<u>16,547</u>	<u>12,370</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-2	1,425,365	1,333,773
Amount Due from Current Fund	B-6	<u>277,328</u>	<u>65,022</u>
Total Other Trust Funds		<u>1,702,693</u>	<u>1,398,795</u>
TOTAL ASSETS		<u>\$1,719,240</u>	<u>\$1,411,165</u>

LIABILITIES, RESERVES AND FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$ 16,519	\$ 12,352
Amount Due State of New Jersey	B-4	-	15
Amount Due Current Fund	B-5	<u>28</u>	<u>3</u>
Total Dog License Fund		<u>16,547</u>	<u>12,370</u>
Other Trust Fund:			
Reserve for Developers Escrow	B-7	170,256	199,415
Reserve for State Unemployment Insurance	B-8	60,243	58,700
Reserve for Whittemore Trust	B-9	2,318	35
Reserve for Accumulated Leave	B-10	150,009	91,032
Reserve for Developers Housing	B-11	15,838	58,384
Reserve for Open Space Trust Fund	B-12	1,028,364	929,113
Reserve for Outside Police Duty	B-13	41	1,507
Reserve for Ruthe Mueller Trust	B-14	559	559
Reserve for Tax Sale Premiums	B-15	211,350	60,050
Reserve for Snow Removal Trust	B-16	50,000	-
Reserve for Outside Lien Trust	B-17	<u>13,715</u>	<u>-</u>
Total Other Trust Fund		<u>1,702,693</u>	<u>1,398,795</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$1,719,240</u>	<u>\$1,411,165</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>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Cash and Cash Equivalents	C-2	\$ 612,263	\$ 226,802
Due Current Fund	C-3	-	110,238
Accounts Receivable	C-4	-	313,000
Deferred Charges to Future Taxation:			
Funded	C-5	17,321,508	18,764,278
Unfunded	C-6	<u>550,000</u>	<u>2,075,797</u>
TOTAL ASSETS		<u>\$18,483,771</u>	<u>\$21,490,115</u>

LIABILITIES, RESERVES AND FUND BALANCE

Due Current Fund	C-4	1,737	-
Capital Improvement Fund	C-8	114,244	11,483
Loans Payable - State of New Jersey	C-9	24,508	278,278
Bond Anticipation Notes Payable	C-10	500,000	1,915,000
Serial Bonds Payable	C-12	17,297,000	18,486,000
Encumbrances	C-7	107,300	107,318
Improvement Authorizations:			
Funded	C-11	52,497	364,804
Unfunded	C-11	-	-
Various Reserves	C-13	364,385	304,897
Fund Balance	C-1	<u>22,100</u>	<u>22,335</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$18,483,771</u>	<u>\$21,490,115</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, 2013	C	\$ 22,335
Increased by:		
Reimbursement from Hunter's Glen Sewer Fund - Pr. Yr Ord. Expenditures	C-2	<u>22,100</u>
		44,435
Decreased by:		
Capital Fund Balance Anticipated as Revenue in Current Fund Budget	C-2	<u>22,335</u>
Balance December 31, 2014	C	<u>\$ 22,100</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>2014</u>	<u>2013</u>
Operating Fund:					
Cash and Cash Equivalents	D-4	\$ 35,779	\$ 48,871	\$ 84,650	\$ 83,066
Receivables with Full Reserves:					
Consumer Accounts Receivable and Liens	D-6	2,269	3,283	5,552	4,149
Amount Due Sewer Capital Fund	D	<u>65</u>	<u>226</u>	<u>291</u>	<u>111</u>
Total Operating Fund		<u>38,113</u>	<u>52,380</u>	<u>90,493</u>	<u>87,326</u>
Capital Fund:					
Cash and Cash Equivalents	D-4	30,165	75,835	106,000	100,820
Fixed Capital	D-8	36,000	931,115	967,115	967,115
Fixed Capital - Authorized and Uncompleted	D-9		<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total Capital Fund		<u>66,165</u>	<u>1,026,950</u>	<u>1,093,115</u>	<u>1,087,935</u>
TOTAL ASSETS		<u>\$ 104,278</u>	<u>\$ 1,079,330</u>	<u>\$ 1,183,608</u>	<u>\$ 1,175,261</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Liabilities:					
Appropriation Reserves :					
Encumbered	D-3	-	\$ 1	\$ 1	\$ 13,925
Unencumbered	D-3	\$ 6,548	34,851	41,399	16,614
Sewer Rent Overpaid	D-5	-	137		
Sewer Rent Prepaid	D-5	2,257	589	2,846	2,388
Reserve for Receivables	D	2,269	3,283	5,552	4,149
Fund Balance	D-1	<u>27,039</u>	<u>13,519</u>	<u>40,558</u>	<u>50,250</u>
Total Operating Fund		<u>38,113</u>	<u>52,380</u>	<u>90,493</u>	<u>87,326</u>
Capital Fund:					
Amount Due Sewer Operating Fund	D	65	226	291	111
General Electric Loan Payable	D-14		89,895	89,895	105,456
Capital Improvement Fund	D-11	30,100	49,000	79,100	74,100
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>841,220</u>	<u>877,220</u>	<u>861,659</u>
Total Capital Fund		<u>66,165</u>	<u>1,026,950</u>	<u>1,093,115</u>	<u>1,087,935</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 104,278</u>	<u>\$ 1,079,330</u>	<u>\$ 1,183,608</u>	<u>\$ 1,175,261</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 GLEN	OLDWICK	TOTALS DECEMBER 31,	
				<u>2014</u>	<u>2013</u>
Operating Surplus	D-2	\$ 8,150	\$ 25,000	\$ 33,150	\$ 52,150
Rents	D-2	92,881	119,768	212,649	210,839
Miscellaneous	D-2		6,205	6,205	5,131
Other Credits to Income					
Balance of Reserved Budget	D-7	7,797	5,955	13,752	13,008
Interfund Returned	D-4	-	2	2	-
Total Income		<u>108,828</u>	<u>156,930</u>	<u>265,758</u>	<u>281,128</u>
EXPENDITURES					
Operating	D-3	98,200	123,458	221,658	229,658
Debt Service	D-3	-	20,642	20,642	20,642
Interfund Advanced	D-4	-	-	-	46
Total Expenditures		<u>98,200</u>	<u>144,100</u>	<u>242,300</u>	<u>250,346</u>
Excess (Deficit) Revenue Over Expenditures		10,628	12,830	23,458	30,782
Balance January 1	D	<u>24,561</u>	<u>25,689</u>	<u>50,250</u>	<u>71,618</u>
		35,189	38,519	73,708	102,400
Decreased by:					
Utilized as Anticipated Revenue	D-1	<u>8,150</u>	<u>25,000</u>	<u>33,150</u>	<u>52,150</u>
Balance December 31	D	<u>\$ 27,039</u>	<u>\$ 13,519</u>	<u>\$ 40,558</u>	<u>\$ 50,250</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	70,781	\$ 2,831
Special Assessment	D-1	22,100	22,100	
 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	\$ 25,000	\$ 25,000	
Rents	D-1	119,000	119,768	\$ 768
Micellaneous Revenues	D-1	100	6,205	6,105
 Total Sewer Utility Revenue		<u>\$ 144,100</u>	<u>\$ 150,973</u>	<u>\$ 6,873</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	\$ 5,500	\$ 5,500	\$ 4,188	\$ 1,312
Other Expenses	39,055	39,055	33,819	5,236
To Current Fund - Debt Service	26,545	26,545	26,545	
Township Reimbursement-Capital	22,100	22,100	22,100	
Capital Improvement Fund	5,000	5,000	5,000	-
Total Sewer Utility Appropriations	\$ 98,200	\$ 98,200	\$ 91,652	\$ 6,548

REF.

D-2

D

	Paid	D-4	\$ 91,652
Charged - Encumbered		D	-
			<u>\$ 91,652</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	\$ 8,474	\$ 8,526
Other Expenses	97,125	97,125	73,808	23,317
Capital Improvement Fund	3,000	3,000	-	3,000
Debt Service - Principal	15,561	15,561	15,561	
Debt Service - Interest	5,081	5,081	5,081	
DEP Permits	6,333	6,333	6,325	8
Total Sewer Utility Appropriations	\$ 144,100	\$ 144,100	\$ 109,249	\$ 34,851

REF.

D-2

D

	Paid	D-4	\$ 109,248
Charged - Encumbered		D	1
			<u>\$ 109,249</u>

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

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

E

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Cash and Cash Equivalents	E-1	\$ 8,715	\$ 8,702
TOTAL ASSETS		<u>\$ 8,715</u>	<u>\$ 8,702</u>

LIABILITIES AND RESERVES

Reserve for Public Assistance	\$ 8,715	\$ 8,702
TOTAL LIABILITIES AND RESERVES	<u>\$ 8,715</u>	<u>\$ 8,702</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, 2014

F

	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
General Fixed Assets:		
Land and Buildings	\$ 37,075,102	\$ 37,075,102
Machinery and Equipment	9,719,572	9,483,196
 Total General Fixed Assets	 <u>\$ 46,794,674</u>	 <u>\$ 46,558,298</u>
 Investment In General Fixed Assets	 <u>\$ 46,794,674</u>	 <u>\$ 46,558,298</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>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
Cash and Cash Equivalents	\$ 1,622	\$ 2,695
TOTAL ASSETS	<u>\$ 1,622</u>	<u>\$ 2,695</u>
 LIABILITIES AND RESERVES 		
Payroll Deductions Payable	\$ 1,622	\$ 2,695
TOTAL LIABILITIES AND RESERVES	<u>\$ 1,622</u>	<u>\$ 2,695</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, 2014

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, 2014

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, 2014

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, 2014

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, 2014

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, 2014

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014, 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, 2014

Note 2: CASH AND CASH EQUIVALENTS (Continued)

As of December 31, 2014, cash and cash equivalents of the municipality consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking	\$ <u>8,628,879</u>	\$ <u>8,628,879</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2014, was \$8,628,879 and the bank balance was \$8,914,239. 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 \$8,177,511 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	\$ 18,486,000		\$ 1,189,000	\$ 17,297,000
Bond Anticipation Notes	1,915,000		1,415,000	500,000
Loans Payable-State of New Jersey	278,278		253,770	24,508
Loans Payable-Oldwick Sewer Fund	105,456		15,561	89,895
Compensated absences payable	None			None
Total Long-Term Debt	<u>\$ 20,784,734</u>	-	<u>\$ 2,873,331</u>	<u>\$ 17,911,403</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>2014</u>	YEAR <u>2013</u>	YEAR <u>2012</u>
Issued			
General:			
Bonds and Notes	\$ 17,821,508	\$ 20,679,278	\$ 19,983,843
Sewer Utility:			
Bonds and Notes	89,895	105,456	120,268
Net Debt Issued	<u>17,911,403</u>	<u>20,784,734</u>	<u>20,104,111</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 3: LONG-TERM DEBT (Continued)

Authorized But Not Issued

General:			
Bonds and Notes	50,000	160,797	271,110
Sewer Utility:			
Bonds and Notes	NONE	NONE	NONE
Total Authorized But Not Issued	50,000	160,797	271,110
Total Deductions	(417,711)	(410,353)	(442,091)
Net Bonds and Notes Issued and Authorized But Not Issued	\$ 17,543,692	\$ 20,535,178	\$ 19,933,130

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 1.075%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 7,764,943	\$ 7,764,943	
Utility Debt	89,895	89,895	-
General Debt	17,871,508	327,816	\$ 17,543,692
	\$ 25,726,346	\$ 8,182,654	\$ 17,543,692

Net Debt \$ 17,543,692 Divided by Equalized Valuation Basis per
N.J.S.A. 40A:2-2 as amended, \$ 1,631,784,009 equals 1.075%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 57,112,440
Net Debt	17,543,692
Remaining Borrowing Power	\$ 39,568,748

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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
2015	\$ 1,233,508	\$ 565,971	\$ 16,349	\$ 4,393
2016	1,256,000	517,565	17,177	3,465
2017	1,283,000	468,671	18,046	2,596
2018	1,299,000	420,991	18,960	1,682
2019	1,291,000	375,454	19,363	722
2020-2039	10,959,000	3,122,759	-	-
	<u>\$ 17,321,508</u>	<u>\$ 5,471,411</u>	<u>\$ 89,895</u>	<u>\$ 12,858</u>

General Obligation Bonds and Loans

The Township has outstanding at December 31, 2014, a New Jersey Environmental Infrastructure Trust Loan, dated November 1, 1995, in the amount of \$24,508. This note matures on August 1, 2015. The interest rate on the note is at 2%. 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, 2014, was \$2,555,000. Outstanding bond 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, 2014, was \$838,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

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, 2014, was \$4,411,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 3: LONG-TERM DEBT (Continued)

General Obligation Bonds and Loans (Continued)

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, 2014, was \$9,493,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

The Township has outstanding at December 31, 2014, a loan from Farmer's Home Administration for sewer line improvements in the amount of \$89,895. This note was originally issued December 1979 in the amount of \$355,500. This note matures on December 1, 2019. The interest rate on the note is at 5%. Principal on this note is paid on a semiannual basis from the sewer utility fund budget of the Township.

Bond Anticipation Notes

The Township has outstanding at December 31, 2014, bond anticipation notes in the amount of \$500,000 payable to Peapack-Gladstone Bank.. These notes mature on October 8, 2015. The interest rate on the notes are 0.49%. Principal and interest on this note is paid from the current fund.

	Debt <u>Outstanding</u>
Total General Capital Bonds, Loans and Notes Above	\$ 17,821,508
Total Sewer Utility Bonds, Loans and Notes Above	<u>89,895</u>
Total Debt Issued and Outstanding	<u><u>\$ 17,911,403</u></u>

Note 4: GENERAL FIXED ASSETS

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

	Balance <u>1/1/14</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/14</u>
Land and Buildings	\$ 37,075,102	-		\$ 37,075,102
Machinery and Equipment	9,483,196	\$ 236,376	-	9,719,572
	<u>\$ 46,558,298</u>	<u>\$ 236,376</u>	-	<u><u>\$ 46,794,674</u></u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 5: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015, were as follows:

Current Fund	\$2,196,795	(Introduced Budget)
Sewer Utility Fund	\$21,800	(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, 2014, the Township recorded the following deferred charges which are included in the following budgets:

	<u>Balance</u> <u>12/31/14</u>	<u>Raised as</u> <u>2015 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	\$ 50,000	\$ 10,000	\$ 40,000
	<u>\$ 50,000</u>	<u>\$ 10,000</u>	<u>\$ 40,000</u>

The appropriations in the 2015 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>12/31/14</u>	LOCAL DISTRICT <u>SCHOOL TAX</u> BALANCE <u>12/31/14</u>	BALANCE <u>12/31/13</u>	TOTAL DEFERRED TAX <u>12/31/13</u>	REGIONAL <u>HIGH SCHOOL TAX</u> BALANCE <u>12/31/14</u>	BALANCE <u>12/31/13</u>
Balance of Tax	\$ 6,008,032	\$ 5,954,793		\$ 4,219,726	\$ 3,843,106	
Deferred		<u>5,520,004</u>	<u>5,520,004</u>	<u>3,227,166</u>	<u>3,227,166</u>	
Tax Payable	\$ <u>488,028</u>	\$ <u>434,789</u>		\$ <u>992,560</u>	\$ <u>615,940</u>	
Tax Deferred	<u>\$ 8,747,170</u>			<u>\$ 8,747,170</u>		

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014

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 PFRS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2014	\$309,401	100%	-0-
2013	\$341,807	100%	-0-
2012	\$339,005	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, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. 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 benefits 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 employer paid 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 \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

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, 2014

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 \$262,078. 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	\$ 1,765	\$ 299,599
Federal/State Grants Fund	22,271	-
General Capital Fund	-	1,737
Other Trust Funds	<u>277,328</u>	<u>28</u>
	<u>\$ 301,364</u>	<u>\$ 301,364</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

	REF.	CURRENT FUND
Balance December 31, 2013	A	\$ 6,786,906
Increased by Receipts:		
Amount Due Other Agencies	A	\$ 7,498
Miscellaneous Revenue Not Anticipated	A-2	34,802
Collector	A-5	31,994,560
Revenue Accounts Receivable	A-8	2,577,806
Senior Citizens/Veterans Deductions	A-17	40,750
Federal/State Grant Funds	A-18	22,633
Federal/State Grant Funds	A-20	6,684
Reserve for Police	A-23	5,500
Marriage License Fees	A-26	350
DCA Fees	A-27	<u>20,203</u>
		<u>34,710,786</u>
		41,497,692
Decreased by Disbursements:		
Reimburse General Capital Fund	C	110,238
Refund Prior Year Revenue	A-1	320,521
2013 Appropriation Reserves	A-9	173,574
Reserve for Encumbrances	A-10	7,810,990
Tax Overpayments Refunded	A-12	106,135
County Taxes	A-13	6,077,343
Local District School Tax	A-14	11,683,872
Regional District School Tax	A-15	8,062,833
Municipal Open Space Tax to Trust Fund	A-16	682,376
Federal/State Grant Funds	A-19	20,972
Reserve for Trees	A-21	5,349
Reserve for Liens and Tax Sale Premium Payments	A-22	15,600
Reserve for Police	A-23	3,829
Reserve for Additional Aid to Fire Companies	A-25	29,514
Marriage License Fees	A-26	450
DCA Fees	A-27	<u>20,379</u>
		<u>35,123,975</u>
Balance December 31, 2014	A	<u>\$ 6,373,717</u>

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

Received:

Interest and Costs on Taxes	A-2	\$ 79,576	
Miscellaneous	A-2	508	
Taxes Receivable	A-6	31,375,356	
2015 Prepaid Taxes	A-11	251,002	
Tax Overpayments	A-12	30,747	
Outside Liens	A-12	90,471	
Reserve for Tax Sale Premiums	A-22	<u>166,900</u>	<u>\$ 31,994,560</u>

Decreased by Disbursements:

Payments to Treasurer	A-4		<u>\$ 31,994,560</u>
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CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

A-6

<u>YEAR</u>	<u>BALANCE</u>	<u>ADDED</u>	<u>2014</u>	<u>CASH COLLECTIONS</u>		<u>TRANSFERRED</u>	<u>OVERPAID</u>	<u>CANCELLED</u>	<u>BALANCE</u>
	<u>12/31/13</u>	<u>TAXES</u>	<u>LEVY</u>	<u>2013</u>	<u>2014</u>	<u>TO TAX</u>	<u>APPLIED</u>		<u>12/31/14</u>
2005	\$ 771								\$ 771
2006	52								52
2008	46								46
2012	421								421
2013	309,170	\$ 8,283			\$ 317,453				-
	310,460	8,283			317,453	-		-	1,290
2014			\$ 31,664,401	\$ 195,004	31,098,653	\$ 2,488	\$ 3,695	\$ 83,338	281,223
TOTALS	\$ 310,460	\$ 8,283	\$ 31,664,401	\$ 195,004	\$ 31,416,106	\$ 2,488	\$ 3,695	\$ 83,338	\$ 282,513

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

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

A-2	\$ 40,750
A-5	<u>31,375,356</u>
	<u>\$ 31,416,106</u>

ANALYSIS OF PROPERTY TAX LEVY:

Tax Yield:

General Purpose Tax	\$ 30,884,118
Special Purpose Tax	677,404
Added/Omitted Taxes (54:4-63.1 et.seq.)	<u>102,879</u>
	<u>\$ 31,664,401</u>

Tax Levy:

	<u>REF.</u>		
Local District School Tax	A-14	\$ 11,737,111	
Regional High School Tax	A-15	8,439,453	
Municipal Open Space Tax	A-16	679,667	
County Taxes:			
County Tax (Abstract)	A-13	\$ 5,037,262	
County Library Tax (Abstract)	A-13	504,257	
County Open Space Tax	A-13	490,420	
Due County for Added and Omitted Taxes(54.4-63.1,et.seq.)	A-13	<u>20,263</u>	6,052,202
Local Tax for Municipal Purposes	A-2		4,669,114
Add: Additional Tax Levied			<u>86,854</u>
			<u>\$ 31,664,401</u>

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 58,666
Increased by:		
Transfers from Taxes Receivable	A-6	<u>2,488</u> 61,154
Balance December 31, 2014	A	<u>\$ 61,154</u>

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-8

	<u>REF.</u>	<u>ACCRUED</u> <u>IN 2014</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 4,000	\$ 4,000
Other - Clerk	A-2	2,252	2,252
Fees and Permits	A-2	80,693	80,693
Municipal Court:			
Fines and Costs	A-2	66,712	66,712
Interest on Investments and Deposits	A-2	10,486	10,486
Energy Receipts Tax	A-2	516,103	516,103
Uniform Construction Code Fees	A-2	374,414	374,414
Califon Borough - Uniform Construction Codes	A-2	69,718	69,718
Hunters Glen Sewer Utility - Debt Service	A-2	26,545	26,545
Open Space Trust Fund Reserve - Debt Service	A-2	675,000	675,000
Capital Fund Balance	A-2	22,335	22,335
Reserve Capital Fund - Debt Service	A-2	683,000	683,000
Municipal Lease	A-2	34,581	34,581
Fire Safety Fees	A-2	11,967	11,967
 Totals		 <u>\$ 2,577,806</u>	 <u>\$ 2,577,806</u>
 REF.		 A-2	 A-4

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

A-9
Sheet 1

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/13</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
General Administration:				
Other Expenses	\$ 10,694	\$ 4,035	\$ 2,801	\$ 1,234
Mayor and Committee:				
Other Expenses	40	740	700	40
Financial Administration:				
Other Expenses	1,311	2,691	2,691	-
Tax Assessment:				
Other Expenses	1,870	2,045	2,000	45
Bartles Wastewater:				
Salaries and Wages	1,547	1,547	363	1,184
Other Expenses	3,993	4,509	2,728	1,781
Legal Services (Legal Dept.):				
Other Expenses	6,145	8,184	4,254	3,930
Engineering:				
Other Expenses	9,413	9,413	8,423	990
Public Building and Ground:				
Other Expenses	644	1,673	1,641	32
Land Use:				
Other Expenses	1,653	1,741	124	1,617
Special Projects	1,540	13,540		13,540
Insurance:				
Group Health	13,647	14,492	2,210	12,282
Other Insurance	1,346	1,346	65	1,281
Police:				
Salaries and Wages	8,363	8,363	8,363	-
Other Expenses	793	1,794	1,160	634
PBA Contract Expenses	695	898	337	561
Emergency Management:				
Other Expenses	1,682	1,769	87	1,682
Streets and Road Maintenance:				
Other Expenses	3,852	23,494	22,657	837
Board of Health:				
Other Expenses	667	667	401	266
Park Maintenance:				
Other Expenses	6,842	9,493	339	9,154
Audit Services:				
Other Expenses		18,490	18,490	-
Computerized Data Processing:				
Other Expenses	6,670	8,670	172	8,498
Fleet Maintenance:				
Other Expenses	16,205	56,815	40,816	15,999
Garbage and Trash Removal:				
Other Expenses	1,629	2,874	1,245	1,629

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013 - (Continued)

A-9
Sheet 2

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/13</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
Unclassified:				
Natural Gas	4,412	4,412	2,947	1,465
Telecommunications	1,132	5,304	2,818	2,486
Gasoline and Diesel	4,575	14,475	12,604	1,871
Telephone	5,343	5,558	1,805	3,753
Street Lighting	260	1,079	819	260
Electricity	3,471	4,395	1,183	3,212
Water and Hydrants	4,564	6,064	1,526	4,538
Municipal Court:				
Other Expenses	2,770	3,552	2,919	633
Code Enforcement:				
Other Expenses	3,105	3,605	344	3,261
Lease of Equipment	2,255	2,833	1,501	1,332
LOSAP		63,000	23,041	39,959
Other Accounts - No Change	147,555	147,555		147,555
TOTALS	<u>\$ 280,683</u>	<u>\$ 461,115</u>	<u>\$ 173,574</u>	<u>\$ 287,541</u>

	A		A-4		A-1
Appropriation Reserve		\$ 280,683			
Encumbrances	A-10	<u>180,432</u>			
		<u>\$ 461,115</u>			

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-10

	<u>REF.</u>		
Balance December 31, 2013	A	\$	186,386
Increased by:			
Encumbrances Added	A-3	\$	13,452
Transfer from Current Year Appropriations	A-3	<u>7,901,650</u>	<u>7,915,102</u>
			8,101,488
Decreased by:			
Encumbrances Cancelled			
Prior Year Encumbrances Transferred to Appropriation Reserve	A-9	180,432	
Prior Year Encumbrances Cancelled		5,954	
Cash Disbursements	A-4	<u>7,810,990</u>	<u>7,997,376</u>
Balance December 31, 2014	A	\$	<u>104,112</u>

CURRENT FUND
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-11

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 195,004
Increased by:		
2015 Taxes Collected in Advance	A-5	<u>251,002</u>
		446,006
Decreased by:		
Applied to 2014 Taxes Receivable	A-6	<u>195,004</u>
Balance December 31, 2014	A	<u>\$ 251,002</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

A-12

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 10,265
Increased by:		
2014 Tax Overpayments	A-5	\$ 30,747
Outside Liens	A-5	<u>90,471</u>
		<u>121,218</u>
		131,483
Decreased by:		
Applied	A-6	3,695
Outside Liens - Transfer to Due Other Trust	A-22	13,715
Refunded-Outside Liens	A-4	76,755
Refunded-Tax Overpayments	A-4	<u>29,380</u>
		<u>123,545</u>
Balance December 31, 2014		<u>\$ 7,938</u>

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

A-13

REF.

Balance December 31, 2013		\$ 45,404
Increased by:		
2014 Levy:		
County Taxes	A-1:6	\$ 5,037,262
County Library Taxes	A-1:6	504,257
County Open Space Tax	A-1:6	490,420
County Added and Omitted Taxes	A-1:6	<u>20,263</u>
		<u>6,052,202</u>
		6,097,606
Decreased by:		
Payments	A-4	<u>6,077,343</u>
Balance December 31, 2014		<u>\$ 20,263</u>

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-14

REF.

Balance December 31, 2013:

School Tax Payable		\$ 434,789	
School Tax Deferred	A	<u>5,520,004</u>	\$ 5,954,793

Increased by:

Levy - School Year July 1, 2014 to June 30, 2015	A-6		<u>11,737,111</u>
			17,691,904

Decreased by:

Payments	A-4		<u>11,683,872</u>
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Balance December 31, 2014:

School Tax Payable		A 488,028	
School Tax Deferred		<u>5,520,004</u>	<u>\$ 6,008,032</u>

2014 Liability for Local District School Tax:

Tax Paid			\$ 11,683,872
Tax Payable 12/31/14			<u>6,008,032</u>
			17,691,904

Less -- Tax Payable 12/31/13			<u>5,954,793</u>
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Amount Charged to 2014 Operations	A-1		<u>\$ 11,737,111</u>
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CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

A-15

	<u>REF.</u>		
Balance December 31, 2013:			
School Tax Payable	A	\$ 615,940	
School Tax Deferred		<u>3,227,166</u>	\$ 3,843,106
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015	A-6		<u>8,439,453</u>
			12,282,559
Decreased by:			
Payments	A-4		<u>8,062,833</u>
Balance December 31, 2014:			
School Tax Payable	A	992,560	
School Tax Deferred		<u>3,227,166</u>	<u>\$ 4,219,726</u>
2014 Liability for Regional District School Tax:			
Tax Paid			\$ 8,062,833
Add -- Tax Payable 12/31/14			<u>4,219,726</u>
			12,282,559
Less -- Tax Payable 12/31/13			<u>3,843,106</u>
Amount Charged to 2014 Operations	A-1		<u>\$ 8,439,453</u>

CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX

A-16

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 4,972
Increased by:		
Levy - 2014	A-1:A-6	\$ 677,404
Added Levy	A-1:A-6	<u>2,263</u>
		<u>\$ 679,667</u>
		684,639
Decreased by:		
Payments to Other Trust Fund	A-4	<u>682,376</u>
Balance December 31, 2014	A	<u>\$ 2,263</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, 2013	A	\$ 5,989
Increased by:		
Received in Cash From State	A-4	<u>40,750</u> 46,739
Decreased by:		
Senior Citizens Deductions per Tax Billings		\$ 3,250
Veterans Deductions per Tax Billings		37,500
Sr and Vet Disallowed		<u>-</u> <u>40,750</u>
Balance December 31, 2014	A	<u>\$ 5,989</u>

CURRENT FUND
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-18

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/14</u>
Clean Communities	\$	24,126	\$ 22,633	\$ 1,493	
Totals	<u>-</u>	<u>\$ 24,126</u>	<u>\$ 22,633</u>	<u>\$ 1,493</u>	<u>-</u>
REF.	A	A-2	A-4	A-19	A

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-19

	<u>BALANCE</u> <u>12/31/13</u>	TRANSFER FROM 2014 BUDGET <u>APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/14</u>
Clean Communities - CY 14	-	\$ 24,126	\$ 17,394	\$ 1,493	\$ 5,239
Clean Communities - CY 13	-	3,578	3,578		-
Tonnage Grant	\$ 805	3,365			4,170
Storm Water Management Grant - 2008	1,491				1,491
Body Armor Replacement Fund	976	1,414			2,390
US Forest Service Grant	236				236
ANJEC Grant	-	300			300
Totals	\$ 3,508	\$ 32,783	\$ 20,972	\$ 1,493	\$ 13,826

A	A-3	A-4	A-18	A
A-18	\$ 24,126			
A-20	8,657			
	<u>\$ 32,783</u>			

CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-20

	<u>BALANCE</u> <u>12/31/13</u>	<u>TRANSFER</u> <u>TO</u> <u>2014 BUDGET</u> <u>APPROPRIATIONS</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/14</u>
Body Armor Replacement Fund	\$ 1,413	\$ 1,413	\$ 1,175	\$ 1,175
Recycling Grant	3,366	3,366	5,509	5,509
Clean Communities	3,578	3,578		-
ANJEC Grant	300	300		-
Totals	<u>\$ 8,657</u>	<u>\$ 8,657</u>	<u>\$ 6,684</u>	<u>\$ 6,684</u>
	A	A-19	A-4	A

CURRENT FUND
SCHEDULE OF RESERVE FOR TREES

	A-21
	<u>REF.</u>
Balance December 31, 2013	A \$ 45,166
Decreased by:	
Payments	A-4 <u> 5,349</u>
Balance December 31, 2014	A <u>\$ 39,817</u>

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

A-22

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 60,050
Increased by:		
Transfer Receipt of Outside Liens from Collector	A-12	\$ 13,715
Receipts-Premiums	A-5	<u>166,900</u>
		<u>180,615</u>
		240,665
Decreased by:		
Payments-Premiums	A-4	<u>15,600</u>
Balance December 31, 2014	A	<u>\$225,065</u>
<u>Detail:</u>		
Tax Sale Premiums		\$211,350
Outside Liens		<u>13,715</u>
		<u>\$225,065</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR POLICE DONATIONS AND CONTRACT SETTLEMENT

A-23

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 500
Increased by:		
Donation	A-4	<u>5,500</u>
		6,000
Decreased by:		
Purchases of Police Equipment - Donation	A-4	<u>3,829</u>
Balance December 31, 2014	A	<u>\$ 2,171</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR VARIOUS

A-24

REF.

Balance December 31, 2013	A	\$ 4,474
Balance December 31, 2014	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

REF.

Balance December 31, 2013	A	\$ 29,521
Decreased by:		
Purchase Fire Company Equipment and Maintenance	A-4	<u>29,514</u>
Balance December 31, 2014	A	<u>\$ 7</u>

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

A-26

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 175
Increased by:		
Receipts	A-4	<u>350</u>
		525
Decreased by:		
Expenditures	A-4	<u>450</u>
Balance December 31, 2014	A	<u>\$ 75</u>

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

A-27

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 7,132
Increased by:		
Fees	A-4	<u>20,203</u> 27,335
Decreased by:		
Payments - State of New Jersey	A-4	<u>20,379</u>
Balance December 31, 2014	A	<u>\$ 6,956</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR SNOW/STORMS DUE OTHER TRUST

A-28

REF.

Increased by:

Budgeted Appropriation	A-3	<u>\$ 50,000</u> 50,000
Balance December 31, 2014	A	<u>\$ 50,000</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, 2013	B	\$ 12,370	\$ 1,333,773
Increased by Receipts:			
Dog License Fees	B-3	11,522	
State Dog License Fees	B-4	1,540	
Amount Due Current Fund	B-5/6	28	4,972
Developers Escrow Deposits	B-7		80,293
Unemployment Trust	B-8		3,089
Whittemore Trust Deposits	B-9		26,081
Accumulated Leave Deposits	B-10		240,556
Developers Housing Deposits	B-11		27,482
Open Space Deposits	B-12		1,003,077
Outside Police Duty	B-13		1,879
Total Receipts		13,090	1,387,429
		25,460	2,721,202
Decreased by Disbursements:			
Administrative Expenses	B-3	7,355	
State Dog License Fees	B-4	1,555	
Amount Due Current Fund	B-5/6	3	
Developers Escrow Deposits	B-7		109,452
Unemployment Trust	B-8		1,546
Whittemore Trust Deposits	B-9		23,798
Accumulated Leave Deposits	B-10		181,579
Developers Housing Deposits	B-11		70,028
Open Space Deposits	B-12		906,089
Outside Police Duty	B-13		3,345
Total Disbursements		8,913	1,295,837
Balance December 31, 2014	B	\$ 16,547	\$ 1,425,365

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>		
Balance December 31, 2013	B	\$	12,352
Increased by:			
Dog License Fees Collected	B-2		<u>11,522</u> 23,874
Decreased by:			
Administrative Expenses	B-2		<u>7,355</u>
Balance December 31, 2014	B	\$	<u>16,519</u>

LICENSE FEES COLLECTED

CY 2012	\$		12,344
CY 2013			<u>11,055</u>
	\$		<u>23,399</u>

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

B-4

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 15
Increased by:		
Collected in 2014:		
State Board of Health Fees	B-2	<u>1,540</u> 1,555
Decreased By:		
Payments	B-2	<u>\$ 1,555</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND
DOG LICENSE FUND

B-5

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 3
Increased by:		
Interest Credits Due Current Fund	B-2	<u>28</u> 31
Decreased by:		
Interfund Returned	B-2	<u>3</u>
Balance December 31, 2014	B	<u>\$ 28</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE OTHER FUNDS
OTHER TRUST FUND

B-6

	<u>REF.</u>		
Balance December 31, 2013	B	\$	65,022
Increased by:			
Added/Omitted Taxes Due to Municipal Open Space Fund	B-12	\$	2,263
Budgeted Appropriation - Snow Reserve Trust	B-16		50,000
Outside liens Received in Current Fund and Due Trust Fund	B-17		87,840
Tax Sale Premiums Received in Current Fund and Due Trust Fund	B-15		<u>166,900</u>
			<u>307,003</u>
			372,025
Decreased by:			
Interfund Returned Prior Year Added/Omitted-Open Space Trust	B-2		4,972
Outside liens Paid in Current Fund	B-17		74,125
Tax Sale Premiums Paid in Current Fund	B-15		<u>15,600</u>
			<u>94,697</u>
Balance December 31, 2014	B	\$	<u>277,328</u>

Tax Sale Premiums	\$	211,350
Outside Liens		13,715
Snow Removal Trust		50,000
Open Space Tax		<u>2,263</u>
		<u>\$ 277,328</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW TRUST FUND DEPOSITS

B-7

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 199,415
Increased by:		
Escrow Deposits	B-2	<u>80,293</u>
		279,708
Decreased by:		
Escrow Refunds	B-2	<u>109,452</u>
Balance December 31, 2014	B	<u>\$ 170,256</u>

TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-8

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 58,700
Increased by:		
Receipts	B-2	<u>3,089</u>
		61,789
Decreased by:		
Quarterly Unemployment Charges	B-2	<u>1,546</u>
Balance December 31, 2014	B	<u>\$ 60,243</u>

TRUST FUND
SCHEDULE OF RESERVE FOR WHITTEMORE TRUST DEPOSITS
TRUST DEPOSITS

B-9

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 35
Increased by:		
Escrow Deposits	B-2	<u>26,081</u>
		26,116
Decreased by:		
Escrow Refunds	B-2	<u>23,798</u>
Balance December 31, 2014	B	<u>\$ 2,318</u>

TRUST FUND
SCHEDULE OF RESERVE FOR ACCUMULATED LEAVE DEPOSITS

B-10

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 91,032
Increased by:		
Escrow Deposits	B-2	<u>240,556</u>
		331,588
Decreased by:		
Escrow Refunds	B-2	<u>181,579</u>
Balance December 31, 2014	B	<u>\$ 150,009</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS HOUSING DEPOSITS

B-11

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 58,384
Increased by:		
Escrow Deposits	B-2	<u>27,482</u>
		85,866
Decreased by:		
Escrow Refunds	B-2	<u>70,028</u>
Balance December 31, 2014	B	<u>\$ 15,838</u>

TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST FUND

B-12

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 929,113
Increased by:		
Open Space Levy	B-2	\$ 677,404
Open Space Levy - Added	B-6	2,263
Green Acres Program Grant - Water Street for Debt Service	B-2	325,000
Interest Credits	B-2	673
		<u>1,005,340</u>
		1,934,453
Decreased by:		
Open Space Reserve Anticipated as Revenue in Current Fund	B-2	675,000
Payoff of Open Space Debt - Green Acres Loan	B-2	231,089
		<u>906,089</u>
Balance December 31, 2014	B	<u>\$ 1,028,364</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OUTSIDE POLICE DUTY DEPOSITS

B-13

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 1,507
Increased by:		
Police Deposits	B-2	<u>1,879</u>
		3,386
Decreased by:		
Police Refunds	B-2	<u>3,345</u>
Balance December 31, 2014	B	<u><u>41</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR RUTHE MUELLER TRUST

B-14

	<u>REF.</u>	
Balance December 31, 2013	B	<u>\$ 559</u>
Balance December 31, 2014	B	<u>\$ 559</u>

TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS DEPOSITS

B-15

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 60,050
Increased by:		
Tax Sale Premiums Received in Current Fund	B-6	<u>166,900</u>
		226,950
Decreased by:		
Tax Sale Premiums Paid in Current Fund	B-6	<u>15,600</u>
Balance December 31, 2014	B	<u>\$ 211,350</u>

TRUST FUND
SCHEDULE OF RESERVE FOR SNOW REMOVAL TRUST

B-16

REF.

Increased by:

Budget Appropriation	B-6	<u>\$ 50,000</u> 50,000
Balance December 31, 2014	B	<u>\$ 50,000</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OUTSIDE LIEN TRUST

B-17

REF.

Increased by:

Tax Sale Premiums Received in Current Fund and Due Trust Fund	B-6	<u>\$ 87,840</u>
		87,840

Decreased by:

Tax Sale Premiums Paid in Current Fund	B-6	<u>74,125</u>
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Balance December 31, 2014	B	<u>\$ 13,715</u>
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GENERAL CAPITAL FUND SCHEDULES

GENERAL CAPITAL FUND
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2013	C	\$	226,802
Increased by Receipts:			
Reimbursement from Hunter's Glen Sewer Fund	C-1	\$	22,100
Reimbursement from Current Fund - Interfund Balance	C-3		263,333
Funding from Current Fund from Prior Year Grants Receipts	C-4		313,000
Current Fund Budgeted Appropriation - Capital Improvement Fund	C-8		400,000
FEMA Reimbursement - Superstorm Sandy	C-13		1,682,413
Interest Credits	C-3		1,736
			<u>2,682,582</u>
			2,909,384
Decreased by Disbursements:			
Prior Year Encumbrances Paid	C-7		75,677
Improvements Authorizations Paid	C-11		483,179
Additional Paydown of Superstorm Sandy BAN	C-13		1,415,000
Debt Service Reserve Anticipated as Revenue in Current Fund Budget	C-13		300,000
Reserve Disbursements	C-13		930
Capital Fund Balance Anticipated as Revenue in Current Fund Budget	C-1		22,335
			<u>2,297,121</u>
Balance December 31, 2014	C	\$	<u>612,263</u>

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-3

REF.

Balance December 31, 2013	C		\$ (110,238)
Increased by:			
Interest Credits	C-2	\$ 1,736	
Improvement Authorizations Paid by Current Fund	C-11	13,208	
Reimbursement from Current Fund - Current Year Activity	C-2	153,095	
Reimbursement from Current Fund - Prior Year Interfund Balance	C-2	<u>110,238</u>	<u>278,277</u>
			168,039
Decreased by:			
FEMA Reimbursements Received in Current Fund	C-13	55,505	
Deferred Charges Appropriated in Current Fund Budget	C-6	<u>110,797</u>	<u>166,302</u>
Balance December 31, 2014	C		<u>\$ 1,737</u>

GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS RECEIVABLE

	<u>REF.</u>		C-4
Balance December 31, 2013	C	\$	313,000
Decreased by:			
Funding from Current Fund from Prior Year Grants Receipts	C-2	\$	313,000

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

	<u>REF.</u>	
Balance December 31, 2013	C	C-5 \$ 18,764,278
Decreased by:		
2014 Budget Appropriations - Loans Payable	C-9	\$ 253,770
2014 Budget Appropriations - Bond Principal	C-12	<u>1,189,000</u> <u>1,442,770</u>
Balance December 31, 2014	C	<u>\$ 17,321,508</u>

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

C-6

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE 12/31/13	<u>ANALYSIS OF BALANCE</u>				BALANCE 12/31/14	BOND ANTI- ANTICIPATION NOTES	BONDS/NOTES AUTHORIZED NOT ISSUED
			FEMA RESERVE BAN PRINCIPAL PAYMENTS	BUDGET APPROPRIATION BAN PRINCIPAL PAYMENTS	BUDGET APPROPRIATION DEFERRED CHARGES				
N/A	Acquisition of Development Easements	\$ 485			\$ 485	-		-	
21-1998	Purchase of Gurasich Property	50,000				\$ 50,000		\$ 50,000	
16-2003	Acquisition of Easement in Real Property	42,665			42,665	-		-	
22-2003	Purchase of Parcels of Real Estate	47,698			47,698	-		-	
23-2003	Purchase of First Aid Squad Building	3,749			3,749	-		-	
15-2005	Various Improvements	16,200			16,200	-		-	
74-2013	Superstorm Sandy-Repair and Reconstruction of Streets, Road or Bridges, or Other Public Property Damage	1,915,000	\$ 1,032,000	\$ 383,000		500,000	\$ 500,000	-	
		\$ 2,075,797	\$ 1,032,000	\$ 383,000	\$ 110,797	\$ 550,000	\$ 500,000	\$50,000	
	REF.	C	C-10	C-10	C-3	C	C-10		

GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES

C-7

	<u>REF.</u>	
Balance December 31, 2013	C	\$ 107,318
Increased by:		
Improvement Authorization Purchase Orders Issued	C-11	<u>107,300</u>
		214,618
Decreased by:		
Prior Year Purchase Orders Canceled	C-11	\$ 31,641
Payment of Prior Year Encumbrances	C-2	<u>75,677</u>
		<u>\$ 107,318</u>
Balance December 31, 2014	C	<u>\$ 107,300</u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

	<u>REF.</u>	
Balance December 31, 2013	C	\$ 11,483
Increased by:		
2014 Budget Appropriations	C-2	<u>400,000</u>
		411,483
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-11	<u>297,239</u>
Balance December 31, 2014	C	<u>\$ 114,244</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 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
New Jersey Green Trust Loan Program Department of Environmental Protection	1991	2015-2021	\$26,123 to \$30,631	2.0%	\$ 228,801	228,801	-
New Jersey Wastewater Treatment Trust Loan Program Department of Environmental Protection	11/1/1995	2015-2016	\$15,000	None	30,000	15,000	\$ 15,000
New Jersey Wastewater Treatment Fund Loan Program New Jersey Environmental Infrastructure Trust	11/1/1995	2015-2016	\$10,442 to \$9,508	4.0% to 5.5%	19,477	9,969	9,508
					\$ 278,278	\$ 253,770	\$ 24,508
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>BALANCE 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
74-2013	Special Emergency Notes - Superstorm Sandy	10/11/13	10/11/13	10/8/15	0.49%	\$ 1,915,000	\$ 1,415,000	\$ 500,000
						<u>\$ 1,915,000</u>	<u>\$ 1,415,000</u>	<u>\$ 500,000</u>

REF.

C

C-6

C

Budgeted Principal from FEMA Reserve	\$ 383,000
Additional Principal from FEMA Reserve	<u>1,032,000</u>
	<u>\$ 1,415,000</u>

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

C-13

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>12/31/14</u>
Reserve for McCann Mill Road		\$ 37,500	\$ 930	\$ 36,570
Debt Service	\$ 304,897		300,000	4,897
FEMA Reserve		1,737,918	1,415,000	322,918
	\$ 304,897	\$ 1,775,418	\$ 1,715,930	\$ 364,385

REF.

C		C-2	C
C-2	\$ 1,682,413		
C-3	55,505		
C-11	<u>37,500</u>		
	<u>\$ 1,775,418</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, 2013	D	\$ 36,866		\$ 25,100
Increased by Receipts:				
Water Rents	D-5	\$ 93,267		
Capital Improvement Fund Appropriation	D-3		\$ 5,000	
Miscellaneous Income	D-2	<u> -</u>	<u> 65</u>	<u> 5,065</u>
		130,133		30,165
Decreased by Disbursements:				
2013 Appropriation Reserve	D-7	2,702		
2014 Appropriations	D-3	<u>91,652</u>	<u>94,354</u>	<u> -</u>
Balance December 31, 2014	D	<u>\$ 35,779</u>		<u>30,165</u>

OLDWICK

	<u>REF.</u>	<u>OPERATING</u>		<u>CAPITAL</u>
Balance December 31, 2013	D	\$ 46,200		\$ 75,720
Increased by Receipts:				
Water Rents	D-5	\$ 119,914		
Capital Improvement Fund Appropriation	D-3			
Miscellaneous Income	D-2	<u> 6,090</u>	<u>126,004</u>	<u> 115</u>
		172,204		75,835
Decreased by Disbursements:				
2013 Appropriation Reserve	D-7	14,085		
Interfunds Returned to Operating Fund	D-1	-		
2014 Appropriations	D-3	<u>109,248</u>	<u>123,333</u>	<u> -</u>
Balance December 31, 2014	D	<u>\$48,871</u>		<u>\$75,835</u>

SEWER UTILITY FUND
SCHEDULE OF CASH - COLLECTOR

D-5

	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Increased by Receipts:				
Consumer Accounts Receivable Collections	D-6	\$ 91,010	\$ 119,188	\$ 210,198
Overpaid Rent		-	137	137
Prepaid Rent		<u>2,257</u>	<u>589</u>	<u>2,846</u>
		93,267	119,914	213,181
Decreased by Disbursements:				
Payment to Treasurer	D-4	<u>\$ 93,267</u>	<u>\$ 119,914</u>	<u>\$ 213,181</u>

SEWER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Balance December 31, 2013	D	\$ 1,025	\$ 3,124	\$ 4,149
Increased by:				
Water Rents Levied		<u>94,060</u>	<u>119,929</u>	<u>213,989</u>
		95,085	123,053	218,138
Decreased by:				
Pre-Paid in 2013	D	1,806	582	2,388
Collection	D-2:5	<u>91,010</u>	<u>119,188</u>	<u>210,198</u>
		92,816	119,770	212,586
Balance December 31, 2014	D	<u>\$ 2,269</u>	<u>\$ 3,283</u>	<u>\$ 5,552</u>

SEWER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

D-7

HUNTER'S GLEN

	<u>BALANCE</u> <u>12/31/13</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	\$ 2,439	\$ 2,439		\$ 2,439
Other Expenses	8,060	8,060	\$ 2,702	5,358
TOTALS	<u>\$ 10,499</u>	<u>\$ 10,499</u>	<u>\$ 2,702</u>	<u>\$ 7,797</u>

REF.

D

D-4

D-1

Appropriation Reserves	\$ 10,337
Encumbrances	<u>162</u>
	<u>\$ 10,499</u>

OLDWICK

	<u>BALANCE</u> <u>12/31/13</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	\$ 5,955	\$ 5,955		\$ 5,955
Other Expenses	14,085	14,085	\$ 14,085	-
TOTALS	<u>\$ 20,040</u>	<u>\$ 20,040</u>	<u>\$ 14,085</u>	<u>\$ 5,955</u>

REF.

D

D-4

D-1

Appropriation Reserves	\$ 6,277
Encumbrances	<u>13,763</u>
	<u>\$ 20,040</u>

SEWER UTILITY FUND
SCHEDULE OF FIXED CAPITAL
DECEMBER 31, 2014

D-8

	<u>Balance December 31, 2013</u>		<u>FIXED CAPITAL</u>	<u>Balance December 31, 2014</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 12/31/13</u>	<u>BALANCE 12/31/14</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 12/31/13</u>	<u>BALANCE FUNDED 12/31/14</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>REF.</u>	<u>GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Balance December 31, 2013	D	\$ 25,100	\$ 49,000	\$ 74,100
Increased by:				
Operating Fund Appropriation	D-3	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Balance December 31, 2014	D	<u>\$ 30,100</u>	<u>\$ 49,000</u>	<u>\$ 79,100</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, 2013	D	\$ 36,000	\$ 825,659	\$ 861,659
Increased by:				
General Electric Loan Paid by Sewer Operating Budget	D-3	-	15,561	15,561
		<u>36,000</u>	<u>841,220</u>	<u>877,220</u>
Balance December 31, 2014	D	<u>\$ 36,000</u>	<u>\$ 841,220</u>	<u>\$ 877,220</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 12/31/13</u>	<u>BALANCE 12/31/14</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, 2013	D	\$105,456
Decreased by:		
Principal Payments	D-12	<u>15,561</u>
Balance December 31, 2014	D	<u>\$ 89,895</u>

Schedule of Principal and Interest Payments

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 89,895</u>	<u>\$ 12,858</u>	<u>\$ 102,753</u>

PUBLIC ASSISTANCE FUND SCHEDULES

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

E-1

	<u>REF.</u>	P.A.T.F. <u>#1</u>	<u>FUND TOTAL</u>
Balance December 31, 2013	E	\$ 8,702	\$ 8,702
Increased by Receipts:			
Interest Credits		13	13
Total Receipts		<u>13</u>	<u>13</u>
		8,715	8,715
Balance December 31, 2014	E	<u>\$ 8,715</u>	<u>\$ 8,715</u>

SCHEDULE OF GENERAL FIXED ASSETS

GENERAL FIXED ASSETS
SCHEDULE OF ADDITIONS AND DELETIONS
DECEMBER 31, 2014

F-1

	<u>BALANCE</u> <u>12/31/13</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/14</u>
General Fixed Assets:				
Land and Buildings	\$ 37,075,102			\$ 37,075,102
Machinery and Equipment	9,483,196	\$ 236,376		9,719,572
Total General Fixed Assets	<u>\$ 46,558,298</u>	<u>236,376</u>	<u>-</u>	<u>\$ 46,794,674</u>
 Investment In General Fixed Assets	 <u>\$ 46,558,298</u>	 <u>\$ 236,376</u>	 <u>-</u>	 <u>\$ 46,794,674</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, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2013, at the rate or rates heretofore governing, and on all delinquents on and after January 2, 2014, 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, 2014 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, 2014, include real property taxes from the 2014, 2013, 2011, 2012, 2008, 2006 and 2005 tax levy.

The last tax sale was held on November 30, 2014 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>
2014	8
2013	8
2012	9

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 15, 2014. 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:

Type of Receivable - Real Property Tax Date of Circulars - November 15, 2014-Real Estate				
Verification Type	Request Form	Total No. of Items	Total No. of Circular	Total No. Returned
2014 Property Tax	Positive	3,150	60	17
2015 Property Tax	Positive	3,150	60	17
2014 Delinquent Tax	Negative	348	25	8

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 2014 Required <u>Implementation</u>	
	<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 2014</u>	<u>%</u>	<u>YEAR 2013</u>	<u>%</u>
Fund Balance Utilized	\$ 2,196,795	5.97%	\$ 2,196,795	6.11%
Miscellaneous - From Other Than				
Local Property Tax Levies	3,013,016	8.18%	2,745,976	7.63%
Collection of Delinquent Taxes and				
Tax Title Liens	317,453	0.86%	447,600	1.24%
Collection of Current Tax Levy	<u>31,297,352</u>	<u>84.99%</u>	<u>30,583,298</u>	<u>85.02%</u>
Total Income	<u>36,824,616</u>	<u>100.00%</u>	<u>35,973,669</u>	<u>100.00%</u>

EXPENDITURES

Budget Expenditures:				
Municipal Purposes	8,267,950	23.22%	7,892,440	23.10%
County Taxes	6,052,202	17.00%	6,063,937	17.75%
Local and Regional Taxes	20,176,564	56.66%	19,400,094	56.79%
Municipal Open Space Tax	679,667	1.91%	681,375	1.99%
Deferred Charges	110,797	0.31%	110,313	0.32%
Other Expenditures	<u>320,521</u>	<u>0.90%</u>	<u>11,389</u>	<u>0.03%</u>

Total Expenditures	<u>\$35,607,701</u>	<u>100.00%</u>	<u>\$34,159,548</u>	<u>100.00%</u>
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Excess (Deficit) Revenue Over Expenditures	1,216,915		1,814,121	
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Fund Balance January 1	4,748,270		5,130,944	
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Less:

Utilization as Anticipated Revenue	<u>2,196,795</u>		<u>2,196,795</u>	
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Fund Balance December 31	<u>\$ 3,768,390</u>		<u>\$ 4,748,270</u>	
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COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
SEWER UTILITY FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2014</u>	<u>%</u>	<u>YEAR 2013</u>	<u>%</u>
Operating Surplus	\$ 33,150	12.47%	\$ 52,150	18.55%
Rents	212,649	80.02%	210,839	75.00%
Miscellaneous	6,205	2.33%	5,131	1.83%
Other Credits to Income	<u>13,754</u>	<u>5.18%</u>	<u>13,008</u>	<u>4.63%</u>
Total Income	265,758	100.00%	281,128	100.00%

EXPENDITURES

Budget Expenditures:				
Operating	<u>242,300</u>	100.00%	<u>250,346</u>	100.00%
Excess in Revenue	23,458		30,782	
Fund Balance January 1	50,250		71,618	
Less:				
Utilization as Anticipated Revenue	<u>33,150</u>		<u>52,150</u>	
Fund Balance December 31	<u>\$ 40,558</u>		<u>\$ 50,250</u>	

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>\$2.325</u>	<u>\$2.271</u>	<u>\$2.254</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.343	\$0.345	\$0.345
Municipal Open Space Tax	\$0.050	\$0.050	\$0.050
County	\$0.446	\$0.445	\$0.448
Local School	\$0.865	\$0.865	\$0.865
Regional High School	\$0.621	\$0.567	\$0.546

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2014	\$1,357,409,229
2013	\$1,354,807,408
2012	\$1,353,300,353

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>
2014	\$ 31,664,401	\$ 31,297,352	98.84%
2013	\$ 30,992,663	\$ 30,583,298	98.67%
2012	\$ 30,621,678	\$ 30,087,564	98.25%

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>
2014	\$ 61,154	\$ 282,513	\$ 343,667	1.09%
2013	\$ 58,666	\$ 310,460	\$ 369,126	1.19%
2012	\$ 80,026	\$ 410,551	\$ 490,577	1.60%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2014 by foreclosure or deed as a result of liquidation of tax title liens.

Comparative Schedule of Fund Balances

<u>Current Fund</u>		Utilized	
<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>In Budget of Succeeding Year</u>	
		<u>Regular</u>	
2014	\$ 3,768,390	\$	2,196,795
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

Sewer Utility Fund

2014	\$ 40,558	\$	21,800
2013	\$ 50,250	\$	33,150
2012	\$ 71,618	\$	52,150
2011	\$ 42,993	\$	28,884
2010	\$ 47,262	\$	27,150

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>
Shaun C. Van Doren	Mayor		
Dana Desiderio	Committeeperson		
Peter Melick	Committeeperson		
Louis DiMare	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>
Marie Kenia (effective July 2014)	Certified Municipal Finance Officer	\$250,000	Selective Insurance Co.
Judie A. McGrorey (through July 2014)	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>
2014	\$156,982

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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Anthony Ardito, CPA, RMA, CMFO, PSA
Douglas R. Williams, CPA, 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 regulatory-basis financial statements of the Township of Tewksbury in the County of Hunterdon, State of New Jersey, as of and for the years ended December 31, 2014 and 2013, 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 April 13, 2015, 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 accounting principles generally accepted in the United States of America.

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
April 13, 2015



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
April 13, 2015

SCHEDULE OF FEDERAL/STATE AWARDS

SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014
N/A

Note: This Schedule was not subject to an audit in accordance with Federal OMB Circular A-133.

SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

STATE GRANTOR/ PROGRAM TITLE	ACCOUNT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/14	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/14
<u>DEPT. OF LAW AND PUBLIC SAFETY</u>									
Body Armor Grant	N/A	\$ 1,175	2014	A		\$ 1,175			\$ 1,175
Body Armor Grant	N/A		2013	A	\$ 1,413				1,413
Body Armor Grant	N/A		2012	A	676				676
Body Armor Grant	N/A		2011	A	301				301
<u>DEPT. OF ENVIR. PROTECTION</u>									
Solid Waste Admin.-Clean Communities Program	4900-765-178900	22,633	2014	A		22,633		\$ 17,394	5,239
			2013	A	3,578			3,578	-
Storm Water Management Grant	N/A	N/A	2006	A	1,491				1,491
Recycling Tonnage Grant		5,509	2014	A		5,509			5,509
			2013	A	3,366				3,366
			2012	A	805				805
<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	8,702	13			8,715
<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	300				300
TOTAL STATE ASSISTANCE					\$ 20,868	\$ 29,330	-	\$ 20,972	\$ 29,226

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, 2014

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 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. However, the Township was not subject to the single audit provisions of Federal OMB Circular A-133 or New Jersey OMB Circular NJOMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2014 as grant expenditures were less than the single audit thresholds of \$500,000, identified in the Circulars.

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, 2014

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 2014 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

- 2014-1 Two appropriation line items were created through budget transfers that were not part of the adopted 2014 budget. Additionally the budget transfers inappropriately transferred funds from "outside cap" appropriations to "inside cap" appropriations, which is prohibited by 40A:4-45.4a and 40A:4-45.38.

We recommend that the township adhere to N.J.S.A 40A:4-1 et. Seq. (New Jersey Local Budget Law)