

**TOWNSHIP OF DEERFIELD
COUNTY OF CUMBERLAND
REPORT OF AUDIT
FOR THE YEAR 2013**

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TOWNSHIP OF DEERFIELD
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Deerfield
Rosenhayn, New Jersey 08352

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Deerfield, in the County of Cumberland, State of New Jersey, as of December 31, 2013 and 2012, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Deerfield, in the County of Cumberland, State of New Jersey, as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Deerfield, in the County of Cumberland, State of New Jersey, as of December 31, 2013 and 2012, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2014 on our consideration of the Township of Deerfield's, in the County of Cumberland, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Deerfield's internal control over financial reporting.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 23, 2014

**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 Deerfield
Rosenhayn, New Jersey 08352

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Deerfield, in the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 23, 2014. That report indicated that the Township of Deerfield's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Deerfield'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 Township of Deerfield's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings Recommendations that we consider to be significant deficiency: 2013-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Township of Deerfield's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Schedule of Findings and Recommendations as findings no. 2013-1 and 2013-2.

The Township of Deerfield's Response to Findings

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

Purpose of this Report

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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 23, 2014

TOWNSHIP OF DEERFIELD

CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
As of December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
ASSETS			
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 2,836,210.38	\$ 3,050,426.65
Collector	SA-2	271,488.13	279,717.67
Change Fund	SA-3	325.00	325.00
Due from State of New Jersey (Ch.73, P.L.1976)	SA-6	18,767.71	17,224.54
		<u>3,126,791.22</u>	<u>3,347,693.86</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	156,320.25	152,016.01
Tax Title Liens Receivable	SA-5	128,735.47	104,987.57
Property Acquired for Taxes - Assessed Valuation	A	128,900.00	128,900.00
Revenue Accounts Receivable	SA-8	46,720.17	50,255.91
Due from General Capital Fund	SC-6	36,027.02	1,208.14
Due from Animal Control Trust Fund	SB-3	473.00	473.00
Due from Trust Other Fund	SB-5		8,381.23
		<u>497,175.91</u>	<u>446,221.86</u>
Deferred Charges:			
Emergency Appropriation	SA-7	5,646.00	
Expenditure without an Appropriation	SA-7	30,406.54	
		<u>36,052.54</u>	
		<u>3,660,019.67</u>	<u>3,793,915.72</u>
Federal, State and Other Grant Fund:			
Cash	SA-1	27,684.47	
Due from Current Fund	SA-20		17,329.80
Federal, State and Other Grants Receivable	SA-17	3,014.94	3,014.94
		<u>30,699.41</u>	<u>20,344.74</u>
		<u>\$ 3,690,719.08</u>	<u>\$ 3,814,260.46</u>

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
As of December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves	A-3;SA-9	\$ 109,438.67	\$ 215,296.65
Reserve for Encumbrances	A-3;SA-9	7,534.80	27,010.14
Accounts Payable	A	4,772.90	4,772.90
Payroll Deductions Payable	SA-10	3,382.51	616.77
Prepaid Taxes	SA-11	86,930.74	85,004.49
Tax Overpayments	SA-12	32,166.12	25,706.75
Reserve for Revaluation Program	A	18,423.98	18,423.98
Prepaid Payments in Lieu of Taxes (PILOT)	SA-1	6,000.00	
Reserve for CCIA Loan	SA-1	50,000.00	
Due to Federal, State and Other Grant Fund	SA-20		17,329.80
Due to Trust Other Fund	SB-5	13.05	
Due County for Added and Omitted Taxes	SA-14	10,928.24	9,270.74
Local District School Tax Payable	SA-15	1,245,478.51	1,267,456.03
Regional High School Tax Payable	SA-16	457,307.51	446,872.30
		<u>2,032,377.03</u>	<u>2,117,760.55</u>
Reserves for Receivables	A	497,175.91	446,221.86
Fund Balance	A-1	<u>1,130,466.73</u>	<u>1,229,933.31</u>
		<u>3,660,019.67</u>	<u>3,793,915.72</u>
Federal, State and Other Grant Fund:			
Reserve for:			
Federal, State and Other Grants Unappropriated	SA-18	6,805.32	5,109.31
Federal, State and Other Grants Appropriated	SA-19	23,894.09	15,235.43
		<u>30,699.41</u>	<u>20,344.74</u>
		<u>\$ 3,690,719.08</u>	<u>\$ 3,814,260.46</u>

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

TOWNSHIP OF DEERFIELD

CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 597,500.00	\$ 627,333.00
Miscellaneous Revenues Anticipated	926,279.67	1,055,778.07
Receipts from Delinquent Taxes	171,293.93	210,742.39
Receipts from Current Taxes	5,478,516.74	5,448,577.34
Nonbudget Revenues	132,007.11	84,904.76
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	191,390.91	172,672.40
Cancelation of Grant Reserves		70,678.61
Cancelation of Unallocated Receipts		7,042.74
Refund of Prior Year Expenditures	953.55	
Reserves Liquidated:		
Trust Other Fund	8,381.23	13,029.89
Animal Control Trust Fund		1,723.20
Federal, State and Other Grant Fund		28,836.79
General Capital Fund		40,831.86
	<u>7,506,323.14</u>	<u>7,762,151.05</u>
<u>Expenditures:</u>		
Budget Appropriations:		
Appropriations Within "CAPS"		
Operations (Salaries and Wages)	387,046.00	410,549.87
Operations (Other Expenses)	609,614.00	651,249.45
Statutory Expenditures	89,562.00	88,247.36
Appropriations Excluded from "CAPS"		
Operations (Salaries and Wages)	71,692.00	56,900.00
Operations (Other Expenses)	134,297.50	306,000.24
Capital Improvements	35,646.00	20,000.00
Debt Service	172,373.39	3,221.03
County Taxes	2,060,385.71	2,058,804.12
Due County for Added and Omitted Taxes	10,928.24	9,270.74
Local District School Tax	2,490,957.00	2,534,912.00
Regional High School District Tax	914,615.00	893,744.99
Prior Year Senior Citizens Disallowed	2,000.00	2,250.00
Refund of a Prior Year Revenue		320.00
Cancelation of Due from Employee		3,310.92
Cancelation of Grant Receivable		66,050.19
Transfer of Prior Year Revenue to Fire Safety Trust Fund		12,864.49
Reserves Created:		
General Capital Fund	34,818.88	
	<u>7,013,935.72</u>	<u>7,117,695.40</u>
Excess in Revenue (Carried Forward)	<u>492,387.42</u>	<u>644,455.65</u>

(Continued)

TOWNSHIP OF DEERFIELD

CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Excess in Revenue (Brought Forward)	\$ 492,387.42	\$ 644,455.65
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>5,646.00</u>	<u></u>
Statutory Excess to Fund Balance	498,033.42	644,455.65
<u>Fund Balance:</u>		
Fund Balance January 1	<u>1,229,933.31</u>	<u>1,212,810.66</u>
	1,727,966.73	1,857,266.31
Decreased by:		
Utilization as Anticipated Revenue	<u>597,500.00</u>	<u>627,333.00</u>
Fund Balance December 31	\$ <u><u>1,130,466.73</u></u>	\$ <u><u>1,229,933.31</u></u>

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

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2013

	Anticipated <u>Budget</u>	Special <u>N.J.S.A. 40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 597,500.00	\$	\$ 597,500.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	4,000.00		4,470.00	470.00
Other	750.00		772.00	22.00
Capital Fund Balance	53,000.00		53,000.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	300,406.00		300,406.00	
Uniform Construction Code Fees	58,000.00		30,340.00	(27,660.00)
Shared Services Agreements Offset with Appropriations:				
Zoning Officer - Lawrence Township	7,492.00		7,491.12	(0.88)
Additional Revenue Offset with Appropriations:				
EMS/Ambulance Service	72,000.00		58,506.62	(13,493.38)
Public and Private Revenues Offset With Appropriations:				
Recycling Tonnage Grant	5,109.31		5,109.31	
Clean Communities Grant		5,463.19	5,463.19	
Other Special Items of Revenues:				
Host Benefit Fee (PL 1985 CH 38)	400,000.00		460,721.43	60,721.43
	<u>900,757.31</u>	<u>5,463.19</u>	<u>926,279.67</u>	<u>20,059.17</u>
Receipts from Delinquent Taxes	<u>110,000.00</u>		<u>171,293.93</u>	<u>61,293.93</u>
Subtotal General Revenues	1,608,257.31	5,463.19	1,695,073.60	81,353.10
Amount to be Raised by Taxes for				
Support to Municipal Budget -				
Local Tax for Municipal Purposes	<u>151,038.70</u>		<u>271,798.49</u>	<u>120,759.79</u>
Budget Totals	1,759,296.01	5,463.19	1,966,872.09	202,112.89
Nonbudget Revenues			<u>132,007.11</u>	<u>132,007.11</u>
	<u>\$ 1,759,296.01</u>	<u>\$ 5,463.19</u>	<u>\$ 2,098,879.20</u>	<u>\$ 334,120.00</u>

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2013

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$ 5,478,516.74
Allocated to:	
School and County	<u>5,476,885.95</u>
Balance for Support of Municipal Budget Revenues	1,630.79
Add:	
Appropriation: "Reserve for Uncollected Taxes"	<u>270,167.70</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 271,798.49</u>
<u>Receipts from Delinquent Taxes:</u>	
Delinquent Tax Collections	\$ 141,748.67
Tax Title Liens Collections	<u>29,545.26</u>
	<u>\$ 171,293.93</u>

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2013

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Fees and Permits:

Housing Inspector	\$ 7,880.55	
Miscellaneous Clerk Receipts	436.00	
Planning Board Secretary	700.00	
Municipal Court	33,368.19	
Cable TV Franchise Fee	<u>12,919.37</u>	
		\$ 55,304.11

Tax Collector:

Return Check Charges	20.00	
Tax Search Fees	<u>54.00</u>	
		74.00

Treasurer:

Interest on Bank Deposits	12,149.06	
Property Lists	60.00	
Administrative Cost of Senior Citizen and Veterans Program	803.22	
Insurance Refund	165.60	
Street Opening Permits	1,904.00	
Election Account Receipts	889.00	
Payments in Lieu of Taxes	6,000.00	
FEMA Reimbursement	4,499.45	
Refund of Expense	4,520.01	
Tax Title Lien Premium Turnover	10,100.00	
Refunds	<u>117.38</u>	
		41,207.72

Tax Collector:

Interest on Bank Deposits	517.24	
Interest and Costs on Taxes	<u>32,815.78</u>	
		33,333.02

Interest Earned and Refunds - Due from Other Funds:

Trust Other Funds - Interest Earned	\$ 97.45	
Trust Other Funds - Refunds	<u>70.00</u>	
	167.45	
Animal Control Trust Fund - Interest Earned	2.62	
General Capital Fund - Interest Earned	<u>1,918.19</u>	
		<u>2,088.26</u>
		<u>\$ 132,007.11</u>

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

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive						
Salaries and Wages	\$ 151,006.00	\$ 151,006.00	\$ 149,887.03	\$	\$ 1,118.97	\$
Other Expenses:						
Miscellaneous Other Expenses	43,750.00	43,250.00	39,226.25	434.23	3,589.52	
Municipal Clerk						
Salaries and Wages	50,391.00	50,391.00	49,940.96		450.04	
Other Expenses	9,000.00	8,500.00	6,321.96	400.00	1,778.04	
Election Expenses						
Salaries and Wages	500.00					
Other Expenses	3,500.00	3,500.00	2,387.74		1,112.26	
Financial Administration						
Other Expenses	2,000.00	2,000.00	1,421.86		578.14	
Annual Audit	31,000.00	31,000.00	31,000.00			
Collection of Taxes						
Salaries and Wages	18,566.00	18,566.00	18,386.00		180.00	
Other Expenses	5,500.00	5,500.00	5,439.37		60.63	
Tax Search Officer						
Salaries and Wages	300.00	300.00			300.00	
Assessment of Taxes						
Salaries and Wages	24,045.00	24,045.00	23,861.00		184.00	
Other Expenses	4,000.00	4,000.00	2,778.59		1,221.41	
Tax Map Maintenance	4,000.00	4,000.00	3,684.51		315.49	
Tax Appeals	3,000.00					
Liquidation of Tax Title Liens and Foreclosed Property						
Other Expenses	1,000.00					
Legal Services and Costs:						
Other Expenses	21,000.00	31,000.00	20,702.80	880.00	9,417.20	
Engineering Services and Costs						
Other Expenses	5,000.00	5,000.00	2,808.53		2,191.47	
Economic Development						
Other Expenses	500.00					
Historical Society						
Other Expenses	1,000.00	500.00	51.69		448.31	

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>GENERAL GOVERNMENT (CONT'D)</u>						
Planning Board						
Salaries and Wages	\$ 14,300.00	\$ 13,300.00	\$ 12,095.70	\$	\$ 1,204.30	\$
Other Expenses	7,900.00	7,900.00	6,250.82	22.32	1,626.86	
Affordable Housing						
Other Expenses	500.00					
Senior Citizen Center						
Miscellaneous Other Expenses	500.00	500.00	338.95		161.05	
Housing and Zoning Officer						
Salaries and Wages	14,000.00	14,000.00	13,126.00		874.00	
Other Expenses	650.00	650.00	392.50		257.50	
Flood Insurance Officer						
Salaries and Wages	100.00	100.00			100.00	
Other Expenses	100.00	100.00			100.00	
Insurance						
Liability Insurance	22,769.00	22,769.00	22,716.50		52.50	
Workers Compensation	50,473.00	50,473.00	50,266.00		207.00	
Group Health	128,272.00	128,272.00	122,732.10		5,539.90	
Health Insurance Opt-out Payment	2,000.00	2,000.00	1,548.19		451.81	
<u>PUBLIC SAFETY</u>						
Emergency Management						
Salaries and Wages	4,300.00	4,300.00	2,988.51		1,311.49	
Other Expenses	3,000.00	3,000.00	1,418.37		1,581.63	
First Aid Organization						
Other Expenses	27,800.00	27,800.00	23,222.36	1,394.51	3,183.13	
Fire						
Other Expenses:						
Rosenhayn Fire Company						
Miscellaneous Other Expenses	31,000.00	36,103.00	33,796.73	1,088.74	1,217.53	
Educational Materials	4,000.00	1,505.00	1,505.00			
Training	4,000.00	1,392.00	1,321.85		70.15	
<u>STREETS AND ROADS</u>						
Road Repair and Maintenance						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	7,000.00	7,000.00	5,491.51	1,500.00	8.49	

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>STREETS AND ROADS (CONT'D)</u>						
Public Buildings and Grounds						
Salaries and Wages	\$ 70,000.00	\$ 76,900.00	\$ 76,447.20	\$	\$ 452.80	\$
Other Expenses						
Miscellaneous Other Expenses	28,000.00	31,000.00	23,967.97	565.00	6,467.03	
<u>HEALTH AND WELFARE</u>						
Senior Citizen Director						
Salaries and Wages	15,234.00	15,234.00	13,622.47		1,611.53	
Nutritional Center						
Other Expenses	100.00	100.00			100.00	
Dog Regulation						
Salaries and Wages	3,000.00	3,000.00	1,346.10		1,653.90	
Other Expenses	4,800.00	6,300.00	5,820.00		480.00	
Sheltering	6,500.00	2,000.00	2,000.00			
Environmental Control Officer						
Salaries and Wages	1,000.00					
Other Expenses	100.00	100.00			100.00	
Infectious Control Officer						
Salaries and Wages	404.00	404.00	404.00			
Other Expenses	1,000.00	1,000.00	1,000.00			
<u>RECREATION AND EDUCATION</u>						
Board of Recreation Commissioners						
Salaries and Wages	1,700.00	1,700.00	1,692.00		8.00	
Other Expenses	11,000.00	9,100.00	8,631.06	300.00	168.94	
<u>UTILITIES</u>						
Street Lighting	40,000.00	40,000.00	36,195.36		3,804.64	
Electric	39,700.00	38,500.00	30,180.21		8,319.79	
Telephone	11,700.00	12,900.00	10,943.61		1,956.39	
Gas/Fuel	16,900.00	16,900.00	16,016.38		883.62	
Natural Gas	12,500.00	12,500.00	9,769.19		2,730.81	
<u>LANDFILL AND SOLID WASTE DISPOSAL COSTS</u>						
Landfill Post Closure Costs	4,000.00	4,000.00	4,000.00			
Sanitary Landfill						
Other Expenses	5,500.00	5,500.00	2,850.00	950.00	1,700.00	

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Cancelled</u>
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>UNCLASSIFIED</u>						
Celebration of a Public Event	\$ 1,000.00	\$	\$	\$	\$	\$
Accumulated Absences	1,000.00	1,000.00	1,000.00			
Uniform Construction Code--Appropriation Offset by						
Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Code Official						
Other Expenses	1,000.00	1,000.00	414.93		585.07	
Sub-Code Officials						
Plumbing Inspector						
Salaries and Wages	6,000.00	6,000.00	5,657.00		343.00	
Electrical Inspector						
Salaries and Wages	7,300.00	7,300.00	7,246.00		54.00	
Demolition Official						
Other Expenses	5,000.00					
TOTAL OPERATIONS - WITHIN "CAPS"	996,660.00	996,660.00	916,312.86	7,534.80	72,812.34	
TOTAL OPERATIONS - WITHIN "CAPS"						
Detail:						
Salaries and Wages	382,646.00	387,046.00	376,699.97		10,346.03	
Other Expenses	614,014.00	609,614.00	539,612.89	7,534.80	62,466.31	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
<u>- MUNICIPAL WITHIN "CAPS"</u>						
Contribution to:						
Pubic Employees' Retirement System	45,062.00	45,062.00	45,062.00			
Social Security System (O.A.S.I.)	42,000.00	42,000.00	35,010.75		6,989.25	
Defined Contribution Retirement Program	2,500.00	2,500.00	1,547.74		952.26	
TOTAL DEFERRED CHARGES AND STATUTORY						
EXPENDITURES - MUNICIPAL WITHIN "CAPS"	89,562.00	89,562.00	81,620.49		7,941.51	
TOTAL GENERAL APPROPRIATIONS FOR						
MUNICIPAL PURPOSES WITHIN "CAPS"	1,086,222.00	1,086,222.00	997,933.35	7,534.80	80,753.85	

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>						
Matching Funds for Grants	\$ 20,000.00	\$ 20,000.00	\$	\$	20,000.00	\$
Length of Service Award Program (LOSAP)	9,000.00	9,000.00	8,900.00		100.00	
Zoning Officer - Shared Services						
Salaries and Wages - Lawrence	7,492.00	7,492.00	7,492.00			
Shared Municipal Court - Other Expenses	55,690.00	54,490.00	47,967.00		6,523.00	
Interlocal Service Agreement with Upper Deerfield Twp						
Construction Code Official	23,235.00	23,235.00	23,235.00			
Interlocal Service Agreement with Bridgeton City						
Certified Municipal Financial Officer Services	15,000.00	15,000.00	15,000.00			
Additional Revenue Offset with Appropriations:						
EMS/Ambulance Service						
Salaries and Wages	55,000.00	64,200.00	62,158.00		2,042.00	
Other Expenses	10,000.00	2,000.00	1,980.18		19.82	
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>195,417.00</u>	<u>195,417.00</u>	<u>166,732.18</u>		<u>28,684.82</u>	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>						
Recycling Tonnage Grant	5,109.31	5,109.31	5,109.31			
Clean Communities (40A:4-87 \$5,463.19+)		5,463.19	5,463.19			
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	<u>5,109.31</u>	<u>10,572.50</u>	<u>10,572.50</u>			
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>200,526.31</u>	<u>205,989.50</u>	<u>177,304.68</u>		<u>28,684.82</u>	
Detail:						
Salaries and Wages	62,492.00	71,692.00	69,650.00		2,042.00	
Other Expenses	138,034.31	134,297.50	107,654.68		26,642.82	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00			
Reserve for Purchase of Emergency Vehicle	20,000.00	20,000.00	20,000.00			
Repair to Drainage Pipe on North Shiloh/Greenman Ave (Emergency \$5,646)		5,646.00	5,646.00			
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	<u>30,000.00</u>	<u>35,646.00</u>	<u>35,646.00</u>			

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Anticipation Notes and Capital Notes	\$ 170,000.00	\$ 170,000.00	\$ 170,000.00	\$	\$	\$
Interest on Notes	2,380.00	2,380.00	2,373.39			6.61
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	172,380.00	172,380.00	172,373.39			6.61
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	402,906.31	414,015.50	385,324.07		28,684.82	6.61
SUBTOTAL GENERAL APPROPRIATIONS	1,489,128.31	1,500,237.50	1,383,257.42	7,534.80	109,438.67	6.61
RESERVE FOR UNCOLLECTED TAXES	270,167.70	270,167.70	270,167.70			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 1,759,296.01</u>	<u>\$ 1,770,405.20</u>	<u>\$ 1,653,425.12</u>	<u>\$ 7,534.80</u>	<u>\$ 109,438.67</u>	<u>\$ 6.61</u>
Budget		\$ 1,759,296.01				
Appropriation by 40A:4-87		5,463.19				
Deferred Charge - Emergency Authorization (40A:4-47)		5,646.00				
Reserve for Federal, State and Other Grants Appropriated			\$ 10,572.50			
Reserve for Uncollected Taxes			270,167.70			
Reserve for Purchase of Emergency Vehicle - Due to General Capital Fund			20,000.00			
Disbursed			1,352,684.92			
		<u>\$ 1,770,405.20</u>	<u>\$ 1,653,425.12</u>			

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

TOWNSHIP OF DEERFIELD

TRUST FUNDS

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	SB-1	\$ 1,345.36	\$ 2,094.00
Other Funds:			
Cash - Treasurer	SB-1	188,331.80	249,760.27
Due from Current Fund	SB-5	13.05	
		<u>188,344.85</u>	<u>249,760.27</u>
		\$ <u>189,690.21</u>	\$ <u>251,854.27</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-2	\$ 872.36	\$ 1,621.00
Due to Current Fund	SB-3	473.00	473.00
		<u>1,345.36</u>	<u>2,094.00</u>
Other Funds:			
Due to Current Fund	SB-5		8,381.23
Due to State of N.J.-Sales Tax	SB-6	31.50	
Miscellaneous Trust Reserves:			
Unemployment Compensation	SB-7	24,086.62	23,000.81
Developers' Escrow	SB-7	22,750.30	39,933.59
Developers' Bid Bonds	SB-7	127.69	127.69
Fire Penalties and Fines	SB-7	28,895.46	19,443.15
Accumulated Absences	SB-7	15,688.85	14,664.95
Snow Removal	SB-7	9,982.77	16,049.85
Recreation Fund	SB-7	38,758.01	65,995.67
Miscellaneous Trust Escrows:			
Sanitary Landfill Escrow	SB-8	9,260.22	9,249.90
Security Deposit Tent Rentals	SB-8	325.00	275.00
Tax Sale Premiums	SB-8	36,400.00	50,600.00
Redemption of Tax Title Liens	SB-8	2,038.43	2,038.43
		<u>188,344.85</u>	<u>249,760.27</u>
		\$ <u>189,690.21</u>	\$ <u>251,854.27</u>

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

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
 As of December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Cash	SC-1	\$ 261,122.94	\$ 283,321.00
Deferred Charges to Future Taxation:			
Funded	SC-3		50,000.00
Unfunded	SC-4		170,000.00
		<u>\$ 261,122.94</u>	<u>\$ 503,321.00</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Cumberland County Improvement Authority -			
Loans Payable	SC-3	\$	\$ 50,000.00
Bond Anticipation Notes	SC-4		170,000.00
Improvement Authorizations:			
Funded	SC-4	21,614.06	27,626.41
Unfunded	SC-4		15,328.59
Reserve for Encumbrances	SC-5		2,676.00
Due to Current Fund	SC-6	36,027.02	1,208.14
Capital Improvement Fund	SC-7	182,974.01	182,974.01
Reserve for Purchase of Emergency Vehicle	SC-6	20,000.00	
Fund Balance	C-1	<u>507.85</u>	<u>53,507.85</u>
		<u>\$ 261,122.94</u>	<u>\$ 503,321.00</u>

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

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
Statement of Fund Balance
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 53,507.85
Decreased:	
Due to Current Fund as Anticipated Revenue	<u>53,000.00</u>
Balance Dec. 31, 2013	<u><u>\$ 507.85</u></u>

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

TOWNSHIP OF DEERFIELD
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Assets Group of Accounts
For the Year Ended December 31, 2013

	Balance <u>December 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2013</u>
General Fixed Assets:				
Land	\$ 448,900.00	\$	\$	\$ 448,900.00
Buildings and Improvements	1,259,710.00			1,259,710.00
Machinery and Equipment	<u>1,373,567.53</u>			<u>1,373,567.53</u>
Total General Fixed Assets	<u>\$ 3,082,177.53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,082,177.53</u>
 Total Investment in General Fixed Assets	 <u>\$ 3,082,177.53</u>	 <u>\$</u>	 <u>\$</u>	 <u>\$ 3,082,177.53</u>

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

TOWNSHIP OF DEERFIELD
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Financial Reporting Entity - The Township of Deerfield was incorporated in 1798. The Township is located in Cumberland County and is primarily a rural farming area approximately 16.8 square miles in land area. The Township provides its citizens the following services: Public improvements, planning and zoning, construction and housing code enforcement, recreational activities, as well as, general administrative services. The population according to the 2010 census is 3,119.

A Township Committee consisting of five members represents the Township's governmental structure. Members of the Township Committee are elected every three years. Among the members of the Township Committee, the mayor is appointed at the annual reorganization meeting. Executive responsibility rests with the Mayor, who is assisted by the Township Committee. The Township Administrator handles the daily administrative tasks.

Component Units - The Township of Deerfield had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township of Deerfield contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Township of Deerfield accounts for its financial transactions through the use of separate funds which are described as follows:

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

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

General Capital Fund - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Budgets and Budgetary Accounting - The Township of Deerfield must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township of Deerfield requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balance included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Cumberland, Township of Deerfield School District, and the Cumberland Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Deerfield School District and the Cumberland Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from July 1, 2013 to June 30, 2014.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Cumberland. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2013, the Township's bank balances of \$3,615,749.41 were exposed to custodial credit risk as follows:

Uninsured and Collateralized with Securities	
Held by Pledging Financial Institutions	<u>\$2,865,749.41</u>

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$2.992</u>	<u>\$2.967</u>	<u>\$3.075</u>	<u>\$2.980</u>	<u>\$2.948</u>
Apportionment of Tax Rate:					
Municipal	\$.081	\$.070	\$.050	\$.011	\$.011
County	1.033	1.032	1.091	1.037	1.053
County Health	.053	.043	.044	.048	.050
County Open Space Preservation	.012	.012	.012	.013	.013
Trust Fund					
Local School	1.326	1.338	1.336	1.342	1.295
Regional High School	.487	.472	.542	.529	.526

Note 3: **PROPERTY TAXES (CONT'D)****Assessed Valuation**

2013	\$187,959,971.00
2012	189,386,599.00
2011	187,619,461.00
2010	185,633,978.00
2009	186,638,215.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$5,664,301.47	\$5,478,516.74	96.72%
2012	5,635,021.87	5,448,577.84	96.69%
2011	5,798,002.56	5,563,197.20	95.95%
2010	5,497,928.26	5,292,432.59	96.26%
2009	5,542,450.83	5,354,064.19	96.60%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$128,735.47	\$156,320.25	\$285,055.72	5.03%
2012	104,987.57	152,016.01	257,003.58	4.56%
2011	66,616.74	212,519.18	279,135.92	4.81%
2010	45,680.06	187,629.38	233,309.44	4.24%
2009	15,657.11	180,754.44	196,411.55	3.54%

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

<u>Year</u>	<u>Number</u>
2013	32
2012	29
2011	27
2010	28
2009	14

Note 4: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2013	\$128,900.00
2012	128,900.00
2011	95,400.00
2010	95,400.00
2009	95,400.00

Note 5: **FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2013	\$1,130,466.73	\$586,000.00	51.83%
2012	1,229,933.31	597,500.00	48.57%
2011	1,212,810.66	627,333.00	51.72%
2010	1,389,019.58	589,500.00	42.44%
2009	1,713,857.06	711,750.00	41.53%

Note 6: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2013:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$36,500.02	\$13.05
Animal Control Fund		473.00
Trust-- Other Funds	13.05	
General Capital Fund		36,027.02
	<u>\$36,513.07</u>	<u>\$36,513.07</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2014, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: **PENSION PLANS**

The Township of Deerfield contributes to a cost-sharing multiple-employer defined benefit pension plan, the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. In addition, Township employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Note 7: **PENSION PLANS (CONT'D)**

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

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

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by Township</u>
2013	\$15,073.00	\$29,989.00	\$45,062.00	\$45,062.00
2012	19,137.00	28,198.00	44,640.00	47,335.00
2011	18,503.00	24,631.00	43,134.00	43,134.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Township's contributions were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Fund by Township</u>
2013	\$3,882.39	\$1,547.74
2012	706.51	249.36
2011	N/A	-

Note 8: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN

Plan Description - The Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2005, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 05-141. Upon retirement, full-time employees with a minimum of twenty-five years of service with the Township are entitled to paid health benefits for themselves and their spouse. The Township pays 100% of the cost for each eligible employee for a period of five years after retirement. After the five year period, health benefits are paid on a 80/20 split of the retiree's current health plan, with the Township paying 80% of the health benefits received and the retiree paying 20% for a period of ten years or upon the retiree receiving Medicare, whichever is sooner.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township is required by New Jersey municipal accounting policy to fund these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits.

The Township contributions to SHBP for the years ended December 31, 2013, 2012, and 2011, were \$29,471.88, \$23,411.00, and \$0, respectively, which equaled the required contributions for each year. There were approximately 1, 1, and 0 retired participants eligible at December 31, 2013, 2012, and 2011, respectively.

Note 9: COMPENSATED ABSENCES

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward. The Township also allows for employees to accumulate overtime as comp time but unused amounts are used prior to termination or retirement.

The Township of Deerfield compensates employees for one-half of the unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of \$13,000.00. Time is paid at the rate of pay upon termination or retirement.

Note 9: COMPENSATED ABSENCES

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2013, the balance of the fund was \$15,688.85. It is estimated that, at December 31, 2013, accrued benefits for compensated absences are valued at \$32,874.04.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

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

Note 11: LENGTH OF SERVICE AWARDS PROGRAM

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance adopted on August 30, 2000 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Deerfield approved the adoption of the LOSAP at the general election held on November 7, 2000, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2002. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

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

As required by N.J.A.C. 5:30-14.49, the Township must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 12: **SANITARY LANDFILL ESCROW CLOSURE FUND**

The Township of Deerfield operated a municipal landfill until 1986 at which time the Cumberland County Improvement Authority selected the site as the Cumberland County Solid Waste complex in the Township of Deerfield (Host Community). The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy. This escrow account has a balance of \$9,260.22 as of December 31, 2013.

On December 30, 1998, the Township of Deerfield received notification of approval from the State of New Jersey Department of Environmental Protection relative to the Sanitary Landfill Closure/Post-Closure Plan. The total costs associated with closure and post-closure care was projected to be approximately \$663,695.00 at that time. The Township so far has expended about \$300,000.00 on closure costs. Any funding needed for any closure and post closure costs other than amounts funded by the Sanitary Landfill Facility Closure and Contingency Fund Escrow would need to be appropriated through the Township budget, a capital ordinance or other funding source. The Township did not expend any funds during 2013 for post-closure costs.

Note 13: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued</u>			
General:			
Bonds and Notes	----	\$ 220,000.00	\$ 270,000.00
Total Issued	----	220,000.00	270,000.00
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	----	----	----
Total Authorized but Not Issued	----	----	----
Total Issued and Authorized but Not Issued	----	220,000.00	270,000.00
Net Debt	----	\$ 220,000.00	\$ 270,000.00

Note 13: **CAPITAL DEBT (CONT'D)****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 indicated a statutory net debt of 0.00%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$1,203,680.39	\$1,203,680.39	
Local School District	1,295,000.00	1,295,000.00	
General	----	----	
	<u>\$2,498,680.39</u>	<u>\$2,498,680.39</u>	<u>----</u>

Net Debt \$0.00 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$207,237,071.00 equals 0.00%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$7,253,297.49
Net Debt	<u>----</u>
Remaining Borrowing Power	<u><u>\$7,253,297.49</u></u>

Note 14: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance Dec. 31, 2013</u>	<u>2014 Budget Appropriation</u>	<u>Required 2015 Budget Appropriation</u>
Current Fund:			
Emergency Authorization	\$5,646.00	\$5,646.00	
Expenditure without an Appropriation	30,406.54	8,959.50	\$21,447.04

The appropriations in the 2014 Budget as adopted are not less than that required by the statutes.

Note 15: **JOINT INSURANCE POOL**

The Township of Deerfield is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

The Atlantic County Municipal Joint Insurance Fund is a member of the Municipal Excess Liability Joint Insurance Fund (MEL).

Note 15: **JOINT INSURANCE POOL (CON'T)**

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Township with the following coverage:

Crime
Casualty
Public Officials and Employment Liability
Property - Blanket Building and Grounds
General and Automobile Liability
Workers Compensation

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$5,000 to \$300,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2013, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund
6000 Sagemore Drive Suite 6203
PO BOX 488
Marlton, New Jersey 08053

Note 16: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	None	----	\$24,086.62
2012	None	----	23,000.81
2011	None	\$6,254.01	21,988.64

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2013.

Note 17: **SUBSEQUENT EVENTS**

Subsequent to December 31, the Township of Deerfield authorized additional Bonds and Notes as follows:

	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
General Capital:			
Bonds and Notes:			
Reconstruction and Renovation to Township's Harvest Festival Stage		June 4, 2014	\$ 50,000.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Current Cash--Treasurer
For the Year Ended December 31, 2013

	Current Fund	Federal, State and Other Grant Fund
Balance Dec. 31, 2012	\$ 3,050,426.65	\$ ---
Increased by Receipts:		
Collector	\$ 5,493,785.44	\$
Homestead Rebate	167,366.25	
Miscellaneous Revenue Not Anticipated	41,207.72	
Energy Receipts Tax	300,406.00	
Due from State of New Jersey (CH.73, P.L. 1976)	36,911.16	
Revenue Accounts Receivable	617,605.28	
Payroll Funds	494,548.32	
Prepaid Payments in Lieu of Taxes (PILOT)	6,000.00	
Refund of Prior Year Expenditures	953.55	
Reserve for CCIA Loan	50,000.00	
Trust Other Fund	8,278.99	
Animal Control Trust Fund	2.62	
General Capital Fund	99.31	
Current Fund		17,329.80
Federal, State and Other Grants Receivable		5,463.19
Federal, State and Other Grants Unappropriated		6,805.32
	<u>7,217,164.64</u>	<u>29,598.31</u>
	10,267,591.29	29,598.31
Decreased by Disbursements:		
2013 Appropriations	1,352,684.92	
2012 Appropriation Reserves	50,915.88	
County Taxes	2,060,385.71	
Due County for Added and Omitted Taxes	9,270.74	
Local District School Tax	2,512,934.52	
Regional High School Tax	904,179.79	
Refund Tax Overpayment	1,773.17	
Payroll Funds	491,499.84	
Deferred Charges:		
Expenditure without an Appropriation	30,406.54	
Federal, State and Other Grant Fund	17,329.80	
Reserve for Federal, State and Other Grants - Appropriated		1,913.84
	<u>7,431,380.91</u>	<u>1,913.84</u>
Balance Dec. 31, 2013	<u>\$ 2,836,210.38</u>	<u>\$ 27,684.47</u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Current Cash--Collector
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$	279,717.67
Increased by:			
Taxes Receivable	\$	5,327,440.34	
Tax Title Liens		29,545.26	
Revenue Accounts Receivable		74.00	
Prepaid Taxes		86,930.74	
Tax Overpayments		8,232.54	
Miscellaneous Revenue Not Anticipated		<u>33,333.02</u>	
			<u>5,485,555.90</u>
			5,765,273.57
Decreased by:			
Payments to Treasurer		<u>5,493,785.44</u>	
			<u>5,493,785.44</u>
Balance Dec. 31, 2013		\$	<u><u>271,488.13</u></u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Schedule of Change Funds
For the Year Ended December 31, 2013

<u>Office</u>	<u>Amount</u>
Municipal Clerk	\$ 25.00
Municipal Court Administrator	50.00
Tax Collector	200.00
Construction Code Official	<u>50.00</u>
	\$ <u><u>325.00</u></u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2013

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013 Levy</u>	<u>Added/Rollback</u> <u>Taxes</u>	<u>Collections</u>		<u>Canceled</u>	<u>To</u> <u>Arrears</u>	<u>To Tax</u> <u>Title Liens</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
				<u>2012</u>	<u>2013</u>				
Arrears	\$ 7,477.90	\$	\$ 2,000.00	\$	\$ 2,000.00	\$	\$ 1,509.13	\$	\$ 8,987.03
2010	2.23		2,076.47		2,076.47				2.23
2011	2.83		3,199.85		3,200.39				2.29
2012	<u>144,533.05</u>		<u>4,108.54</u>		<u>134,471.81</u>	<u>56.52</u>	<u>(741.12)</u>	<u>10,279.75</u>	<u>3,092.39</u>
	152,016.01		11,384.86		141,748.67	56.52	768.01	10,279.75	12,083.94
2013		<u>5,664,301.47</u>	<u>11,941.08</u>	<u>85,004.49</u>	<u>5,393,512.25</u>	<u>11,208.80</u>	<u>(768.01)</u>	<u>41,512.69</u>	<u>144,236.31</u>
	<u>\$ 152,016.01</u>	<u>\$ 5,664,301.47</u>	<u>\$ 23,325.94</u>	<u>\$ 85,004.49</u>	<u>\$ 5,535,260.92</u>	<u>\$ 11,265.32</u>	<u>\$</u>	<u>\$ 51,792.44</u>	<u>\$ 156,320.25</u>
Taxes Receivable					\$ 5,327,440.34				
Homestead Rebate					167,366.25				
Senior Citizens and Veterans					<u>40,454.33</u>				
					<u>\$ 5,535,260.92</u>				
<u>Analysis of 2013 Property Tax Levy</u>									
<u>Tax Yield:</u>									
General Property Tax					\$ 5,634,520.09				
Added & Omitted Taxes (54:4-63.1 et. seq.)					<u>29,781.38</u>				
						\$ <u>5,664,301.47</u>			
<u>Tax Levy:</u>									
Local School District Tax					2,490,957.00				
Regional High School Tax					914,615.00				
County Taxes:									
County Tax					\$ 1,940,440.24				
Local Health Service Tax					98,893.21				
Open Space Preservation Trust Fund Tax					21,052.26				
Due County for Added & Omitted Taxes					<u>10,928.24</u>				
Total County Taxes						2,071,313.95			
Local Tax for Municipal Purposes					151,038.70				
Add: Additional Tax Levied					<u>36,376.82</u>				
						<u>187,415.52</u>			
						\$ <u>5,664,301.47</u>			

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 104,987.57
Increased by:	
Transfers from Taxes Receivable	\$ 51,792.44
Interest and Costs on Taxes	<u>1,500.72</u>
	<u>53,293.16</u>
	158,280.73
Decreased by:	
Collections	<u>29,545.26</u>
Balance Dec. 31, 2013	<u>\$ 128,735.47</u>

Exhibit SA-6

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Due From State of New Jersey
Veterans' And Senior Citizens' Deductions
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 17,224.54
Increased by:	
Deductions per Tax Billing:	
Senior Citizens	\$ 16,000.00
Veterans	<u>26,000.00</u>
	42,000.00
Deductions Allowed by Collector - 2013 Taxes	<u>1,000.00</u>
	43,000.00
Deductions Disallowed by Collector - 2013 Taxes	<u>(2,545.67)</u>
	<u>40,454.33</u>
	57,678.87
Decreased by:	
Senior Citizens Deductions Disallowed by Tax Collector - 2012 Taxes	2,000.00
Collection	<u>36,911.16</u>
	<u>38,911.16</u>
Balance Dec. 31, 2013	<u>\$ 18,767.71</u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Deferred Charges
For the Year Ended December 31, 2013

	Added in <u>2013</u>	Balance <u>Dec. 31, 2013</u>
Emergency Appropriation	\$ 5,646.00	\$ 5,646.00
Expenditure without an Appropriation	<u>30,406.54</u>	<u>30,406.54</u>
	<u>\$ 36,052.54</u>	<u>\$ 36,052.54</u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012</u>	Accrued <u>In 2013</u>	<u>Canceled</u>	<u>Collected</u>		Balance <u>Dec. 31, 2013</u>
				<u>Treasurer</u>	<u>Collector</u>	
Township Clerk:						
Licenses:						
Alcoholic Beverages	\$	\$ 4,470.00	\$	\$ 4,470.00	\$	\$
Other		772.00		772.00		
Miscellaneous Fees	50.00	467.00		436.00		81.00
Improvement Searches						
Tax Collector:						
Tax Searches		20.00			20.00	
Return Check Fees		54.00			54.00	
Payments in Lieu of Taxes (N.J.S.A. 40A:2-21 et. seq.)	1,043.42		1,043.42			
Construction Code Official:						
Fees and Permits	3,313.00	27,930.00		30,340.00		903.00
Municipal Court:						
Fines and Costs	2,766.85	32,876.55		33,368.19		2,275.21
Housing Inspector:						
Fees and Permits		8,075.57		7,880.55		195.02
Planning Board Secretary:						
Fees and Permits		700.00		700.00		
Shared Services - Zoning Officer		7,491.12		7,491.12		
EMS/Ambulance Service		58,506.62		58,506.62		
Cable TV Franchise Fee		12,919.37		12,919.37		
Demolition Liens Receivable	5,496.96					5,496.96
Host Benefit Fee (Ch. 38, PL 1985)	37,585.68	460,904.73		460,721.43		37,768.98
	<u>\$ 50,255.91</u>	<u>\$ 615,186.96</u>	<u>\$ 1,043.42</u>	<u>\$ 617,605.28</u>	<u>\$ 74.00</u>	<u>\$ 46,720.17</u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2013

	<u>Balance Dec. 31, 2012</u>		<u>Balance After</u>	<u>Disbursed</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>		<u>Lapsed</u>
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages	\$ 100.50	\$	\$ 100.50	\$	\$ 100.50
Other Expenses:					
Miscellaneous Other Expenses	10,608.98	3,123.04	9,602.32	5,435.80	4,166.52
Municipal Clerk					
Salaries and Wages	2.00		2.00		2.00
Public Information	1,206.30	800.00	2,006.30	800.00	1,206.30
Printing and Legal Advertising	51.78	460.83	512.61	321.62	190.99
Election Salaries	500.00		500.00		500.00
Election Expenses	4,170.99		4,170.99		4,170.99
Financial Administration					
Salaries and Wages	995.95		995.95	995.00	0.95
Collection of Taxes					
Other Expenses	1,869.14		1,869.14		1,869.14
Tax Search Officer					
Salaries and Wages	260.00		260.00		260.00
Assessment of Taxes					
Salaries and Wages	306.00		306.00		306.00
Other Expenses	914.23	619.25	1,533.48	928.73	604.75
Tax Map Maintenance	1,814.49		1,814.49		1,814.49
Tax Appeals	4,910.00		4,910.00		4,910.00
Legal Services and Costs:					
Other Expenses	398.56	358.99	4,887.25	3,887.25	1,000.00
Engineering Services and Costs					
Other Expenses	2,121.93		2,121.93		2,121.93
Economic Development					
Other Expenses	500.00		500.00		500.00
Planning Board					
Salaries and Wages	486.00		486.00		486.00
Other Expenses	3,349.87	316.89	3,666.76	313.45	3,353.31
Housing and Zoning Officer					
Salaries and Wages	4,913.11		4,913.11		4,913.11
Other Expenses	182.29		182.29		182.29

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2013

	<u>Balance Dec. 31, 2012</u>		<u>Balance After</u>	<u>Disbursed</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>		<u>Lapsed</u>
<u>General Government (Cont'd)</u>					
Flood Insurance Officer					
Salaries and Wages	\$ 100.00	\$	\$ 100.00	\$	\$ 100.00
Other Expenses	100.00		100.00		100.00
Insurance:					
Disability Insurance	1,000.00		1,000.00		1,000.00
Workers Compensation	669.00		669.00		669.00
Group Health	10,226.73		10,226.73		10,226.73
Health Insurance Opt-out Payment	333.42		333.42		333.42
<u>Public Safety</u>					
Emergency Management					
Salaries and Wages	23.94		23.94		23.94
Other Expenses	2,658.47	20.00	2,678.47	2,544.00	134.47
First Aid Organization					
Other Expenses	2,010.00	7,165.91	9,175.91	6,848.46	2,327.45
Fire					
Other Expenses:					
Rosenhayn Fire Company					
Miscellaneous Other Expenses	2,493.39	3,231.44	5,724.83	5,659.14	65.69
Educational Materials	211.04	3,004.97	3,216.01	3,011.07	204.94
Training		750.00	750.00	750.00	
<u>Streets and Roads</u>					
Road Repair and Maintenance					
Other Expenses	10,420.04		10,420.04		10,420.04
Recycling Coordinator					
Salaries and Wages	63.55		63.55		63.55
Other Expenses	100.00		100.00		100.00
Public Buildings and Grounds					
Salaries and Wages	30,900.96		30,900.96		30,900.96
Other Expenses	8,569.63	1,183.15	9,752.78	1,433.15	8,319.63

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2013

	<u>Balance Dec. 31, 2012</u>		<u>Balance After</u>	<u>Disbursed</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>		<u>Lapsed</u>
<u>Health and Welfare</u>					
Senior Citizen Director					
Salaries and Wages	\$ 1,840.80	\$	\$ 1,840.80	\$	\$ 1,840.80
Nutritional Center					
Other Expenses	422.00		422.00		422.00
Dog Regulation					
Salaries and Wages	3,000.00		3,000.00		3,000.00
Other Expenses	435.00		435.00		435.00
Sheltering	245.00		245.00		245.00
Environmental Control Officer					
Salaries and Wages	116.56		116.56		116.56
Other Expenses	100.00		100.00		100.00
Infectious Control Officer					
Other Expenses	31.68		31.68		31.68
<u>Recreation and Education</u>					
Board of Recreation Commissioners					
Salaries & Wages	8.00		8.00		8.00
Other Expenses	395.84	100.00	495.84	100.00	395.84
<u>Utilities</u>					
Street Lighting	10,112.62		10,112.62	3,355.83	6,756.79
Electric	14,026.12		14,026.12	2,454.68	11,571.44
Telephone	2,197.06	220.04	2,417.10	1,140.47	1,276.63
Gas/Fuel	1,380.97	1,216.63	2,597.60	1,702.16	895.44
Natural Gas	11,894.20		11,894.20	1,657.18	10,237.02
<u>Landfill and Solid Waste Disposal Costs</u>					
Landfill Post Closure Costs	898.77	2,860.00	3,758.77	3,758.73	0.04
Sanitary Landfill					
Other Expenses	1,200.00		1,200.00	987.46	212.54
<u>Municipal Court</u>					
Municipal Court					
Salaries and Wages	525.08		525.08		525.08
Other Expenses:					
Security Guard Services	8.83		8.83		8.83
Miscellaneous Other Expenses	146.20		146.20		146.20
Municipal Prosecutor					
Salaries and Wages	149.77		149.77		149.77
Other Expenses	83.33		83.33		83.33

(Continued)

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2013

	<u>Balance Dec. 31, 2012</u>		<u>Balance After</u>	<u>Disbursed</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>		<u>Lapsed</u>
<u>Municipal Court (Cont'd)</u>					
Public Defender					
Salaries and Wages	\$ 107.80	\$	\$ 107.80	\$	\$ 107.80
Other Expenses	83.33		83.33		83.33
<u>Unclassified</u>					
Celebration of Public Event	500.00		500.00		500.00
<u>Uniform Construction Code - Appropriation Offset by</u>					
<u> Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Code Official					
Other Expenses	215.56		215.56		215.56
Plumbing Inspector					
Salaries & Wages	2,343.00		2,343.00		2,343.00
Demolition Official					
Other Expenses	1,754.00		1,754.00		1,754.00
Contribution to:					
Public Employees' Retirement System	8.00		8.00		8.00
Social Security System (O.A.S.I.)	9,474.04		9,474.04		9,474.04
Defined Contribution Retirement Program	49.39		49.39		49.39
 Total Within "CAPS"	<u>173,295.24</u>	<u>25,431.14</u>	<u>198,726.38</u>	<u>48,084.18</u>	<u>150,642.20</u>
 <u>Operations Excluded from "CAPS"</u>					
Matching Funds for Grants	20,000.00		20,000.00		20,000.00
Shared Municipal Court - Other Expenses	807.54		807.54		807.54
Interlocal Service Agreement with Upper Deerfield Township					
Construction Code Official	226.44		226.44		226.44
Additional Revenue Offset with Appropriations:					
EMS/Ambulance Service					
Salaries and Wages	19,613.50		19,147.55		19,147.55
Other Expenses	1,353.93	1,579.00	3,398.88	2,831.70	567.18
 Total Excluded from "CAPS"	<u>42,001.41</u>	<u>1,579.00</u>	<u>43,580.41</u>	<u>2,831.70</u>	<u>40,748.71</u>
	<u>\$ 215,296.65</u>	<u>\$ 27,010.14</u>	<u>\$ 242,306.79</u>	<u>\$ 50,915.88</u>	<u>\$ 191,390.91</u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2013

Balance Dec. 31, 2012			\$	616.77
Increased by:				
Payroll Deposits		\$	412,927.83	
Employer Contributions			<u>81,620.49</u>	
				<u>494,548.32</u>
				495,165.09
Decreased by:				
Net Payroll	\$	300,193.15		
Payroll Agencies		<u>191,306.69</u>		
			491,499.84	
Due to Trust Other Fund - Unemployment Compensation			<u>282.74</u>	
				<u>491,782.58</u>
Balance Dec. 31, 2013			\$	<u><u>3,382.51</u></u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2013

Balance Dec. 31, 2012 (2013 Taxes)	\$ 85,004.49
Increased by:	
Collection (2014 Taxes)	<u>86,930.74</u>
	171,935.23
Decreased by:	
Applied to 2013 Taxes	<u>85,004.49</u>
Balance Dec. 31, 2013 (2014 Taxes)	\$ <u><u>86,930.74</u></u>

Exhibit SA-12

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 25,706.75
Increased by:	
Overpayments in 2013:	
Cash Receipts	<u>8,232.54</u>
	33,939.29
Decreased by:	
Refunds	<u>1,773.17</u>
Balance Dec. 31, 2013	\$ <u><u>32,166.12</u></u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2013

2013 Levy -		
County General	\$ 1,940,440.24	
County Health Tax	98,893.21	
County Open Space	<u>21,052.26</u>	
		\$ 2,060,385.71
Decreased by:		
Disbursements		<u>\$ 2,060,385.71</u>

Exhibit SA-14

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Amount Due to County For Added and Omitted Taxes
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		
Rollback Assessment	\$ 805.96	
Added Assessment	7,698.58	
Added/Omitted Assessment	<u>766.20</u>	
		\$ 9,270.74
Increased by:		
County Share of Added and Omitted Taxes		<u>10,928.24</u>
		20,198.98
Decreased by:		
Disbursements		<u>9,270.74</u>
Balance Dec. 31, 2013		
Added Assessment	10,217.40	
Added/Omitted Assessment	<u>710.84</u>	
		\$ <u>10,928.24</u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Local District School Tax Payable
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 1,267,456.03
Increased by:	
Levy--School Year July 1, 2013 to June 30, 2014	<u>2,490,957.00</u>
	3,758,413.03
Decreased by:	
Payments	<u>2,512,934.52</u>
Balance Dec. 31, 2013	<u><u>\$ 1,245,478.51</u></u>

Exhibit SA-16

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Regional High School Tax Payable
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 446,872.30
Increased by:	
Levy--School Year July 1, 2013 to June 30, 2014	<u>914,615.00</u>
	1,361,487.30
Decreased by:	
Payments	<u>904,179.79</u>
Balance Dec. 31, 2013	<u><u>\$ 457,307.51</u></u>

TOWNSHIP OF DEERFIELD
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Federal Grants:				
New Jersey Transportation Trust Fund				
Irving Avenue	\$ <u>3,014.94</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>3,014.94</u>
Total Federal Grants	<u>3,014.94</u>	<u> </u>	<u> </u>	<u>3,014.94</u>
State Grants:				
Recycling Grant		5,109.31	5,109.31	
Clean Communities Program		5,463.19	5,463.19	
Total State Grants		<u>10,572.50</u>	<u>10,572.50</u>	
Grand Total	\$ <u>3,014.94</u>	\$ <u>10,572.50</u>	\$ <u>10,572.50</u>	\$ <u>3,014.94</u>
		Transferred from Unappropriated	5,109.31	
		Cash Received	<u>5,463.19</u>	
			\$ <u><u>10,572.50</u></u>	

TOWNSHIP OF DEERFIELD
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
State Grants:				
Recycling Grant	\$ <u>5,109.31</u>	\$ <u>6,805.32</u>	\$ <u>5,109.31</u>	\$ <u>6,805.32</u>
Grand Total	\$ <u><u>5,109.31</u></u>	\$ <u><u>6,805.32</u></u>	\$ <u><u>5,109.31</u></u>	\$ <u><u>6,805.32</u></u>

TOWNSHIP OF DEERFIELD
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants Appropriated
For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance Dec. 31, 2012 Reserved</u>	<u>Transferred from 2013 Budget Appropriation</u>	<u>Disbursed</u>	<u>Balance Dec. 31, 2013</u>
Federal Grants:				
NJ Transportation Trust Fund:				
Irving Avenue	\$ 3,014.94	\$	\$	\$ 3,014.94
Stormwater Grant	<u>5,000.00</u>			<u>5,000.00</u>
Total Federal Grants	<u>8,014.94</u>			<u>8,014.94</u>
State Grants:				
2012 Clean Communities Program	3,123.57		1,054.74	2,068.83
2013 Clean Communities Program		5,463.19	859.10	4,604.09
Recycling Tonnage Grant	<u>4,096.92</u>	<u>5,109.31</u>		<u>9,206.23</u>
Total State Grants	<u>7,220.49</u>	<u>10,572.50</u>	<u>1,913.84</u>	<u>15,879.15</u>
Grand Total	<u>\$ 15,235.43</u>	<u>\$ 10,572.50</u>	<u>\$ 1,913.84</u>	<u>\$ 23,894.09</u>

TOWNSHIP OF DEERFIELD
FEDERAL STATE AND OTHER GRANT FUND
Statement of Due from/to Current Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012 - Due to (Due from)	\$ (17,329.80)
Decreased by:	
Receipts	\$ <u>17,329.80</u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF DEERFIELD
TRUST FUNDS
Statement of Trust Fund Cash--Treasurer
For the Year Ended December 31, 2013

	<u>Animal Control</u>	<u>Other Trust</u>
Balance Dec. 31, 2012	\$ 2,094.00	\$ 249,760.27
Increased by Receipts:		
Reserve for Animal Control	\$ 610.00	\$
Current Fund	2.62	167.45
Reserve for Miscellaneous Trust Reserves:		
Unemployment Compensation		803.07
Public Defender Fees		70.00
Developers' Escrow		7,469.90
Fire Penalties and Fines		19,155.57
Accumulated Absences		1,023.90
Snow Removal		225.35
Recreation Fund		151,680.89
Reserve for Miscellaneous Trust Escrows:		
Sanitary Landfill Escrow		10.32
Security Deposit Tent Rentals		300.00
Tax Sale Premiums		17,300.00
Redemption of Tax Title Liens		81,781.49
Due to State of N.J.-- Dog License Fees	169.80	
Due to State of N.J.--Sales Tax		31.50
	<u>782.42</u>	<u>280,019.44</u>
	2,876.42	529,779.71
Decreased by Disbursements:		
Reserve for Animal Control	1,358.64	
Current Fund	2.62	8,278.99
Reserve for Miscellaneous Trust Reserves:		
Public Defender Fees		70.00
Developers' Escrow		24,653.19
Fire Penalties and Fines		9,703.26
Snow Removal		6,292.43
Recreation Fund		178,918.55
Reserve for Miscellaneous Trust Escrows:		
Security Deposit Tent Rentals		250.00
Tax Sale Premiums		31,500.00
Redemption of Tax Title Liens		81,781.49
Due to State of N.J.-- Dog License Fees	169.80	
	<u>1,531.06</u>	<u>341,447.91</u>
Balance Dec. 31, 2013	\$ <u><u>1,345.36</u></u>	\$ <u><u>188,331.80</u></u>

TOWNSHIP OF DEERFIELD
ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Expenditures
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 1,621.00
Increased by:	
Dog License Fees Collected	<u>610.00</u>
	2,231.00
Decreased by:	
Disbursements	<u>1,358.64</u>
Balance Dec. 31, 2013	\$ <u><u>872.36</u></u>

Dog License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 766.00
2012	<u>614.00</u>
	\$ <u><u>1,380.00</u></u>

TOWNSHIP OF DEERFIELD
ANIMAL CONTROL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 473.00
Increased by:	
Interest Earned	<u>2.62</u>
	475.62
Decreased by:	
Disbursements	<u>2.62</u>
Balance Dec. 31, 2013	\$ <u><u>473.00</u></u>

TOWNSHIP OF DEERFIELD
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey - Department of Health
Dog License Fees
For the Year Ended December 31, 2013

Accrued in 2013:		
Receipts in Clerk's Account	\$	169.80
Decreased by:		
Disbursements in Clerk's Account	\$	<u>169.80</u>

TOWNSHIP OF DEERFIELD
TRUST OTHER FUND
Statement of Due to (from) Current Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012 (Due to)		\$ 8,381.23
Increased by:		
Interest Earned on Trust-Other Accounts	\$ 97.45	
Refund of Public Defender Fees	70.00	
	<u>167.45</u>	<u>167.45</u>
		8,548.68
Decreased by:		
Disbursements Fire Safety Revenue	8,278.99	
Due from Current Fund - Payroll Deductions Payable	282.74	
	<u>8,561.73</u>	<u>8,561.73</u>
Balance Dec. 31, 2013 (Due from)		\$ <u><u>(13.05)</u></u>

Analysis of Balance as of Dec. 31, 2013

Recreation	\$ 517.25
Developers Escrow	69.60
Public Defender	3,088.98
Fire Penalty	(20,748.68)
Tax Title Lien Redemption	10,898.77
Unemployment Trust	(282.74)
Accumulated Absences	6,443.77
	<u>6,443.77</u>
	\$ <u><u>(13.05)</u></u>

Exhibit SB-6

TOWNSHIP OF DEERFIELD
TRUST OTHER FUND
Statement of Due to State of New Jersey--Sales Tax
For the Year Ended December 31, 2013

Increased by:	
Sales Tax Collected	\$ <u>31.50</u>
Balance Dec. 31, 2013	\$ <u><u>31.50</u></u>

TOWNSHIP OF DEERFIELD
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2013

	Balance	Receipts			Due from	Balance
	<u>Dec. 31, 2012</u>	<u>2013 Budget</u>	<u>Fees, Fines</u>	<u>Disbursements</u>	<u>Current Fund</u>	<u>Dec. 31, 2013</u>
		<u>Appropriation</u>	<u>and Other</u>			
Reserve for Unemployment Compensation	\$ 23,000.81	\$	\$ 803.07	\$	\$ 282.74	\$ 24,086.62
Reserve for Public Defender Fees			70.00	70.00		
Reserve for Developers' Escrow	39,933.59		7,469.90	24,653.19		22,750.30
Reserve for Developers' Bid Bonds	127.69					127.69
Reserve for Fire Penalties and Fines	19,443.15		19,155.57	9,703.26		28,895.46
Reserve for Accumulated Absences	14,664.95	1,000.00	23.90			15,688.85
Reserve for Snow Removal	16,049.85		225.35	6,292.43		9,982.77
Reserve for Recreation Fund	65,995.67		151,680.89	178,918.55		38,758.01
	<u>\$ 179,215.71</u>	<u>\$ 1,000.00</u>	<u>\$ 179,428.68</u>	<u>\$ 219,637.43</u>	<u>\$ 282.74</u>	<u>\$ 140,289.70</u>

TOWNSHIP OF DEERFIELD
TRUST OTHER FUND
Statement of Miscellaneous Trust Escrows
For the Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>Dec. 31, 2013</u>
Reserve for Sanitary Landfill Escrow	\$ 9,249.90	\$ 10.32	\$	\$ 9,260.22
Reserve for Security Deposit Tent Rentals	275.00	300.00	250.00	325.00
Reserve for Tax Sale Premiums	50,600.00	17,300.00	31,500.00	36,400.00
Reserve for Redemption of Tax Title Liens	<u>2,038.43</u>	<u>81,781.49</u>	<u>81,781.49</u>	<u>2,038.43</u>
	<u>\$ 62,163.33</u>	<u>\$ 99,391.81</u>	<u>\$ 113,531.49</u>	<u>\$ 48,023.65</u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
Statement of General Capital Cash--Treasurer
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$	283,321.00
Increased by Receipts:			
Interest Earned - Due to Current Fund	\$	1,918.19	
2013 Budget Appropriation - Capital Improvement Fund		<u>10,000.00</u>	
			<u>11,918.19</u>
			295,239.19
Decreased by Disbursements:			
Current Fund		99.31	
Improvement Authorizations		<u>34,016.94</u>	
			<u>34,116.25</u>
Balance Dec. 31, 2013		\$	<u><u>261,122.94</u></u>

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	Receipts		Disbursements		Transfers		Balance Dec. 31, 2013
		Budget Appropriation	Miscell- aneous	Improvement Authorizations	Miscell- aneous	From	To	
Fund Balance	\$ 53,507.85	\$	\$	\$	\$	\$ 53,000.00	\$	\$ 507.85
Capital Improvement Fund	182,974.01	10,000.00				10,000.00		182,974.01
Reserve for Encumbrances	2,676.00					2,676.00		
Reserve for Emergency Vehicle							20,000.00	20,000.00
Current Fund	1,208.14		1,918.19		99.31	20,000.00	53,000.00	36,027.02
<u>Improvement Authorizations:</u>								
<u>Ordinance</u>								
<u>Number</u>								
2010-5 Acquisition of a New Ambulance	15,328.59							15,328.59
2012-4 Resurfacing Cedar Street and Repair to Willow Street as Landis Avenue	150.00							150.00
2012-5 Reduce right of way widths for Willow Street and Poplar Street	7,220.00			6,780.00				440.00
2012-6 Purchase Firefighter Gear for Rosenhayn Fire Company	1,081.00			1,081.00				
2012-7 Purchase a Heating/Air Conditioning Unit for Municipal Building	110.00							110.00
2012-8 Various Improvements to Municipal Building and Grounds	19,065.41			16,242.01			2,676.00	5,499.40
2013-5 Purchase of Fire Gear				9,913.93			10,000.00	86.07
	<u>\$ 283,321.00</u>	<u>\$ 10,000.00</u>	<u>\$ 1,918.19</u>	<u>\$ 34,016.94</u>	<u>\$ 99.31</u>	<u>\$ 85,676.00</u>	<u>\$ 85,676.00</u>	<u>\$ 261,122.94</u>

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$	50,000.00
Decreased by:		
Loan Payment Forgiven by Issuer	\$	<u>50,000.00</u>

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Paid by Budget Appropriation</u>
General Improvements:			
2010-5	Acquisition of a New Ambulance	\$ <u>170,000.00</u>	\$ <u>170,000.00</u>

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
Schedule of Improvement Authorizations
For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date	Ordinance		Dec. 31, 2012		2013	Prior Year Encumbrances	Disbursed	Dec. 31, 2013
			Amount	Funded	Unfunded	Authorizations Capital Improvement Fund				
General Improvements:										
2010-5	Acquisition of a New Ambulance	11/09/10	\$ 178,500.00	\$	\$	15,328.59	\$	\$	\$	15,328.59
2012-4	Resurfacing Cedar Street and Repair to Willow Street as Landis Avenue	05/22/12	10,000.00		150.00					150.00
2012-5	Reduce right of way widths for Willow Street and Poplar Street	06/26/12	14,000.00		7,220.00			6,780.00		440.00
2012-6	Purchase Firefighter Gear for Rosenhayn Fire Company	07/24/12	16,000.00		1,081.00			1,081.00		
2012-7	Purchase a Heating/Air Conditioning Unit for Municipal Building	07/24/12	10,000.00		110.00					110.00
2012-8	Various Improvements to Municipal Building and Grounds	08/23/12	30,000.00		19,065.41		2,676.00	16,242.01		5,499.40
2013-5	Purchase of Fire Gear	06/25/13	10,000.00				10,000.00		9,913.93	86.07
				\$ 27,626.41	\$	15,328.59	10,000.00	\$ 2,676.00	\$ 34,016.94	\$ 21,614.06

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
Statement of Due from/to Current Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 1,208.14
Increased by:		
Interest Earned	\$ 1,918.19	
Fund Balance Anticipated as Revenue	<u>53,000.00</u>	
		<u>54,918.19</u>
		56,126.33
Decreased by:		
Disbursement to the Current Fund	99.31	
2013 Budget Appropriation:		
Reserve for Purchase of Emergency Vehicle	<u>20,000.00</u>	
		<u>20,099.31</u>
Balance Dec. 31, 2013		<u><u>\$ 36,027.02</u></u>

Exhibit SC-7

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 182,974.01
Increased by:		
Receipts 2013 Budget Appropriation		<u>10,000.00</u>
		192,974.01
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>10,000.00</u>
Balance Dec. 31, 2013		<u><u>\$ 182,974.01</u></u>

TOWNSHIP OF DEERFIELD
PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF DEERFIELD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2013

Schedule of Financial Statement Findings

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

Finding No. 2013-1

Criteria

N.J.S.A. 40A:4-57 states that no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose.

The Township should have control procedures in place that assure that an expenditure cannot be made without an appropriation.

Condition

There were two instances in which the Township expended funds without an appropriation.

Context

Examination of the capital improvement fund and the matching for grants line items in the Current Fund budget revealed expenditures being charged without a sufficient appropriation in the amount of \$30,406.54.

Effect

The non-compliance with N.J.S.A. 40A:4-57 resulted in expenditures without of an appropriation that are required to be raised in succeeding year's budgets.

Cause

The Township's internal control procedures did not detect that expenditures were being made without an appropriation.

Recommendation

That the Township establish procedures that would detect and prevent expenditures without an appropriation.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF DEERFIELD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2013

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2013-2

Criteria

N.J.A.C. 5:30-5.4 states when a contract is awarded by the governing body a Certification of Availability of Funds shall be attached to the original copy of the resolution or ordinance.

Condition

A certificate of availability of funds was not executed and filed with the contract or resolution for two professional service contracts awarded.

Context

During the test of Bids and Contracts, it was noted that two professional service contracts did not have a certificate of availability of funds filed with the contract or resolution.

Effect

The Township did not adhere to the statutes and regulations for certificate of availability of funds of bids and contracts.

Cause

Unknown.

Recommendation

That the certificate of availability of funds, signed by the chief financial officer be prepared when a contract is awarded in accordance with N.J.A.C. 5:30-5.4.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF DEERFIELD
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management**

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

FINANCIAL STATEMENT FINDINGS

None.

TOWNSHIP OF DEERFIELD
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>
Frank R. Spatola, Jr	Mayor	
Robert Montgomery	Deputy Mayor	
Cosmo Laurella	Committeeperson	
John J. Stanzione	Committeeperson	
Keith Lauermann	Committeeperson	
Karen Seifrit	Township Administrator/Clerk, Registrar of Vital Statistics and Dog Registrar	(A)
Teresa C. Delp	Chief Financial Officer	(A)
Maria Schiano Branson	Tax Collector and Tax Search Officer	(A)
Donald P. Seifrit	Assessor	(A)
Cheryl L. Tramontana	Deputy Registrar of Vital Statistics and Administrative Secretary	(A)
Annette Santos	Secretary	(A)
Christopher Williams	Fire Marshall	(A)
Jeryl Goff	Building Inspector	(A)
Anthony Lamanteer	Zoning / Housing Officer	(A)
Brenda Closser	Land Use Board Secretary and Administrative Secretary	(A)
Michael L. Testa	Solicitor	

(A) \$1,000,000.00 in coverage is provided by Atlantic County and Municipal Excess Liability Joint Insurance Funds with a \$1,000 deductible.

All of the bonds were examined and were properly executed

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "Carol A. McAllister". The signature is fluid and cursive, with the first name "Carol" and last name "McAllister" clearly distinguishable.

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

