

TOWNSHIP OF EAGLESWOOD

COUNTY OF OCEAN

REPORT OF AUDIT

FOR THE YEAR 2012

TOWNSHIP OF EAGLESWOOD

TABLE OF CONTENTS

<u>Part I</u>	<u>Page</u>
Independent Auditor's Report	1-2
Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet	A
Comparative Statement of Operations and Change in Fund Balance	A-1
Statement of Revenues	A-2
Statement of Expenditures	A-3
<u>Trust Fund</u>	
Comparative Balance Sheet	B
<u>General Capital Fund</u>	
Comparative Balance Sheet	C
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet	D
Comparative Statement of Operations and Change in Fund Balance	D-1
Statement of Revenues	D-2
Statement of Expenditures	D-3
<u>General Fixed Assets Account Group</u>	
Statement of General Fixed Assets	E
	<u>Page</u>
Notes to Financial Statements	5-11
Schedule of Expenditures of Federal Awards	Schedule A
Schedule of Expenditures of State Awards	Schedule B

TOWNSHIP OF EAGLESWOOD

TABLE OF CONTENTS, continued

Supplementary Data

Exhibit

Current Fund

Statement of:	Cash	A-4
	Taxes Receivable & Analysis of Property Tax Levy	A-5
	Tax Title Liens Receivable	A-6
	Revenue Accounts Receivable.....	A-7
	2010 Appropriation Reserves	A-8
	Prepaid Taxes	A-9
	Tax Overpayments	A-10
	Due State for Exemptions.....	A-11
	Local District School Tax.....	A-12
	Regional School Tax	A-13
	Grants Receivable (Federal & State Grant Fund).....	A-14
	Appropriated Reserves (Federal & State Grant Fund).....	A-15
	Unappropriated Reserves (Federal & State Grant Fund).....	A-16

Trust Fund

Statement of:	Trust Cash.....	B-1
	Due To Current Fund (Animal Control Trust Fund)	B-2
	Reserve for Animal Control Trust Fund Expenditures (Animal Control Trust Fund).....	B-3
	Due From State of New Jersey (Animal Control Trust Fund)	B-4
	Due To Current Fund (Trust-Other Fund).....	B-5
	Reserve for Public Defender (Trust-Other Fund)	B-6
	Reserve for Unemployment Compensation Insurance (Trust-Other Fund)	B-7
	Reserve for Recreation (Trust-Other Fund)	B-8
	Reserve for Performance Bonds (Trust-Other Fund)	B-9
	Reserve for Developer's Escrow Fund (Trust-Other Fund)	B-10
	Reserve for Tax Sale Premiums (Trust-Other Fund)	B-11
	Reserve for Tax Map Maintenance (Trust-Other Fund)	B-12
	Reserve for Accumulated Absences (Trust-Other Fund).....	B-13
	Due To Current Fund (Payroll Fund)	B-14
	Reserve for Payroll Deductions (Payroll Fund)	B-15

TOWNSHIP OF EAGLESWOOD

TABLE OF CONTENTS, continued

<u>Supplementary Data, continued</u>	<u>Exhibit</u>
 <u>General Capital Fund</u>	
Statement of: Analysis of Capital Cash	C-1
Cash	C-2
Capital Fund Balance.....	C-3
Deferred Charges to Future Taxation – Funded.....	C-4
Deferred Charges to Future Taxation – Unfunded.....	C-5
Due To Current Fund.....	C-6
Bond Anticipation Notes	C-7
Green Trust Loan Payable	C-8
Improvement Authorizations.....	C-9
Capital Improvement Fund.....	C-10
Bonds & Notes Authorized and Unissued	C-11
 <u>Sewer Utility Fund</u>	
Statement of: Sewer Utility Cash.....	D-4
Analysis of Capital Cash	D-5
Prepaid Sewer Rents	D-6
Sewer Rents Receivable	D-7
Fixed Capital	D-8
Fixed Capital Authorized and Uncompleted	D-9
Due To Utility Capital Fund	D-10
2010 Appropriation Reserves.....	D-11
Accrued Interest on Bonds.....	D-12
Improvement Authorizations.....	D-13
Serial Bonds.....	D-14
Capital Improvement Fund.....	D-15
Reserve for Amortization	D-16
Deferred Reserve for Amortization.....	D-17
Bond Anticipation Notes	D-18

TOWNSHIP OF EAGLESWOOD

TABLE OF CONTENTS, continued

<u>Other Supplementary Data</u>	<u>Page</u>
Calculation of "Self-Liquidating Purpose"	12
Comparative Schedule of Tax Rate Information.....	12
Comparison of Tax Levies & Collection Currently	12
Delinquent Taxes & Tax Title Liens	13
Property Acquired by Tax Title Lien Liquidation	13
Comparison of Sewer Utility Levies	13
Comparative Schedule of Fund Balance	13
Comparative Statement of Operations & Change in Fund Balance – Current Fund	14
Comparative Statement of Operations & Change in Fund Balance – Sewer Utility Operating Fund.....	15
Officials in Office & Surety Bonds.....	16
 <u>Part II</u>	
General Comments & Recommendations.....	17-19

TOWNSHIP OF EAGLESWOOD

PART I

REPORT OF EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2012

GROSS & COMPANY, LLC.

Certified Public Accountants
Registered Municipal Accountant
Public School Accountant

Michael P. Gross, RMA CPA, PSA

Phone: 609/ 494-2197
Fax: 609/ 494-7054

P.O. Box 508
105 East 16th Street
Ship Bottom, NJ 08008

Joseph J. Gross CPA, RMA (Deceased)

Independent Auditor's Report

Township of Eagleswood
West Creek, NJ 08092

I have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Township of Eagleswood, New Jersey, as of December 31, 2012, the related statements of operations and changes in fund balance – regulatory basis for the year then ended, and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the current fund for the year ended December 31, 2012. These financial statements are the responsibility of the Township of Eagleswood's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Eagleswood's internal control over financial reporting. Accordingly, I express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

As described in Note 1, the Township of Eagleswood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The presentation requirement does not include a Management Discussion and Analysis as required by the Governmental Accounting Standards Board to be presented as Required Supplementary Information, but not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In my opinion, because of the Township of Eagleswood's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Eagleswood as of December 31, 2012 or the results of its operations for the year then ended.

However, in my opinion, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Township of Eagleswood, New Jersey as of December 31, 2012, and the results of its operations and the changes in fund balance – regulatory basis of such funds for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the current fund for the year ended December 31, 2012, on a modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, I have also issued my report, dated November 25, 2013, on my consideration of the Township of Eagleswood, New Jersey's, internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



MICHAEL P. GROSS
Certified Public Accountant (No. CC025466)
Registered Municipal Accountant (No. 20CR000535)

November 25, 2013

GROSS & COMPANY, LLC.

Certified Public Accountants
Registered Municipal Accountant
Public School Accountant

Michael J. Gross, RMA, CPA, PSA

Phone: 609/ 494-2197
Fax: 609/ 494-7054

P.O. Box 508
105 East 16th Street
Ship Bottom, NJ 08008

Joseph J. Gross CPA, RMA (Deceased)

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*

Township of Eagleswood
West Creek, New Jersey 08224

I have audited the financial statements – regulatory basis of the Township of Eagleswood, New Jersey, as of and for the year ended December 31, 2012 and have issued my report thereon dated November 25, 2013. My report disclosed that, as described in Note 1 to the financial statements – regulatory basis, the Township of Eagleswood, New Jersey prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. I conducted my 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Internal Control Over Financial Reporting

Management for the Township of Eagleswood, New Jersey is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the Township of Eagleswood, New Jersey's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements – regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Eagleswood's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Township of Eagleswood's internal control over financial reporting.

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 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.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Eagleswood, New Jersey's financial statements are free of material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the requirements of the Division of Local Government Services.

This report is intended solely for the information and use of management and the State of New Jersey, Division of Local Government Services, and is not intended to be and should not be used by anyone other than those specified parties.



MICHAEL P. GROSS
Certified Public Accountant (No. CC025466)
Registered Municipal Accountant (No. 20CR000535)

November 25, 2013

CURRENT FUND
COMPARATIVE BALANCE SHEETS

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Cash	A-4	\$ 1,564,704.12	\$ 1,394,302.20
Investment-BAN		200,000.00	-
Change Fund		100.00	100.00
		<u>1,764,804.12</u>	<u>1,394,402.20</u>
Receivables with Full Reserves:			
Taxes Receivable	A-5	114,071.25	154,674.42
Tax Title Liens Receivable	A-6	115,179.90	104,038.57
Property Acquired for Taxes - Assessed Value		1,616,500.00	1,616,500.00
Due from Dog License Fund	B	690.60	640.80
Due from State for Exemptions	A-11	1,571.69	301.69
Due from State of NJ Marriage Licenses		-	25.00
Due from Federal & State Grant Fund	A	85,075.08	84,694.62
Due from Trust-Other Fund	B-5	31,093.45	28,366.60
Due from Capital Fund	C	17,412.87	227,395.49
		<u>1,981,594.84</u>	<u>2,216,637.19</u>
Deferred Charges			
Sandy Emergency Authorization	A-3	250,000.00	-
		<u>3,996,398.96</u>	<u>3,611,039.39</u>
Federal & State Grant Fund:			
Grants Receivable	A-14	611,140.88	828,684.55
		<u>611,140.88</u>	<u>828,684.55</u>
		<u>\$ 4,607,539.84</u>	<u>\$ 4,439,723.94</u>

CURRENT FUND
COMPARATIVE BALANCE SHEETS

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Liabilities:			
Encumbrances Payable	A-3	\$ 11,751.83	\$ 3,909.07
Appropriation Reserves	A-3 & A-8	404,190.45	136,369.41
Prepaid Taxes	A-9	60,548.03	56,777.38
Tax Overpayments	A-10	13,003.31	12,788.80
Local District School Tax Payable	A-12	488,709.28	474,285.23
Regional School Tax Payable	A-13	10,070.04	9,978.38
Due County for Added Tax	A-5	2,646.61	891.80
Due Utility Operating Fund	D	308.07	-
Due Utility Capital Fund	D	14.28	-
Due to State of NJ Marriage Licenses		50.00	-
Sandy Emergency Note		250,000.00	-
Reserve for Codification	A	22,718.00	29,000.00
Reassessment Program	A	58.57	11,008.57
Reserve for Garden State Preservation Trust Fund	A-4	16,981.00	16,981.00
Reserve for Building Renovations	A-3	25,745.47	16,745.47
Reserve for Purchase of Pick-up Truck	A-3	35,000.00	35,000.00
		<u>1,341,794.94</u>	<u>803,735.11</u>
Reserve for Receivables		1,981,594.84	2,216,637.19
Fund Balance	A-1	673,009.18	590,667.09
		<u>3,996,398.96</u>	<u>3,611,039.39</u>
Federal & State Grant Fund:			
Due to Current Fund	A	85,075.08	84,694.62
Appropriated Reserves	A-15	523,600.70	743,989.93
Unappropriated Reserves	A-16	2,465.10	-
		<u>611,140.88</u>	<u>828,684.55</u>
		<u>\$ 4,607,539.84</u>	<u>\$ 4,439,723.94</u>

COMPARATIVE STATEMENT OF CURRENT FUND OPERATIONS
AND CHANGE IN FUND BALANCE

<u>Revenue & Other Income</u>	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
Fund Balance Utilized	A-2	\$ 340,000.00	\$ 330,000.00
Miscellaneous Revenue Anticipated	A-2	590,843.40	479,328.10
Receipts from Delinquent Taxes	A-2	158,165.59	241,172.08
Receipts from Current Taxes	A-2	4,861,690.05	4,626,945.87
Non-Budget Revenue	A-2	52,781.12	45,780.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	123,041.36	111,185.00
Reserve for Due from State-Marriage Licenses	A	25.00	-
Prior Period Adjustment Federal & State Grants	A-15	-	-
Reserve for Due from Payroll Fund	A	-	-
Reserve for Due from State for Exemptions	A-11	-	1,000.00
Reserve for Due from Federal & State Grant Fund	A	-	38,836.36
Reserve for Due from General Capital Fund	A	209,982.62	20,000.00
Total Income		<u>6,336,529.14</u>	<u>5,894,247.41</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries & Wages	A-3	447,135.00	431,250.00
Other Expenses	A-3	1,127,422.51	840,133.40
Municipal Debt Service	A-3	62,126.66	74,516.23
Capital Improvements	A-3	279,000.00	169,000.00
Deferred Charges & Statutory Expenditures	A-3	92,457.00	86,200.00
County Taxes	A-6	971,015.28	895,863.32
County Share of Added Taxes	A-6	2,646.61	891.80
Local District School Tax	A-12	1,721,931.00	1,689,284.00
Regional School Tax	A-13	1,431,074.62	1,355,405.82
Prior Period Adjustment Federal & State Grants	A-15	22,186.55	-
Reserve for Due from Dog Fund	A	49.80	520.80
Reserve for Due from State for Exemptions	A	1,270.00	-
Reserve for Due from Federal & State Grant Fund	A	380.46	-
Reserve for Due from Trust Other Fund	B-6	2,726.85	6,707.02
Refund of Prior Year Revenue	A-1	2,764.71	5,060.20
Total Expenditures		<u>6,164,187.05</u>	<u>5,554,832.59</u>
Excess in Revenues		172,342.09	339,414.82
Adjustments to Income before Fund Balance:			
Expenditures included above which are by statute deferred charges to budget of succeeding year		250,000.00	-
Statutory Excess to Fund Balance		<u>422,342.09</u>	<u>339,414.82</u>
 <u>Fund Balance</u>			
Balance January 1	A	590,667.09	581,252.27
		<u>1,013,009.18</u>	<u>920,667.09</u>
Decreased by:			
Utilized as Anticipated Revenue	A-2	340,000.00	330,000.00
Balance December 31	A	<u>\$ 673,009.18</u>	<u>\$ 590,667.09</u>

STATEMENT OF REVENUES- CURRENT FUND

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit(-)</u>
Fund Balance Appropriated	A-1	\$ 340,000.00	340,000.00	-
Miscellaneous Revenues:				
Liquor License	A-7	5,842.00	5,842.00	-
Other Licenses	A-7	2,150.00	1,420.00	(730.00)
Interest & Costs on Taxes	A-4	24,793.73	26,041.65	1,247.92
Interest on Investments & Deposits	A-7	2,000.00	2,055.40	55.40
Rent - Boat Stalls	A-7	2,000.00	1,600.00	(400.00)
Eagleswood Village Rent Fee	A-7	5,376.00	4,928.00	(448.00)
Cable TV Franchise Fee	A-7	6,294.76	6,291.52	(3.24)
Billboard Lease	A-7	1,425.00	2,287.75	862.75
Energy Receipts Tax	A-7	186,382.00	186,382.00	-
Garden State Preservation Trust Fund	A,A-4	16,981.00	16,981.00	-
Little Egg Harbor - Municipal Alliance Program	A-7	34,506.43	-	(34,506.43)
Sahara Sands MotoX	A-7	4,000.00	5,165.00	1,165.00
Alcohol Education & Rehabilitation Fund	A-14	1,349.08	1,349.08	-
Municipal Alliance on Alcoholism & Drug Abuse	A-14	34,000.00	34,000.00	-
Ocean County Tourism Grant-2012	A-14	500.00	500.00	-
Clean Communities Program 2012	A-14	4,000.00	4,000.00	-
NJ Transportation Trust Fund Authority Act - 2012/Downtown Improvement Project	A-14	250,000.00	250,000.00	-
CDBG Downtown Sidewalk/Curb Improvements	A-14	42,000.00	42,000.00	-
		<u>623,600.00</u>	<u>590,843.40</u>	<u>(32,756.60)</u>
Receipts from Delinquent Taxes	A-2	<u>187,000.00</u>	<u>158,165.59</u>	<u>(28,834.41)</u>
Property Tax for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2	<u>887,700.00</u>	<u>1,010,022.54</u>	<u>122,322.54</u>
Total Budget		<u>2,038,300.00</u>	<u>2,099,031.53</u>	<u>60,731.53</u>
Non-Budgeted Revenue	A-1		<u>52,781.12</u>	<u>52,781.12</u>
		<u>\$ 2,038,300.00</u>	<u>2,151,812.65</u>	<u>113,512.65</u>

STATEMENT OF REVENUES- CURRENT FUND (cont'd)

	<u>Ref.</u>		
<u>Analysis of Realized Revenue</u>			
Allocation of Current Tax Collection:			
Revenue from Collections	A-6		\$ 4,861,690.05
Allocated to School & County Taxes	A-6		<u>4,126,667.51</u>
Balance for Support of Municipal Budget			735,022.54
Add: Appropriation Reserves for Uncollected Taxes	A-3		<u>275,000.00</u>
Balance for Support of Municipal Budget Appropriations	A-2		<u>\$ 1,010,022.54</u>
Delinquent Taxes:			
Taxes Receivable	A-6	\$ 154,720.61	
Tax Title Liens Receivable	A-7	<u>3,444.98</u>	
			<u>\$ 158,165.59</u>
Other Licenses:			
Clerk	A-8	<u>\$ 1,420.00</u>	
			<u>\$ 1,420.00</u>

STATEMENT OF REVENUES- CURRENT FUND (cont'd)Ref.Analysis of Non-Budget Revenue

Miscellaneous Revenues Not Anticipated:

Tax & Assessment Searches	\$	136.00	
Refuge Revenue Sharing (US Fish & Wildlife)		8,940.00	
Court Fines & Costs		3,599.58	
Land Use Board Fees		6,750.00	
Zoning Permits		1,550.00	
Senior Citizen & Vet Administration Fee		510.00	
Refrigerator/AC/Propane Fees		72.00	
Vital Statistics		184.00	
Refund of Prior Period Expense		3,829.67	
Recycling Revenue		3,726.38	
Bid Specs		364.00	
Copies		101.77	
COAH Master Plan		14,610.00	
Road Openings		325.00	
JIF Refunds		500.00	
CFO Shared Services		1,583.33	
Health Benefits Reimbursements		2,603.31	
Tax Office Miscellaneous		1,105.45	
Miscellaneous		<u>2,290.63</u>	
	A-4		52,781.12
	A-2		<u>\$ 52,781.12</u>

STATEMENT OF EXPENDITURES

	2012 Budget	Emergency Appropriation	Modified Budget	Paid or Charged	Reserved	Cancelled
General Government:						
General Administration						
Salaries & Wages	\$ 23,300.00	-	23,300.00	22,505.71	794.29	
Other Expenses	4,500.00	-	4,500.00	1,208.51	3,291.49	
Mayor & Committee						
Salaries & Wages	8,400.00	-	8,400.00	8,400.00	-	
Other Expenses	1,500.00	-	1,500.00	827.56	672.44	
Municipal Clerk						
Salaries & Wages	48,700.00	-	48,700.00	47,752.27	947.73	
Other Expenses	6,500.00	-	6,500.00	2,155.80	4,344.20	
Financial Administration (Treasury)						
Salaries & Wages	46,350.00	-	46,350.00	46,316.55	33.45	
Other Expenses	11,000.00	-	11,000.00	8,640.92	2,359.08	
Audit Services	29,000.00	-	29,000.00	29,000.00	-	
Revenue Administration (Tax Collection)						
Salaries & Wages	36,050.00	-	36,050.00	34,996.91	1,053.09	
Other Expenses	9,000.00	-	9,000.00	7,468.66	1,531.34	
Tax Assessment Administration						
Salaries & Wages	16,000.00	-	21,000.00	20,166.68	833.32	
Other Expenses	5,500.00	-	5,500.00	5,420.98	79.02	
Maintenance of Tax Map	500.00	-	500.00	-	500.00	
Legal Services (Legal Department)						
Salaries & Wages	37,500.00	-	37,500.00	37,500.00	-	
Special Counsel	4,000.00	-	4,000.00	3,708.74	291.26	
Liquidation of Tax Title Liens	1,000.00	-	1,000.00	-	1,000.00	
Engineering Services						
Other Expenses	35,000.00	-	35,000.00	33,889.95	1,110.05	
Economic Development Agencies						
Other Expenses	450.00	-	450.00	-	450.00	
Planning and Code Enforcement:						
Planning Board						
Salaries & Wages	19,570.00	-	19,570.00	18,990.88	579.12	
Other Expenses	2,300.00	-	2,300.00	1,118.05	1,181.95	
Master Plan	100.00	-	100.00	-	100.00	
Code Enforcement and Zoning						
Salaries & Wages	19,415.00	-	19,415.00	18,969.37	445.63	
Other Expenses	1,000.00	-	1,000.00	456.53	563.47	

STATEMENT OF EXPENDITURES (cont'd)

	2012 Budget	Emergency Appropriation	Modified Budget	Paid or Charged	Reserved	Cancelled
Insurance:						
General Liability - DJF	85,517.00	-	85,517.00	85,516.64	0.36	
Employee Group Health	146,029.00	-	146,029.00	130,327.24	15,701.76	
Health Benefits Waiver						
Salaries & Wages	15,650.00	-	15,650.00	15,647.00	3.00	
Other Insurance	800.00	-	800.00	750.00	50.00	
Public Safety:						
Police Department						
Salaries & Wages	100.00	-	100.00	-	100.00	
Other Expenses	100.00	-	100.00	-	100.00	
Office of Emergency Management						
Salaries & Wages	400.00	-	400.00	400.00	-	
Other Expenses	500.00	-	500.00	160.10	339.90	
Aid to Volunteer Fire Companies	35,500.00	-	35,500.00	35,500.00	-	
Occupational Safety and Health Act	9,000.00	-	9,000.00	7,150.52	1,849.48	
Contribution to First Aid Organization	11,000.00	-	11,000.00	11,000.00	-	
Superstorm Sandy Emergency Appropriation	-	250,000.00	250,000.00	-	250,000.00	
Public Works:						
Other Public Works Functions						
Salaries & Wages	169,000.00	-	169,000.00	158,783.76	10,216.24	
Other Expenses	26,000.00	-	26,000.00	14,084.16	11,915.84	
Streets and Road Maintenance						
Other Expenses	2,000.00	-	2,900.00	678.65	2,221.35	
Schedule "C"	10,000.00	-	9,100.00	1,238.05	7,861.95	
Solid Waste Collection						
Other Expenses/Contractual	72,500.00	-	72,500.00	70,412.77	2,087.23	
Tipping Fees	67,500.00	-	67,500.00	53,673.45	13,826.55	
Buildings and Grounds						
Other Expenses	22,900.00	-	22,900.00	7,953.23	14,946.77	
Mosquito Control						
Salaries & Wages	1,000.00	-	1,000.00	-	1,000.00	
Other Expenses	7,500.00	-	2,500.00	979.61	1,520.39	
Health and Human Services:						
Environmental Commission						
Salaries & Wages	600.00	-	600.00	100.00	500.00	
Other Expenses	1,000.00	-	1,000.00	-	1,000.00	

STATEMENT OF EXPENDITURES (cont'd)

	2012 Budget	Emergency Appropriation	Modified Budget	Paid or Charged	Reserved	Cancelled
Animal Control Services						
Other Expenses	3,400.00	-	3,400.00	3,312.00	88.00	
Recreation and Education:						
Recreation Services and Programs						
Other Expenses	7,500.00	-	7,500.00	7,482.51	17.49	
Public Docks						
Salaries & Wages	100.00	-	100.00	-	100.00	
Other Expenses	600.00	-	600.00	-	600.00	
Celebration of Public Events						
Other Expenses	4,000.00	-	4,000.00	432.45	3,567.55	
Accumulated Absence Liability	6,000.00	-	6,000.00	6,000.00	-	
Unclassified:						
Electricity	12,000.00	-	12,000.00	8,498.27	3,501.73	
Street Lighting	29,500.00	-	29,500.00	25,699.06	3,800.94	
Telephone (excluding equipment acquisition)	8,000.00	-	8,000.00	4,175.31	3,824.69	
Fuel Oil	5,000.00	-	5,000.00	2,672.66	2,327.34	
Gasoline	22,000.00	-	22,000.00	20,405.85	1,594.15	
Natural Gas	5,000.00	-	5,000.00	1,900.00	3,100.00	
Technology	10,000.00	-	10,000.00	247.50	9,752.50	
Total Operations within C.A.P.S.	1,164,331.00	250,000.00	1,414,331.00	1,024,654.86	389,676.14	-
Contingent	1,000.00	-	1,000.00	-	1,000.00	-
Total Operations including Contingent - within C.A.P.S.	1,165,331.00	250,000.00	1,415,331.00	1,024,654.86	390,676.14	-
Detail:						
Salaries & Wages	442,135.00	-	447,135.00	430,529.13	16,605.87	-
Other Expenses	723,196.00	250,000.00	968,196.00	594,125.73	399,296.15	-
	1,165,331.00	250,000.00	1,415,331.00	1,024,654.86	415,902.02	-

STATEMENT OF EXPENDITURES (cont'd)

	2012 Budget	Emergency Appropriation	Modified Budget	Paid or Charged	Reserved	Cancelled
Deferred Charges and Statutory Expenditures - within CAPS						
Statutory Expenditures						
Contribution to:						
Public Employees Retirement System	40,457.00	-	40,457.00	40,457.00	-	-
Social Security System (O.A.S.I.)	37,000.00	-	37,000.00	34,428.94	2,571.06	-
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	5,000.00	-	5,000.00	5,000.00	-	-
Total Deferred Charges and Statutory Expenditures	82,457.00	-	82,457.00	79,885.94	2,571.06	-
Total General Appropriations within CAPS	1,247,788.00	250,000.00	1,497,788.00	1,104,540.80	393,247.20	-
Operations excluded from CAPS						
Recycling Tax	2,500.00	-	2,500.00	2,415.09	84.91	-
Employee Group Health	34,371.00	-	34,371.00	34,371.00	-	-
Interlocal Municipal Service Agreements						
Little Egg Harbor - Municipal Alliance	34,506.43	-	34,506.43	26,898.09	7,608.34	-
Additional Appropriations Offset by Revenues						
Sahara Sands MotoX	4,000.00	-	4,000.00	750.00	3,250.00	-
Public and Private Programs Offset by Revenues						
Clean Communities Program - 2012	4,000.00	-	4,000.00	4,000.00	-	-
Municipal Alliance - Alcoholism and Drug Abuse	34,000.00	-	34,000.00	34,000.00	-	-
Municipal Alliance - Local Match	2,000.00	-	2,000.00	2,000.00	-	-
Recycling Tonnage Grant	-	-	-	-	-	-
Ocean County Tourism Grant - 2012	500.00	-	500.00	500.00	-	-
Matching Funds for Future Grants	3,995.49	-	3,995.49	-	-	3,995.49
CDBG Downtown Sidewalk & Curb Improvements	42,000.00	-	42,000.00	42,000.00	-	-
Alcohol Education & Rehabilitation Fund	1,349.08	-	1,349.08	1,349.08	-	-
Total Operations excluded from CAPS	163,222.00	-	163,222.00	148,283.26	10,943.25	3,995.49
Detail:						
Salaries & Wages	163,222.00	-	163,222.00	148,283.26	10,943.25	-
Other Expenses	163,222.00	-	163,222.00	148,283.26	10,943.25	3,995.49

STATEMENT OF EXPENDITURES (cont'd)

	2012 Budget	Emergency Appropriation	Modified Budget	Paid or Charged	Reserved	Cancelled
Capital Improvements excluded from CAPS:						
Capital Improvement Fund	20,000.00	-	20,000.00	20,000.00	-	-
Building Renovations	9,000.00	-	9,000.00	9,000.00	-	-
NJ Transportation Trust Fund Authority Act	250,000.00	-	250,000.00	250,000.00	-	-
Total Capital Improvements excluded from CAPS	279,000.00	-	279,000.00	279,000.00	-	-
Municipal Debt Service excluded from CAPS						
Payment of Bond Anticipation Notes and Capital Notes	38,700.00	-	38,700.00	38,684.60	-	15.40
Interest on Notes	10,750.00	-	10,750.00	9,610.98	-	1,139.02
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	13,840.00	-	13,840.00	13,831.08	-	8.92
Total Municipal Debt Service excluded from CAPS	63,290.00	-	63,290.00	62,126.66	-	1,163.34
Deferred Charges excluded from CAPS						
Purchase of Fire Truck	10,000.00	-	10,000.00	10,000.00	-	-
Total Deferred Charges excluded from CAPS	10,000.00	-	10,000.00	10,000.00	-	-
Total General Appropriations excluded from CAPS	515,512.00	-	515,512.00	499,409.92	10,943.25	5,158.83
Subtotal - General Appropriations	1,763,300.00	250,000.00	2,013,300.00	1,603,950.72	404,190.45	5,158.83
Reserve for Uncollected Taxes	275,000.00	-	275,000.00	275,000.00	-	-
Total General Appropriations	2,038,300.00	250,000.00	2,288,300.00	1,878,950.72	404,190.45	5,158.83
Adopted Budget	\$ 2,038,300.00					
Added by N.I.S. 40A:4-87	-					
	\$ 2,038,300.00					
Due Federal & State Grant Fund						
Encumbrances Payable		Ref. A-16		\$ 333,849.08		
Due Capital Fund		A		11,751.83		
Due to Trust Other		C-7		30,000.00		
Reserve for Building Renovations		A-4, B-13		6,000.00		
Reserve for Uncollected Taxes		A		9,000.00		
Cash		A-2		275,000.00		
		A-4		1,213,349.81		
				\$ 1,878,950.72		

TRUST FUND
COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 1,295.40	\$ 1,303.20
Due from State of New Jersey	B-4	-	-
		<u>1,295.40</u>	<u>1,303.20</u>
Trust-Other Fund:			
Cash	B-1	604,659.44	551,752.69
		<u>604,659.44</u>	<u>551,752.69</u>
Payroll Fund:			
Cash		7,051.37	9,675.65
		<u>7,051.37</u>	<u>9,675.65</u>
Total Assets		<u>\$ 613,006.21</u>	<u>\$ 562,731.54</u>
<u>Liabilities & Reserves</u>			
Animal Control Trust Fund:			
Due to Current Fund	B-2	\$ 690.60	\$ 640.80
Reserve for Animal Control Trust Fund Expenditures	B-3	604.80	662.40
		<u>1,295.40</u>	<u>1,303.20</u>
Trust-Other Fund:			
Reserve for Public Defender	B-6	2,340.00	3,185.00
Reserve for Unemployment Compensation Insurance	B-7	21,811.79	17,259.99
Reserve for Recreation	B-8	5,254.71	2,835.85
Reserve for Performance Bonds	B-9	20,755.36	88,501.56
Reserve for Developers' Escrow Fund	B-10	425,355.04	392,079.63
Reserve for Tax Sale Premiums	B-11	77,516.55	8,224.06
Reserve for Tax Map Maintenance	B-12	300.00	300.00
Reserve for Outside Tax Liens	B-1	3,232.54	-
Reserve for Accumulated Absences	B-13	17,000.00	11,000.00
Due to Current Fund	B-5	31,093.45	28,366.60
		<u>604,659.44</u>	<u>551,752.69</u>
Payroll Fund:			
Due to Current Fund	B-14	1.44	-
Reserve for Payroll Deductions	B-15	7,049.93	9,675.65
		<u>7,051.37</u>	<u>9,675.65</u>
Total Liabilities & Reserves		<u>\$ 613,006.21</u>	<u>\$ 562,731.54</u>

CAPITAL FUND
COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Cash	C-1 & C-2	\$ 60,079.45	\$ 40,062.07
Deferred Charges to Future Taxation:			
Funded	C-5	168,161.54	178,474.45
Unfunded	C-6	682,446.00	731,130.60
		<u>\$ 910,686.99</u>	<u>\$ 949,667.12</u>
 <u>Liabilities, Reserves & Fund Balance</u>			
Green Trust Loan Payable	C-8	\$ 168,161.54	\$ 178,474.45
Bond Anticipation Notes	C-7	488,931.40	327,616.00
Due to Current Fund	C-6	17,412.87	227,395.49
Improvement Authorizations:			
Funded	C-9	2,072.83	2,072.83
Unfunded	C-9	114,943.86	114,943.86
Capital Improvement Fund	C-10	80,000.00	60,000.00
Fund Balance	C-4	39,164.49	39,164.49
		<u>\$ 910,686.99</u>	<u>\$ 949,667.12</u>

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
Operating Fund:			
Cash	D-4	\$ 79,418.24	\$ 78,217.44
Due from Current Fund	D-4	308.07	-
Due from Utility Capital Fund	D-10	886,502.38	-
Receivables with Full Reserves:			
Sewer Rents Receivable	D-7	9,058.19	9,157.58
Deferred Charges:			
Sandy Emergency		1,200,000.00	-
Overexpenditure of Appropriation	D-3	1,480.00	-
Total Operating Fund		<u>2,176,766.88</u>	<u>87,375.02</u>
Capital Fund:			
Cash	D-4	901,537.97	10,049.87
Due from Current Fund	D-4	14.28	-
Fixed Capital	D-8	1,570,099.16	1,570,099.16
Fixed Capital - Authorized & Uncompleted	D-9	855,000.00	855,000.00
Total Capital Fund		<u>3,326,651.41</u>	<u>2,435,149.03</u>
Total Assets		<u>\$ 5,503,418.29</u>	<u>\$ 2,522,524.05</u>
 <u>Liabilities, Reserves & Fund Balance</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3 & D-11	\$ 874,868.28	\$ 4,648.77
Accounts Payable	D & D-3	17,108.70	780.32
Accrued Interest on Bonds	D-12	1,066.15	1,415.17
Special Emergency Note		1,200,000.00	-
Prepaid Sewer Fees	D-6	15,293.64	18,661.12
		<u>2,108,336.77</u>	<u>25,505.38</u>
Reserve for Receivables		9,058.19	9,157.58
Operating Fund Balance	D-1	59,371.92	52,712.06
Total Operating Fund		<u>2,176,766.88</u>	<u>87,375.02</u>
Capital Fund:			
Serial Bonds	D-14	290,749.98	310,105.01
Reserve for Amortization	D-16	1,263,949.18	1,244,594.15
Deferred Reserve for Amortization	D-17	103,300.00	75,100.00
Bond Anticipation Notes	D-18	12,100.00	40,300.00
Due to Sewer Operating Improvement Authorization:		886,502.38	-
Funded	D-13	-	-
Unfunded	D-13	755,049.87	755,049.87
Capital Improvement Fund	D-15	15,000.00	10,000.00
Total Capital Fund		<u>3,326,651.41</u>	<u>2,435,149.03</u>
Total Liabilities, Reserves & Fund Balances		<u>\$ 5,503,418.29</u>	<u>\$ 2,522,524.05</u>

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

<u>Revenue & Other Income</u>	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
Operating Fund Balance	D-2	\$ 24,800.00	\$ 25,000.00
User Fees	D-2	162,655.83	150,873.37
Miscellaneous Revenue not Anticipated	D-2	5,478.35	1,719.08
Other Credits to Income:			
Accounts Payable Canceled	D-11	780.32	
Prior Period Adjustment		1,706.51	
Appropriation Reserves Lapsed	D-11	4,648.77	7,819.13
Total Income		<u>200,069.78</u>	<u>185,411.58</u>
 <u>Expenditures</u>			
Budget Expenditures:			
Operations	D-3	1,297,800.00	97,800.00
Capital Improvements	D-3	5,000.00	5,000.00
Deferred Charges & Statutory Expenditures	D-3	500.00	500.00
Debt Service	D-3	65,309.92	63,832.59
Other Expenditures		-	-
Total Expenditures		<u>1,368,609.92</u>	<u>167,132.59</u>
Excess in Revenue		(1,168,540.14)	18,278.99
Adjustments to Income before Fund Balance:			
Expenditures included above which are by statute			
deferred charges to budget of succeeding year		<u>1,200,000.00</u>	-
Statutory Excess to Fund Balance		<u>31,459.86</u>	<u>18,278.99</u>
 Fund Balance January 1	 D	 <u>52,712.06</u>	 <u>59,433.07</u>
		<u>84,171.92</u>	<u>77,712.06</u>
Decreased by:			
Utilized as Anticipated Revenue	D-2	<u>24,800.00</u>	<u>25,000.00</u>
Fund Balance December 31	D	<u>\$ 59,371.92</u>	<u>\$ 52,712.06</u>

STATEMENT OF REVENUE - SBWER UTILITY FUND

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess or Deficit(-)</u>
Operating Surplus Anticipated	D-1	\$ 24,800.00	24,800.00	-
User Fees	D-7	142,500.00	162,655.83	20,155.83
		<u>\$ 167,300.00</u>	<u>187,455.83</u>	<u>20,155.83</u>
			D-1	

Analysis of Miscellaneous Revenue not Anticipated:

Interest on Delinquents		\$ 1,252.81
Interest on Investments		159.86
Miscellaneous		4,065.68
		<u>5,478.35</u>
Interest Earned in Utility Capital Fund		0.85
	D-4	<u>\$ 5,479.20</u>

STATEMENT OF EXPENDITURES

	2012 Budget	Emergency Appropriation	Modified Budget	Paid or Charged	Reserved	(Overexpenditure)	Cancelled
Operating:							
Salaries & Wages	\$ 10,000.00		10,000.00	9,634.26	365.74		
Other Expenses	40,000.00	1,200,000.00	1,240,000.00	366,656.84	873,343.16		
Ocean County Utilities Authority	46,000.00	-	46,000.00	45,340.62	659.38		
Stafford Township Municipal Utilities	1,800.00	-	1,800.00	1,800.00	-		
	<u>97,800.00</u>	<u>1,200,000.00</u>	<u>1,297,800.00</u>	<u>423,431.72</u>	<u>874,368.28</u>		
Capital Improvements:							
Capital Improvement Fund	5,000.00	-	5,000.00	5,000.00	-		
	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>-</u>		
Debt Service:							
Payment of Bond Principal	19,380.00	-	19,380.00	19,355.03	-		24.97
Payment of Bond Anticipation Notes	26,720.00	-	26,720.00	28,200.00	-	(1,480.00)	
Interest on Bonds	16,900.00	-	16,900.00	16,868.73	-		31.27
Interest on Notes	1,000.00	-	1,000.00	886.16	-		113.84
	<u>64,000.00</u>	<u>-</u>	<u>64,000.00</u>	<u>65,309.92</u>	<u>-</u>	<u>(1,480.00)</u>	<u>170.08</u>
Deferred Charges & Statutory Expenditures:							
Statutory Expenditures:							
Contribution to:							
Social Security System (O.A.S.I.)	500.00	-	500.00	-	500.00		
	<u>500.00</u>	<u>-</u>	<u>500.00</u>	<u>-</u>	<u>500.00</u>		
Total Utility Appropriations	\$ 167,300.00	1,200,000.00	1,367,300.00	493,741.64	874,868.28	(1,480.00)	170.08

	Ref.	D	D	D-18
Accrued Interest on Bonds&Notes	D-12	\$ 17,754.89		
Accounts Payable	D	17,108.70		
Due to Utility Capital Fund	D-10	5,000.00		
Deferred Charge Overexpenditure	D-4	1,480.00		
Cash	D-4	452,398.05		
		<u>\$ 493,741.64</u>		

TOWNSHIP OF EAGLESWOOD
STATEMENT OF GENERAL FIXED ASSETS

	Balance <u>Dec. 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
General Fixed Assets:		
Land	\$ 1,341,500.00	\$ 1,341,500.00
Building	488,925.26	488,925.26
Office Equipment	51,853.00	51,853.00
Other Equipment & Vehicles	<u>1,630,397.07</u>	<u>1,630,397.07</u>
	<u>\$ 3,512,675.33</u>	<u>\$ 3,512,675.33</u>
Investment in General Fixed Assets	<u>\$ 3,512,675.33</u>	<u>\$ 3,512,675.33</u>

TOWNSHIP OF EAGLESWOOD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Description of Funds

The accounting policies of the Township of Eagleswood conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designated primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Eagleswood accounts for its financial transactions through the following separate funds:

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

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

General Capital Fund – receipts and disbursements of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Utility Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally-owned Sewer Utility.

C. Basis of Accounting

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

TOWNSHIP OF EAGLESWOOD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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

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

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the municipality's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

TOWNSHIP OF EAGLESWOOD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality has developed a fixed assets accounting and reporting system based on an inspection and historic cost analysis.

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

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

No depreciation has been provided for in the financial statements.

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

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

Accounting for utility fund “fixed capital” remains unchanged under the requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction cost or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisition of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

TOWNSHIP OF EAGLESWOOD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

2. Long-Term Debt

<u>Summary of Municipal Debt</u>			
	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Issued</u>			
General:			
Bond & Notes	\$ 657,092.94	\$ 506,090.45	\$ 571,200.16
Less: Funds Held to Redeem Debt	0.00	0.00	0.00
Sewer Utility:			
Bonds & Notes	302,849.98	350,405.01	395,694.47
Less: Funded by Bond Issue	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>969,942.92</u>	<u>856,495.46</u>	<u>966,894.63</u>
<u>Authorized but not Issued</u>			
General:			
Bonds & Notes	193,514.60	403,514.60	423,514.60
Sewer Utility			
Bonds & Notes	<u>755,000.00</u>	<u>755,000.00</u>	<u>.00</u>
	<u>948,514.60</u>	<u>1,158,514.60</u>	<u>423,514.60</u>
Net Bonds & Notes Issued and Authorized but not Issued	<u>\$1,918,457.52</u>	<u>\$2,015,010.06</u>	<u>\$1,390,409.23</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement which indicates a Statutory Net Debt of 0.32%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 820,105.48	820,105.48	-
Local School District Debt	1,224,050.00	1,224,050.00	-
Sewer Utility Debt	1,057,849.98	1,057,849.98	-
General Debt	<u>850,607.54</u>	<u>0.00</u>	<u>850,607.54</u>
	<u>\$ 3,952,613.00</u>	<u>3,102,005.46</u>	<u>850,607.54</u>

Net Debt \$850,607.54 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended \$ 264,047,789.00 = 0.32%.(*)

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

3.5% Equalized Valuation Basis (Municipal)	\$ 9,241,672.61
Net Debt	<u>850,607.54</u>
Remaining Borrowing Power	<u>\$ 8,391,065.07</u>

TOWNSHIP OF EAGLESWOOD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

2. Long-Term Debt, continued

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

Calendar Year	----- General Capital -----		-----Sewer Utility -----		Total
	Principal	Interest	Principal	Interest	
2013	10,520.20	3,310.90	19,900.68	15,910.32	49,642.10
2014	10,731.66	3,099.43	20,478.15	14,857.85	49,167.09
2015	10,947.37	2,883.73	21,089.31	13,771.69	48,692.10
2016	11,167.41	2,663.68	26,736.11	12,634.89	53,202.09
2017	11,391.38	2,439.22	27,420.64	11,215.36	49,851.36
2017-27	113,403.52	11,076.84	175,125.09	50,507.41	352,728.10
	<u>\$ 168,161.54</u>	<u>\$ 25,473.80</u>	<u>\$ 290,749.98</u>	<u>\$ 118,897.52</u>	<u>\$ 603,282.84</u>

3. Fund Balances Appropriated

Fund balances at December 31, 2012, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2013, were as follows:

Current Fund	\$ 474,864.00
Sewer Utility Fund	\$ 24,480.00

4. School Taxes

Local District Tax and Regional High School Tax have been raised and liabilities deferred by statute, resulting in the school taxes payable, set for the in the Current Fund liabilities, as follows:

	Local District School Tax		Regional School Tax	
	Balance, Dec. 31, 2011	Balance Dec. 31, 2012	Balance, Dec. 31, 2011	Balance, Dec. 31, 2012
Balance of Tax	\$ 717,228.54	\$ 731,652.59	\$9,978.93	\$ 10,070.04
Deferred	<u>242,943.31</u>	<u>242,943.31</u>	<u>0.00</u>	<u>0.00</u>
Tax Payable	<u>\$ 474,285.23</u>	<u>\$ 488,709.28</u>	<u>\$ 9,978.93</u>	<u>\$ 10,070.04</u>

TOWNSHIP OF EAGLESWOOD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

5. Pensions

Employees who are eligible for a pension plan are enrolled in one of three pensions systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The three State-administered plans are: (1) the Public Employees' Retirement System; (2) the Consolidated Police and Firemen's Pension Fund; and (3) the Police and Firemen's Retirement System. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$40,457.00 for 2012 and \$34,155.00 for 2011.

Township employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

6. Accrued Sick and Vacation Benefits (Compensated Absences)

The Municipality has permitted employees to accrue unused vacation and sick pay, to a limited extent, which may be paid upon retirement at an agreed upon rate. The Municipality's policy is to pay this out of current budgets when due. It is estimated that the current cost of such unpaid compensation is not considered material, and is not included in these financial statements as a long-term liability.

TOWNSHIP OF EAGLESWOOD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

7. Accrued Sick & Vacation Benefits (Compensated Absences), continued

The following schedule sets illustrates the potential liability for compensated absences of the Township.

<u>Organization/Individuals Eligible for Benefit</u>	<u>Gross Days of Accumulated Absence</u>	<u>Value of Compensated Absences</u>	<u>Legal Basis for Benefit</u>		
			<u>Approved Labor Agreement</u>	<u>Local Ordinance</u>	<u>Individual Employment Agreements</u>
General Administration	70.00	\$ 18,900.00		X	
Revenue Administration	68.00	8,700.00		X	
Solid Waste Collection/PB	<u>225.00</u>	<u>34,200.00</u>		X	
TOTALS	226.00 days	\$ 61,800.00			
Total Funds Reserved as of end of 2011:		\$ 17,000.00			
Total Funds Appropriated in 2012:		\$ 6,000.00			

CALCULATION OF "SELF-LIQUIDATING PURPOSE"- SEWER UTILITY PER
N.J.S. 40A:2-45

Cash receipts from fees, rents or other charges for year		\$1,392,934.18
Deductions:		
Operating & Maintenance Costs	\$1,297,800.00	
Debt Service per Water/Sewer Account	<u>65,309.92</u>	
		<u>1,363,109.92</u>
Excess in Revenues		<u>\$ 29,824.26</u>

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	<u>\$ 2.041</u>	<u>1.700</u>	<u>1.709</u>
<u>Apportionment of Tax Rate</u>			
Municipal	0.361	0.313	0.293
County	0.397	0.315	0.320
Local School	0.701	0.595	0.583
Regional School	0.582	0.477	0.513

Assessed Valuation

2012	\$271,217,359
2011	283,590,400
2010	283,411,600

COMPARISON OF TAX LEVIES & COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>----- Currently -----</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2012	\$ 5,027,163.20	4,861,690.05	96.70%
2011	4,833,300.89	4,626,945.87	95.73%
2010	4,894,214.64	4,609,848.86	94.18%

Schedule A

TOWNSHIP OF EAGLESWOOD
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

<u>Federal Grantor/Pass Through Grantor/Program</u>	<u>CFDA #</u>	<u>Pass-Through Entity ID #</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>Program Expenditures</u>
<u>U.S. Housing & Urban Development</u> <u>Curbs and Sidewalks at West Side Route 9</u>		<u>Ocean County</u>	<u>1/1/12 to 12/31/12</u>	<u>-</u>	<u>9,945.00</u>
Total Federal Assistance				\$ -	\$ 9,945.00

TOWNSHIP OF EAGLESWOOD
Schedule of Expenditures of State Awards
Year Ended December 31, 2012

<u>State Grantor/Pass-Through Grantor/Program</u>	<u>Pass-Through Entity ID#</u>	<u>State Account#</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>Program Expenditures</u>
<u>Department of Environmental Protection</u> Clean Communities		4900-765-178910-60	1/1/12 to 12/31/12	\$ 4,000.00	\$ 8,884.68
<u>NJ Department of Transportation</u> Trust Fund Authority Act			1/1/12 to 12/31/12	36,669.38	95,594.02
<u>NJ Department of Transportation</u> Trust Fund Authority Act			1/1/12 to 12/31/12	48,194.18	92,559.67
<u>NJ Department of Transportation</u> Trust Fund Authority Act			1/1/12 to 12/31/12	83,631.25	-
<u>NJ Department of Transportation</u> I BOAT NJ Program			1/1/12 to 12/31/12	527,223.86	343,177.38
<u>N.J. Department of Treasury</u> Pass Through County of Ocean: Governor's Council on Alcoholism & Drug Abuse: Municipal Alliance Grant	Ocean County		1/1/12 to 12/31/12	18,325.00	25,701.61
Total State Financial Assistance				\$ 481,374.29	\$ 565,917.36

STATEMENT OF CURRENT FUND CASHCOLLECTOR - TREASURER

	Ref.		
Balance December 31, 2011	A		<u>\$ 1,394,302.20</u>
Receipts:			
Interest & Cost on Taxes	A-2	\$ 26,041.65	
Miscellaneous Revenue Not Anticipated	A-2	52,781.12	
Taxes Receivable	A-5	4,933,883.28	
Revenue Accounts Receivable	A-7	215,971.67	
Prepaid Taxes	A-9	60,548.03	
Tax Overpayments	A-10	6,308.38	
Due from State for Exemptions	A-11	24,480.00	
Reserve for FY 2013 In Lieu of Tax	A	16,981.00	
Reserve for Due from Trust Other Fund	B-1	1,191.36	
Reserve for Due from Dog Fund	B-1	1.77	
Reserve for Due from Trust Payroll Fund	B-1	24.99	
Reserve for Due to Utility Operating Fund	D-4	4,874.18	
Federal & State Grants	A-14& A-16	551,857.85	
Reserve for Due from Capital Fund	C-2	250,058.68	
Contra		<u>398,941.12</u>	
Total Receipts			<u>6,543,945.08</u>
Total Receipts & Balances			<u>7,938,247.28</u>
Disbursements:			
2012 Budget Appropriations	A-3	1,213,349.81	
2011 Appropriation Reserves	A-8	17,237.12	
Local District School Tax	A-12	1,707,506.95	
Regional High School Tax	A-13	1,430,982.96	
County Taxes	A-5	971,015.28	
Due County for Added Taxes	A	891.80	
Due from Capital Fund	C-6	20,000.00	
Due to Utility Operating	D-4	4,874.18	
Tax Overpayments	A-10	9,586.98	
Due Trust Other Fund	B-13	6,000.00	
Reserve for Reassessment	A	10,950.00	
Reserve for Codification	A	6,282.00	
Federal & State Grants	A-15	575,924.96	
Contra		<u>398,941.12</u>	
Total Disbursements			<u>6,373,543.16</u>
Balance December 31, 2011	A		<u>\$ 1,564,704.12</u>

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY LEVY

Year	Balance Dec. 31, 2011	Added & Omitted	Levy	Collection		State's Share of Exemptions	Overpayments Applied	Cancelled	Transfer to Tax Title Lien	Balance Dec. 31, 2012
				2011	2012					
2011	\$ 154,674.42	46.19		-	154,720.61	-	-	-	-	-
	<u>154,674.42</u>	<u>46.19</u>		-	<u>154,720.61</u>	-	-	-	-	-
2012	-	13,562.28	5,013,600.92	56,777.38	4,779,162.67	25,750.00	-	36,815.59	14,586.31	114,071.25
	<u>\$ 154,674.42</u>	<u>13,608.47</u>	<u>5,013,600.92</u>	<u>56,777.38</u>	<u>4,933,883.28</u>	<u>25,750.00</u>	-	<u>36,815.59</u>	<u>14,586.31</u>	<u>114,071.25</u>

Ref.	A	A-6	A-10	A-4	A-12	A-11	A-7	A
------	---	-----	------	-----	------	------	-----	---

Analysis of 2012 Property Tax Levy:

Tax Yield:	
General Purpose Tax:	
General Property Tax	\$ 5,004,171.42
Business Personal Tax	9,429.50
Added Taxes	<u>13,562.28</u>
	<u>\$ 5,027,163.20</u>
Tax Levy:	
Local District School Tax (abstract)	\$ 1,721,931.00
Regional High School Tax (abstract)	1,431,074.62
County Tax (abstract)	\$ 812,943.49
County Health Tax	33,337.60
County Library Tax (abstract)	92,163.57
County Open Spaces Tax (abstract)	32,570.62
Due County for Added Taxes	<u>2,646.61</u>
	973,661.89
Tax for Municipal Purposes (abstract)	887,700.00
Add: Additional Tax Levied	<u>12,795.69</u>
	<u>900,495.69</u>
	<u>\$ 5,027,163.20</u>

STATEMENT OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 104,038.57
Increased by:			
Transfers from Taxes Receivable	A-6		<u>14,586.31</u>
			<u>118,624.88</u>
Decreased by:			
Tax Title Liens Redeemed	A-4	\$ 1,490.47	
Due from Reserve for Outside Liens	B-1	<u>1,954.51</u>	
			<u>3,444.98</u>
Balance December 31, 2012	A		<u><u>\$ 115,179.90</u></u>

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued</u> <u>in 2012</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Clerk:				
Licenses:				
Alcoholic Beverage	\$ -	5,842.00	5,842.00	-
Other	-	1,420.00	1,420.00	-
Rent - Boat Stalls	-	1,600.00	1,600.00	-
Eagleswood Village Rent Fee	-	4,928.00	4,928.00	-
Cable TV Franchise Fee	-	6,291.52	6,291.52	-
Sahara Sands Moto X	-	5,165.00	5,165.00	-
Energy Receipts Tax	-	186,382.00	186,382.00	-
Billboard Lease	-	2,287.75	2,287.75	-
Interest on Investments & Savings	-	2,055.40	2,055.40	-
Little Egg Harbor-Municipal Alliance Program	-	-	-	-
	<u>\$ -</u>	<u>215,971.67</u>	<u>215,971.67</u>	<u>-</u>
<u>Ref.</u>	A			A

STATEMENT OF 2011 APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2011</u>	<u>Balance After Transfers</u>	<u>Expended</u>	<u>Balance Lapsed</u>
GENERAL GOVERNMENT				
Engineering Services				
Other Expenses	\$ 2,622.51	2,622.51	270.20	2,352.31
PUBLIC WORKS				
Solid Waste Collection				
Other Expenses/Contractual	7,717.14	7,717.14	5,083.33	2,633.81
Tipping Fees	14,948.64	14,948.64	3,802.03	11,146.61
Mosquito Control				
Other Expenses	3,034.22	3,034.22	376.59	2,657.63
Animal Control				
Other Expenses	-	-	-	-
UNCLASSIFIED				
Electricity	2,403.51	2,403.51	483.17	1,920.34
Street Lighting	2,087.72	2,087.72	1,680.45	407.27
Fuel Oil	3,794.46	3,794.46	849.48	2,944.98
Recycling Tax	797.34	797.34	167.22	630.12
Deferred Charges and Statutory Expenditures:				
Unemployment Compensation Insurance	4,524.65	4,524.65	4,524.65	-
CAPITAL IMPROVEMENTS				
Other Accounts with No Change	98,348.29	98,348.29	-	98,348.29
	<u>\$ 140,278.48</u>	<u>\$ 140,278.48</u>	<u>\$ 17,237.12</u>	<u>\$ 123,041.36</u>
<u>Ref.</u>	A	A	A,A-4	A-1
Encumbrances Payable	\$ 3,909.07			
Reserves Balance	<u>136,369.41</u>			
	<u>\$ 140,278.48</u>			

STATEMENT OF PREPAID TAXES

Balance December 31, 2011	<u>Ref.</u> A		\$ 56,777.38
Increased by:			
Prepaid Taxes Collected	A-4		<u>60,548.03</u>
			117,325.41
Decreased by:			
Applied to Taxes Receivable	A-6		<u>56,777.38</u>
Balance December 31, 2012	A		<u>\$ 60,548.03</u>

STATEMENT OF TAX OVERPAYMENTS

Balance December 31, 2011	<u>Ref.</u> A		\$ 12,788.80
Increased by:			
Collections	A-4	\$ 6,308.38	
Created by Cancellations	A-6	<u>3,493.11</u>	
			<u>9,801.49</u>
			22,590.29
Decreased by:			
Refunds	A-4	9,586.98	
Applied to Taxes Receivable	A-6	<u>-</u>	
			<u>9,586.98</u>
Balance December 31, 2012	A		<u>\$ 13,003.31</u>

STATEMENT OF DUE FROM STATE OF NEW JERSEY
FOR EXEMPTIONS

Balance December 31, 2011 *	<u>Ref.</u> A		\$ 301.69
Increased by:			
Allowed for 2012 - Net	A-6		<u>25,750.00</u>
			26,051.69
Decreased by:			
Received from State	A-4		<u>24,480.00</u>
Balance December 31, 2013 *	A		<u>\$ 1,571.69</u>

* Note: This is a revolving amount that can not be verified with any independent source. Adjustments will be made when the proper amount is determined.

STATEMENT OF LOCAL DISTRICT SCHOOL TAX

	<u>Ref.</u>		
Balance December 31, 2011			
Deferred	A	242,943.31	
Payable		<u>474,285.23</u>	\$ 717,228.54
Increased by:			
Levy-School Year July 1, 2012 to			
June 30, 2013	A-1		<u>1,721,931.00</u>
			2,439,159.54
Decreased by:			
Payments	A-4		<u>1,707,506.95</u>
Balance December 31, 2012			
Deferred		242,943.31	
Payable	A	<u>488,709.28</u>	\$ <u>731,652.59</u>

STATEMENT OF REGIONAL SCHOOL TAX

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 9,978.38
Increased by:			
Levy - Calander Year 2012	A-1		<u>1,431,074.62</u>
			1,441,053.00
Decreased by:			
Payments	A-4		<u>1,430,982.96</u>
Balance December 31, 2012	A		\$ <u>10,070.04</u>

FEDERAL AND STATE GRANT FUND
STATEMENT OF GRANTS RECEIVABLE

	Balance Dec. 31, 2011	2012 Budget Revenue Realized	Canceled	Received	Transfer from Unappropriated Reserves	Balance Dec. 31, 2012
NJ Transportation Trust Fund - Cox Avenue	\$ 83,631.25	-	-	83,631.25	-	-
Alcohol Education & Rehabilitation Fund	-	1,349.08	-	1,349.08	-	-
NJ Transportation Trust Fund - 2008	63,253.93	-	-	-	-	63,253.93
Recycling Tonnage Grant	-	-	-	-	-	-
Clean Communities Program	-	4,000.00	-	4,000.00	-	-
Municipal Alliance Grant	2,575.00	34,000.00	-	18,325.00	-	18,250.00
Ocean County Tourism Grant - 2012	-	500.00	-	-	-	500.00
NJ Transportation Trust Fund - 2009	51,813.50	-	-	-	-	51,813.50
NJ Transportation Trust Fund - 2010	53,543.53	-	-	36,669.38	-	16,874.15
NJ Transportation Trust Fund - 2011	140,000.00	-	-	48,194.18	-	91,805.82
NJ Transportation Trust Fund - 2012	-	250,000.00	-	-	-	250,000.00
I BOAT NJ Program	404,758.62	-	-	357,223.86	-	47,534.76
CDBG - Sidewalk & Curb Cut Improvements - 2010	29,108.72	-	-	-	-	29,108.72
CDBG - CT930-11 Downtown Sidewalk & Curb Improvements	-	42,000.00	-	-	-	42,000.00
	<u>\$ 828,684.55</u>	<u>331,849.08</u>	<u>-</u>	<u>549,392.75</u>	<u>-</u>	<u>\$ 611,140.88</u>
	A	A-2	A-4	A-17	A	A

Ref.

**FEDERAL AND STATE GRANT FUND
STATEMENT OF APPROPRIATED RESERVES**

	Balance Dec. 31, 2011	Transfer from 2012 Budget	Prior Period Adjustment	Encumbrances (Canceled) Payable	Refunds	Expended	Balance Dec. 31, 2012
Recycling Tonnage Grant	\$ 6,433.68	-	-	-	-	-	6,433.68
Alcohol Education & Rehabilitation Grant	-	1,349.08	-	-	-	-	1,349.08
Clean Communities Program - 2004	1,035.79	-	-	-	1,035.79	-	-
Clean Communities Program - 2005	2,455.80	-	-	-	2,455.80	-	-
Clean Communities Program - 2006	3,500.00	-	-	-	2,692.72	-	807.28
Clean Communities Program - 2007	2,587.84	-	-	-	201.92	-	2,385.92
Clean Communities Program - 2008	4,000.00	-	-	-	2,498.45	-	1,501.55
Clean Communities Program - 2010	4,000.00	-	-	-	-	-	4,000.00
Clean Communities Program - 2011	2,421.02	-	-	-	-	-	2,421.02
Clean Communities Program - 2012	-	4,000.00	-	-	-	-	4,000.00
Ocean County Tourism Grant - 2010	938.00	-	-	-	-	62.00	876.00
Ocean County Tourism Grant - 2011	500.00	-	-	-	-	-	500.00
Municipal Alliance Grant	670.85	34,000.00	-	-	-	23,856.65	10,814.20
Municipal Alliance Grant - Local Match	700.00	2,000.00	-	-	-	1,844.96	855.04
Cable Television Grant	1,961.19	-	-	-	-	-	1,961.19
Recycling Tonnage Grant - 2008	552.23	-	-	-	-	-	552.23
NJ Transportation Trust Fund - 2009	11,136.68	-	-	-	-	-	11,136.68
NJ Transportation Trust Fund - 2010	99,704.37	-	-	-	95,594.02	-	4,110.35
NJ Transportation Trust Fund - 2011	122,639.82	-	-	-	92,559.67	-	30,080.15
NJ Transportation Trust Fund - 2012	-	250,000.00	-	-	-	-	250,000.00
I BOAT NJ Program	372,437.98	-	-	-	-	343,177.98	29,260.00
I BOAT NJ Program - Local Match	103,694.56	-	-	-	-	-	103,694.56
CDBG - Sidewalk & Curb Cut Improvements - 2010	2,620.12	-	(22,186.65)	-	-	-	24,806.77
CDBG CT930-11/Downtown Sidewalk & Curb Imp.	-	42,000.00	-	-	-	9,945.00	32,055.00
	\$ 743,989.93	\$ 333,349.08	(22,186.65)	-	\$ 575,974.96	-	\$ 523,600.70
	A	A-3	A	A	A-4		A

Ref.

FEDERAL AND STATE GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Transfer to</u> <u>2012 Budget</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Recycling Tonnage Grant	\$ -	-	2,465.10	\$ 2,465.10
Ocean County Tourism Grant	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,465.10</u>	<u>\$ 2,465.10</u>
Ref.	A	A-15	A-4	A

STATEMENT OF TRUST CASH - TREASURER

	Ref.	Animal Control Trust Fund	Trust-Other Fund	Trust-Payroll Fund
Balance December 31, 2011	B	\$ 1,303.20	\$ 551,752.69	\$ 9,675.65
Receipts:				
Reserve for Animal Control Trust Fund				
Expenditures	B-3	283.20	-	-
State Registration Fees	B-4	109.80	-	-
Due to Current Fund	B-2, B-5, B-14	1.77	1,535.49	24.99
Reserve for Outside Tax Liens	B	-	26,595.59	-
Reserve for Public Defender Fund	B-6	-	-	-
Reserve for Unemployment Compensation				
Insurance	B-7	-	4,551.80	-
Reserve for Recreation	B-8	-	2,418.86	-
Reserve for Performance Bonds	B-9	-	89,336.14	-
Reserve for Developer's Escrow Fund	B-10	-	175,482.44	-
Reserve for Tax Sale Premiums	B-11	-	89,004.61	-
Reserve for Tax Map Maintenance	B-12	-	-	-
Reserve for Accumulated Absences	B-13	-	6,000.00	-
Reserve for Payroll Deductions	B-15	-	-	183,209.32
Interest Income		-	-	-
Total Receipts		<u>394.77</u>	<u>394,924.93</u>	<u>183,234.31</u>
		<u>1,697.97</u>	<u>946,677.62</u>	<u>192,909.96</u>
Disbursements:				
Reserve for Animal Control Trust Fund				
Expenditures	B-3	291.00	-	-
State Registration Fees	B-4	109.80	-	-
Due to Current Fund	B-2, B-5, B-14	1.77	1,191.36	24.99
Reserve for Public Defender	B-6	-	845.00	-
Reserve for Unemployment				
Compensation Insurance	B-7	-	-	-
Reserve for Recreation	B-8	-	-	-
Reserve for Performance Bonds	B-9	-	157,082.34	-
Reserve for Developer's Escrow Fund	B-10	-	142,207.03	-
Reserve for Tax Sale Premiums	B-11	-	19,712.12	-
Reserve for Outside Tax Liens	B	-	20,980.33	-
Reserve for Accumulated Absences	B-13	-	-	-
Reserve for Payroll Deductions	B-15	-	-	185,835.04
Total Expenditures		<u>402.57</u>	<u>342,018.18</u>	<u>185,860.03</u>
Balance December 31, 2012	B	\$ 1,295.40	\$ 604,659.44	\$ 7,049.93

STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND

Balance December 31, 2011	<u>Ref.</u> B		\$ 640.80
Increased by:			
Interest Earned	B-1	\$ 1.77	
Statutory Excess Due to Current Fund	B-3	<u>49.80</u>	
			<u>51.57</u>
			<u>692.37</u>
Decreased by:			
Paid to Current Fund	B-1		<u>1.77</u>
Balance December 31, 2012	B		<u>\$ 690.60</u>

STATEMENT OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

Balance December 31, 2011	<u>Ref.</u> B		\$ 662.40
Increased by:			
Dog License Fees Collected	B-1		<u>283.20</u>
			<u>945.60</u>
Decreased by:			
Statutory Excess Due to Current Fund	B-2	49.80	
State Receivable Cancelled		<u>291.00</u>	
			<u>340.80</u>
Balance December 31, 2012	B		<u>\$ 604.80</u>

Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 302.40
2009	<u>302.40</u>
	<u>\$ 604.80</u>

STATEMENT DUE FROM STATE OF NEW JERSEY
ANIMAL CONTROL TRUST FUND

Balance, December 31, 2011	<u>Ref.</u> B		\$ -
Increased by:			
State Registration Fees Remitted	B-1		<u>109.80</u>
			109.80
Decreased by:			
State Registration Fees Collected	B-1	\$ 109.80	
State Receivable Cancelled		<u>-</u>	
			109.80
Balance, December 31, 2012	B		<u>\$ -</u>

STATEMENT OF DUE TO CURRENT FUND
TRUST-OTHER FUND

Balance, December 31, 2011	<u>Ref.</u> B		\$ 28,366.60
Increased by:			
Interest Earned	B-1		<u>1,535.49</u>
Balance, December 31, 2012	B		<u>\$29,902.09</u>

STATEMENT OF RESERVE FOR PUBLIC DEFENDER
TRUST-OTHER FUND

Balance, December 31, 2011	<u>Ref.</u> B	\$ 3,185.00
Increased by:		
Cash Receipts	B-1	<u> -</u>
		3,185.00
Decreased by:		
Cash Disbursements	B-1	<u> 845.00</u>
Balance, December 31, 2012	B	<u>\$ 2,340.00</u>

STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE
TRUST-OTHER FUND

Balance, December 31, 2011	<u>Ref.</u> B	\$ 17,259.99
Increased by:		
Cash Receipts	B-1	<u> 4,551.80</u>
Balance, December 31, 2012	B	<u>\$ 21,811.79</u>

STATEMENT OF RESERVE FOR RECREATION
TRUST-OTHER FUND

Balance, December 31, 2011	<u>Ref.</u> B	\$ 2,835.85
Increased by:		
Cash Receipts	B-1	<u>2,418.86</u>
		5,254.71
Decreased by:		
Cash Disbursements	B-1	<u>-</u>
Balance, December 31, 2012	B	<u>\$ 5,254.71</u>

STATEMENT OF RESERVE FOR PERFORMANCE BONDS
TRUST-OTHER FUND

Balance, December 31, 2011	<u>Ref.</u> B	\$ 88,501.56
Increased by:		
Cash Receipts	B-1	<u>89,336.14</u>
		177,837.70
Decreased by:		
Cash Disbursements	B-1	<u>157,082.34</u>
Balance, December 31, 2012	B	<u>\$ 20,755.36</u>

STATEMENT OF RESERVE FOR DEVELOPER'S ESCROW FUND
TRUST-OTHER FUND

Balance, December 31, 2011	<u>Ref.</u> B	\$ 392,079.63
Increased by:		
Cash Receipts	B-1	<u>175,482.44</u>
		567,562.07
Decreased by:		
Cash Disbursements	B-1	<u>142,207.03</u>
Balance, December 31, 2012	B	<u>\$ 425,355.04</u>

STATEMENT OF RESERVE FOR TAX SALE PREMIUMS
TRUST-OTHER FUND

Balance, December 31, 2011	<u>Ref.</u> B	\$ 8,224.06
Increased by:		
Cash Receipts	B-1	<u>89,004.61</u>
		97,228.67
Decreased by:		
Disbursements		<u>19,712.12</u>
Balance, December 31, 2012	B	<u>\$ 77,516.55</u>

STATEMENT OF ACCRUED INTEREST ON BONDS

Balance December 31, 2011	<u>Ref.</u> D	\$ 1,415.17
Increased by:		
Budget Appropriation to Pay Interest	D-3	<u>17,754.15</u>
		<u>19,169.32</u>
Decreased by:		
Interest Paid on Bonds & Notes	D-4	<u>18,103.17</u>
Balance December 31, 2012	D	<u>\$ 1,066.15</u>

Analysis of Balance, December 31, 2012

<u>Bonds</u>		<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Accrued</u> <u>Interest</u>
	1987	\$ 225,105.01	5.75%	12/23/2012	12/31/2012	9 days	\$ 310.14
	1998	20,000.00	4.65%	12/1/2012	12/31/2012	30 days	79.17
		55,000.00	4.75%	12/1/2012	12/31/2012	30 days	<u>224.58</u>
							613.89
Bond Anticipation Notes		66,750.00	2.95%	9/14/2012	12/31/2012	101 days	<u>452.26</u>
							<u>\$ 1,066.15</u>

STATEMENT OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY

Purpose	Ordinance Number	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011		2012 Authorizations	Expended	Refunds	Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
Sewer Improvements	07-00	5/22/00	\$ 100,000.00	\$ -	49.87	-	-	-	-	49.87
Rehabilitation of Waste Water Collection System	11-10	10/26/11	\$ 755,000.00	-	755,000.00	-	-	-	-	755,000.00
			\$ -	-	755,049.87	-	-	-	-	755,049.87
			Ref.	D	D				D	D

STATEMENT OF SERIAL BONDS
SEWER UTILITY

Purpose	Date of Issue	Issue Amount	Interest Rate	Maturity Date	Schedule Amount	Balance		2012 Issued	Paid	Balance Dec. 31, 2012
						Dec. 31, 2011				
1987 Sewer Utility Bonds	6/23/87	\$ 340,700.00	5.75%	2013	9,900.68					
				2014	10,478.15					
				2015	11,089.31					
				2016	11,736.11					
				2017	12,420.64					
				2018	13,145.09					
				2019	13,911.80					
				2020	14,723.23					
				2021	15,581.98					
				2022	16,490.82					
				2023	17,452.68					
				2024	18,470.63					
				2025	19,547.96					
			2026	20,688.12						
			2027	10,112.78						
							225,105.01		9,355.03	215,749.98
1998 Sewer Utility Bonds	12/23/98	\$ 185,000.00	4.65%	12/1/2013	10,000.00					
			4.75%	12/1/14-15	10,000.00					
			4.90%	12/1/16-18	15,000.00					
							85,000.00		10,000.00	75,000.00
							<u>310,105.01</u>		<u>19,355.03</u>	<u>290,749.98</u>
							D	D-16	D	D

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2011	<u>Ref.</u> D		\$ 10,000.00
Increased by:			
Budget Appropriation	D-3		<u>5,000.00</u>
			15,000.00
Decreased by:			
Utilized to Finance Improvement Authorizations			<u>-</u>
Balance December 31, 2012	D		<u>\$ 15,000.00</u>

STATEMENT OF RESERVE FOR AMORTIZATION

Balance December 31, 2011	<u>Ref.</u> D		\$ 1,244,594.15
Increased by:			
Capital Outlay		\$ -	
Serial Bonds Paid	D-14	<u>19,355.03</u>	
			<u>19,355.03</u>
Balance December 31, 2012	D		<u>\$ 1,263,949.18</u>

STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION

Balance December 31, 2011	<u>Ref.</u> D	\$ 75,100.00
Increased by:		
Payments on Bond Anticipation Notes	D-19	<u>28,200.00</u>
Balance December 31, 2012	D	<u>\$ 103,300.00</u>

STATEMENT OF BOND ANTICIPATION NOTES

Ordinance Number	Purpose	Original Issue Amount	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate *	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
07-00	Sewer Improvements	\$ 94,000.00	9/26/02	9/19/10	9/14/13	2.95%	\$ 28,000.00	-	28,000.00	\$ -
10-95	Cedar Run/Dock Road Sanitary Sewer System	13,982.70	9/21/07	9/19/10	9/14/13	2.95%	12,300.00	-	200.00	12,100.00
							<u>\$ 40,300.00</u>	<u>-</u>	<u>28,200.00</u>	<u>\$ 12,100.00</u>

DELINQUENT TAXES & TAX TITLE LIENS

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

Dec. 31, <u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage <u>of Tax Levy</u>
2011	\$115,179.90	114,071.25	229,251.15	4.56%
2011	104,038.57	154,674.42	258,712.99	5.35%
2010	91,475.28	240,938.67	332,413.95	6.79%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties were acquired in 2012 by foreclosure as a result of liquidation of tax title liens. The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation on such properties was as follows:

2012	\$1,616,500
2011	1,616,500
2010	1,616,500

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	Cash <u>Collections</u>	Percentage of <u>Collection</u>
2012	\$ 162,556.44	153,498.25	94.42%
2011	151,504.31	142,346.73	93.95%
2010	155,378.66	146,852.02	94.51%

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>Year</u>	Balance, <u>December 31</u>	Utilized in Budget of <u>Succeeding Year</u>
<u>Current Fund:</u>	2012	\$ 673,009.18	474,867.00
	2011	590,667.09	340,000.00
	2010	581,252.27	330,000.00
	2009	869,064.18	534,476.00
	2008	1,161,401.97	300,000.00
<u>Sewer Fund:</u>	2012	\$59,371.92	24,480.00
	2011	52,712.06	24,800.00
	2010	59,433.07	25,000.00
	2009	29,752.79	20,000.00
	2008	19,957.77	0.00

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

	Year 2012		Year 2011	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue & Other Income Realized</u>				
Fund Balance Utilized	\$ 340,000.00	5.37%	\$ 330,000.00	5.60%
Miscellaneous - From Other Than				
Local Property Taxes	766,665.88	12.10%	636,293.10	10.80%
Collection of Delinquent Taxes &				
Tax Title Liens	158,165.59	2.50%	241,172.08	4.09%
Collection of Current Tax Levy	4,861,690.05	76.72%	4,626,945.87	78.50%
Interfund Loans Received	210,007.62	3.31%	59,836.36	1.02%
Total Income	<u>6,336,529.14</u>	<u>100.00%</u>	<u>5,894,247.41</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	2,008,341.17	32.58%	1,601,099.63	28.82%
County Taxes	973,661.89	15.80%	896,755.12	16.14%
Local & Regional School Taxes	3,153,005.62	51.15%	3,044,689.82	54.81%
Other Expenditures	29,178.37	0.47%	12,288.02	0.22%
Total Expenditures	<u>6,164,187.05</u>	<u>100.00%</u>	<u>5,554,832.59</u>	<u>100.00%</u>
 Less: Expenditures to be Raised				
by Future Taxes	250,000.00		-	
Total Adjusted Expenditures	<u>5,914,187.05</u>		<u>5,554,832.59</u>	
 Excess in Revenue	422,342.09		339,414.82	
Fund Balance, January 1	590,667.09		581,252.27	
	<u>1,013,009.18</u>		<u>920,667.09</u>	
Less: Utilized as Anticipated Revenue	340,000.00		330,000.00	
Fund Balance, December 31	<u>\$ 673,009.18</u>		<u>\$ 590,667.09</u>	

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

	Year 20112		Year 2011	
	Amount	%	Amount	%
<u>Revenue & Other Income Realized</u>				
Fund Balance Utilized	\$ 24,800.00	12.40%	\$ 25,000.00	13.48%
Collection of User Fees	162,655.83	81.30%	150,873.37	81.37%
Miscellaneous - From Other Than				
Utility Rents	12,613.95	6.30%	9,538.21	5.14%
Total Income	200,069.78	100.00%	185,411.58	100.00%
<u>Expenditures</u>				
Budget Expenditures:				
Operating	1,297,800.00	94.83%	97,800.00	58.52%
Capital Improvements	5,000.00	0.37%	5,000.00	2.99%
Deferred Charges & Statutory				
Expenditures	500.00	0.04%	500.00	0.30%
Debt Service	65,309.92	4.77%	63,832.59	38.19%
Other Expenditures	-	0.00%	-	0.00%
Total Expenditures	1,368,609.92	100.00%	167,132.59	100.00%
Less: Expenditures to be Raised by Future Taxes	1,200,000.00		-	
Total Adjusted Expenditures	168,609.92		167,132.59	
Excess in Revenue	31,459.86		18,278.99	
Fund Balance, January 1	52,712.06		59,433.07	
	84,171.92		77,712.06	
Less: Utilized as Anticipated Revenue	24,800.00		25,000.00	
Fund Balance, December 31	\$ 59,371.92		\$ 52,712.06	

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 Bond</u>	<u>Name of Corporate Surety</u>
Wayne Thomas	Mayor		
James R. Finc	Committeeman		
Debra A. Rivas	Committeewoman		
Elaine B. Kennedy	Administrator, Municipal Clerk	*	
Barry E. Ludy	Chief Financial Officer (from 7/20/11)	*	JIF
Sandra Cramer	Tax/Utility Collector	*	"
Frederick Millman	Assessor		
Thomas E. Monahan	Solicitor		
Frank J. Little	Engineer		

All of the bonds were examined and appear to be properly executed.

* Ocean County Municipal Joint Insurance Fund (JIF) Blanket Crime Coverage
in the amount of \$1,000,000.00.

All other Officials and Employees are covered under a blanket policy issued by the
Ocean County Municipal Joint Insurance Fund (JIF) in the amount of \$50,000.00.

TOWNSHIP OF EAGLESWOOD

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

GENERAL COMMENTS

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to section 3 of P.L. 1971, c.198 (C.40A: 11-3), except by contract or agreement."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$26,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

IBOAT Program and Codification of Zoning & Planning.

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

Disbursements were reviewed to determine whether any clear cut violations existed.

My examination of expenditures did not reveal any individual payments, contracts, or agreements in excess of \$26,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously been adopted under the provision of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes

The Statute provides the method for authorizing interest and the maximum rates to be charged for non-payment of taxes on or before the date when they would become delinquent.

The governing body adopted a resolution authorizing interest to be charged for non-payment of taxes on or before the date when they would become delinquent at the rate of 8% per annum on amounts up to \$1,500.00, 18% on amounts over \$1,500.00. There is also a 10-day grace period prior to charging interest.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

A tax sale was held on February 10, 2012 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2012	35
2011	26
2010	26

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including mailing of verification notice as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2012 Taxes	35
Payment of 2011 Taxes	35
Delinquent Taxes	25
Payment of Sewer Utility Charges	25
Delinquent Sewer Utility Charges	10

The results of the test, which was made as of December 31, 2012, is not yet known, but a separate report will be filed if any irregularities are disclosed.

Comments/Recommendations:

The previous CFO did not properly reconcile the bank accounts of the Current and Utility Operating Funds as of December 31, 2012. The outstanding checks and deposits in transit were not accurate resulting in the ending cash balances to be inaccurate. The Current CFO noted the discrepancy and is reconciling the 2013 bank reconciliations with the proper adjusted beginning balances.

The pay down for BAN's for the Utility Fund resulted in an over expenditure of the debt service appropriation in the amount of \$1,480.00 which is required to be raised in the following year budget. The 2012 budget reports and financials did not reflect the proper expenditures and the over expenditure was covered with an improper transfer from the Utility Capital Fund. The over expenditure was not found until the audit and thus the over expenditure needs to be raised in the 2014 budget.

It is recommended that the current CFO budget this over expenditure in the 2014 Budget.

The 2012 Current Fund revenue ledger was not maintained properly. Several wire transfers and inter fund receipts and disbursements were not reflected in the ledger. The new CFO has indicated that they will maintain proper revenue ledgers.

The general ledger and grant expenditure reports were not maintained properly by the previous CFO resulting in the current CFO reviewing the CDBG and other grants revenues and expenditures. This resulted in several CDBG grant expenditures to be readjusted.

Comments/Recommendations (Cont'd.)

The trust fund ledgers were inaccurate and incomplete. The township transferred the trust funds to Shore Community Bank in February 2012. These bank statements were very difficult to read and follow. Additional audit procedures were performed to ascertain the proper amounts among the various trust reserve accounts. The trust reserve accounts are listed as Eagleswood Township and not the proper trust reserve title since being transferred. The reconciled balances were allocated among the trust reserves from the information available.

It is recommended that the current CFO review the trust other fund reserve balances and possibly maintain a separate ledger from the Bank.

Follow-up of Prior-Year Findings

There were no prior-year findings.

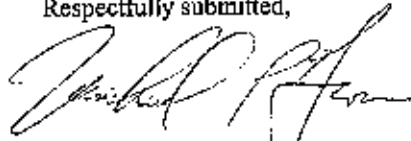
*

*

*

Should any questions arise as to my comments or recommendations, please do not hesitate to contact me.

Respectfully submitted,



MICHAEL P. GROSS
Registered Municipal Accountant (No.20CR000535)
Certified Public Accountant (No.CC025466)

Ship Bottom, New Jersey
November 25, 2013

STATEMENT OF RESERVE FOR TAX MAP MAINTENANCE
TRUST-OTHER FUND

Balance, December 31, 2012 and 2011	<u>Ref.</u> B	<u>\$ 300.00</u>
-------------------------------------	------------------	------------------

STATEMENT OF RESERVE FOR ACCUMULATED ABSENCES
TRUST-OTHER FUND

Balance, December 31, 2011	<u>Ref.</u> B	\$ 11,000.00
Increased by:		
Budget Appropriation	A-3	<u>6,000.00</u>
Balance, December 31, 2012	B	<u>\$ 17,000.00</u>

STATEMENT OF DUE TO CURRENT FUND
PAYROLL FUND

Balance, December 31, 2011	<u>Ref.</u> B	\$ -
Increased by:		
Interest Earned	B-1	24.99
		<u>24.99</u>
Decreased by:		
Paid to Current Fund	B-1	24.99
		<u>24.99</u>
Balance, December 31, 2012	B	<u>\$ -</u>

STATEMENT OF RESERVE FOR PAYROLL DEDUCTIONS
PAYROLL FUND

Balance, December 31, 2011	<u>Ref.</u> B	\$ 9,675.65
Increased by:		
Deposits	B-1	183,209.32
		<u>192,884.97</u>
Decreased by:		
Cash Disbursements	B-1	185,835.04
		<u>185,835.04</u>
Balance, December 31, 2012	B	<u>\$ 7,049.93</u>

ANALYSIS OF CAPITAL CASH

	<u>Ordinance Number</u>	<u>Date of Ordinance</u>	<u>Amount</u>
Fund Balance			\$ 39,164.49
Due To Current Fund			17,412.87
Capital Improvement Fund			80,000.00
Improvement Authorizations:			
Resurfacing, Reconstruction, and/or			
Installation of Drainage Improvements			
Along Various Roads	03-99/7-98	3/18/99	32,074.54
Construction of Recreation Area	09-01/15-02	12/17/01	2,072.83
Improvements to South Creek Drive and			
Various Roads	03-02	5/30/02	(16,500.00)
Acquisition of 4-Wheel Utility Truck	08-03	7/28/03	1,104.91
Purchase and Installation of New Phone			
System for Municipal Building	16-04	5/24/04	5,687.04
Purchase of Radios and Equipment for			
Fire Department	27-04	12/20/04	23,366.00
Purchase of Mason Dump Truck	24-05	10/24/05	9,779.65
Downtown Improvements Phase II	15-06	7/24/06	2,311.45
Various Improvements to Municipal Building	23-06	11/27/06	14,831.56
Purchase of Recycling Truck	08-07	4/23/07	15,327.11
Purchase of Fire Truck	36-08	2/24/08	(166,553.00)
			<u>\$ 60,079.45</u>

STATEMENT OF CAPITAL FUND CASH

	<u>Ref.</u>		
Balance December 31, 2011	C		\$ 40,062.07
Increased by:			
Interest Earned on Account	C-6	\$ 76.06	
Emergency Note Proceeds		250,000.00	
Received from Current Fund		<u>20,000.00</u>	
			<u>270,076.06</u>
			310,138.13
Decreased by:			
Paid to Current Fund	C-6	250,058.68	
Improvement Authorizations		<u>-</u>	
			<u>250,058.68</u>
Balance December 31, 2012	C		<u>\$ 60,079.45</u>

STATEMENT OF CAPITAL FUND BALANCE

Balance December 31, 2012 and 2011	<u>Ref.</u> C	<u>\$ 39,164.49</u>
------------------------------------	------------------	---------------------

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATIONFUNDED

Balance December 31, 2011	<u>Ref.</u> C	\$ 178,474.45
Increased by:		
Green Trust Loan Issued		<u>178,474.45</u>
Decreased by:		
Green Trust Loan Redeemed	C-8	<u>10,312.91</u>
Balance December 31, 2012	C	<u>\$ 168,161.54</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATIONUNFUNDED

<u>Purpose</u>	<u>Ordinance Number</u>	<u>Authorization</u>		<u>Balance Dec.31, 2012</u>
		<u>Date</u>	<u>Amount</u>	
Paving & Reconstruction of Willets Avenue, Jones Road and Cox's Crossing	09-97A	6/19/97		-
Improvements to South Creek Drive and Various Roads	03-02	5/30/02	16,500.00	16,500.00
Acquisition of 4-Wheel Utility Truck	08-03	7/28/03	33,250.00	-
Purchase and Installation of New Phone System for Municipal Building	16-04	5/24/04	9,500.00	-
Purchase of Radios and Equipment for Fire Department	27-04	12/20/04	66,500.00	49,000.00
Purchase of Mason Dump Truck	24-05	10/24/05	52,235.40	28,971.00
Downtown Improvements Phase II	15-06	7/24/06	38,000.00	30,000.00
Various Improvements to Municipal Building	23-06	11/27/06	57,000.00	48,000.00
Purchase of Recycling Truck	08-07	4/23/07	199,500.00	132,975.00
Purchase of Fire Truck	36-08	2/24/08	437,000.00	377,000.00
				<u>\$ 682,446.00</u>
			<u>Ref.</u>	<u>C</u>

STATEMENT OF DUE TO CURRENT FUND

Balance December 31, 2011	<u>Ref.</u> C		\$ 227,395.49
Increased by:			
Received from Current Fund	C-4	\$ 20,000.00	
Sandy Emergency Note received in Capital Fund	C-2	250,000.00	
Interest Earned on Savings	C-2	76.06	
			<u>270,076.06</u>
			497,471.55
Decreased by:			
Paid to Current Fund	C-2	250,058.68	
Deferred Charges Raised in Budget	C-2,A-3	10,000.00	
BAN Investment - Current Fund	C	200,000.00	
Budget Appropriations - Capital Improvement Fund	C-2,A-3	20,000.00	
			<u>480,058.68</u>
Balance December 31, 2012	C		<u>\$17,412.87</u>

STATEMENT OF BOND ANTICIPATION NOTES

Ordinance Number	Purpose	Original Issue Amount	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate *	Balance	
							Dec. 31, 2011	Dec. 31, 2012
09-97	Paving & Reconstruction of Willets Avenue, Jones Road and Cox's Crossing	\$ 14,708.00	9/23/04	9/19/10	9/18/11	1.49%	\$ 2,184.60	\$ 2,184.60
08-03	Acquisition of 4-Wheel Utility Truck	33,250.00	9/25/03	9/19/10	9/18/11	1.49%	-	-
16-04	Purchase and Installation of New Phone System for Municipal Building	9,500.00	9/23/04	9/19/10	9/18/11	1.49%	-	-
27-04	Purchase of Radios and Equipment for Fire Department	66,500.00	9/23/05	9/19/10	9/18/11	1.49%	52,500.00	52,500.00
24-05	Purchase of Mason Dump Truck	52,235.40	9/22/06	9/19/10	9/18/11	1.49%	34,781.40	34,781.40
15-06	Downtown Improvements Phase II	38,000.00	9/22/06	9/19/10	9/18/11	1.49%	32,000.00	32,000.00
23-06	Various Improvements to Municipal Building	57,000.00	9/21/07	9/19/10	9/18/11	1.49%	51,000.00	51,000.00
08-07	Purchase of Recycling Truck	199,500.00	9/21/07	9/19/10	9/18/11	1.49%	155,150.00	155,150.00
							<u>\$ 327,616.00</u>	<u>\$ 327,616.00</u>
						Ref.	C	C

STATEMENT OF GREEN TRUST LOAN PAYABLE

<u>Purpose</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Maturity Schedule Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance :</u>	
						<u>Dec. 31, 2011</u>	<u>Dec. 31, 2012</u>
Municipal Recreation Development *	11/01/07	\$ 222,425.00	2013	10,520.20	2.000%	\$ 178,474.45	\$ 168,161.54
			2014	10,731.66		\$ 178,474.45	\$ 168,161.54
			2015	10,947.37		-	-
			2016	11,167.41		-	-
			2017	11,391.88		-	-
			2018	11,620.85		-	-
			2019	11,854.43		-	-
			2020	12,092.70		-	-
			2021	12,335.77		-	-
			2022	12,583.72		-	-
			2023	12,836.65		-	-
			2024	13,094.67		-	-
			2025	13,357.87		-	-
			2026	13,626.36		-	-
						10,312.91	10,312.91
						\$ 10,312.91	\$ 10,312.91
						\$ 168,161.54	\$ 168,161.54

* N.J. Green Trust Loan Program

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Date	Ordinance Amount	Balance Dec. 31, 2011		2012 Authorization	Expended	Encumbrances Cancelled	Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
03-99	Resurfacing, Reconstruction and/or Installation of Drainage Improvements Along Various Streets	03/18/99	165,000.00	\$ -	32,074.54	-	-	\$ -	-	32,074.54
09-01/15-02	Construction Of Recreation Area	12/17/01	250,000.00	2,072.83	-	-	-	-	2,072.83	-
08-03	Acquisition of 4-Wheel Drive Utility Vehicle	07/28/03	35,000.00	-	1,104.91	-	-	-	-	1,104.91
16-04	Purchase & Installation of New Phone System for Municipal Building	05/24/04	10,000.00	-	5,687.04	-	-	-	-	5,687.04
27-04	Purchase of Radios & Equipment for Fire Department	12/20/04	70,000.00	-	23,366.00	-	-	-	-	23,366.00
24-05	Purchase of Mason Dump Truck	10/24/05	55,000.00	-	9,794.25	-	-	-	-	9,794.25
15-06	Downtown Improvements Phase II	07/24/06	40,000.00	-	2,311.45	-	-	-	-	2,311.45
23-06	Various Improvements to Municipal Building	11/27/06	60,000.00	-	14,831.56	-	-	-	-	14,831.56
08-07	Purchase of Recycling Truck	04/23/07	210,000.00	-	15,327.11	-	-	-	-	15,327.11
36-08	Purchase of Fire Truck	02/24/08	460,000.00	-	10,447.00	-	-	-	-	10,447.00
				\$ 2,072.83	114,943.86	-	-	-	\$ 2,072.83	114,943.86
Ref.				C	C	C-6 & C-10	C-2&C-7	C	C	C

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2011	<u>Ref.</u> C	\$ 60,000.00
Increased by:		
Budget Appropriation - Capital Improvement Fund	A-3	<u>20,000.00</u>
Balance December 31, 2012	C	<u>\$ 80,000.00</u>

STATEMENT OF BONDS AND NOTES AUTHORIZED AND UNISSUED

	<u>Ordinance</u>		<u>Ref.</u>	<u>Balance</u>
	<u>Date</u>	<u>Number</u>		
Improvements to South Creek Drive and Various Roads	5/30/02	04-02	\$ 16,500.00	\$ 16,500.00
Purchase of Mason Dump Truck	10/24/05	24-05	55,000.00	14.60
Purchase of Fire Truck	2/25/08	36-08	460,000.00	177,000.00
				<u>\$ 193,514.60</u>
				<u>C</u>

STATEMENT OF SEWER UTILITY CASHCOLLECTOR - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2011	D	\$ 78,217.44	\$ 10,049.87
Increased by Receipts:			
Interest Earned	D-10	159.86	65.06
Miscellaneous Revenues not Anticipated	D-2	5,479.20	-
Prepaid Sewer Rents	D-6	15,293.64	-
Sewer Rents Receivable	D-7	139,120.53	-
Due from Current Fund	D-7	4,874.18	-
Due from Utility Capital		313,562.68	
Due from Utility Operating Fund	D-10	-	1,205,000.00
Total Receipts		<u>478,490.09</u>	<u>1,205,065.06</u>
Total Receipts and Balances		<u>556,707.53</u>	<u>1,215,114.93</u>
Decreased by Disbursements:			
2012 Budget Appropriations	D-3	452,398.05	-
2011 Appropriation Reserves	D-11	-	-
Overexpenditure of Appropriation	D-3	1,480.00	-
Accrued Interest on Bonds	D-12	18,103.17	-
Due from Current Fund	D	308.07	14.28
Due to Utility Capital Fund		5,000.00	
Due to Utility Operating Fund	D-10	-	313,562.68
Total Disbursements		<u>477,289.29</u>	<u>313,576.96</u>
Balance December 31, 2011	D	<u>\$ 79,418.24</u>	<u>\$ 901,537.97</u>

D-5

ANALYSIS OF CAPITAL CASH

	<u>Ref.</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2012</u>
Capital Improvement Fund	D		\$ 15,000.00
Due from Current Fund	D		(14.28)
Due Utility Operating Fund	D		886,502.38
Sewer Improvements		07-00	49.87
			<u>\$ 901,537.97</u>

D-6

STATEMENT OF PREPAID SEWER RENTS

	<u>Ref.</u>		
Balance December 31, 2011	D		\$ 18,661.12
Increased by:			
2012 Collected	D-4		15,293.64
			<u>33,954.76</u>
Decreased by:			
Applied to Sewer Rents Receivable	D-7		18,661.12
Balance December 31, 2012	D		<u>\$ 15,293.64</u>

D-7

STATEMENT OF SEWER RENTS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2011	D		\$ 9,157.58
Increased by:			
2012 Sewer Levy			162,556.44
			<u>171,714.02</u>
Decreased by:			
Collected	D-4	\$ 139,120.53	
Received in Current Fund	D-4	4,874.18	
Prepaid Sewer Rents Applied	D-6	<u>18,661.12</u>	
			162,655.83
Balance December 31, 2012	D		<u>\$ 9,058.19</u>

STATEMENT OF FIXED CAPITAL

	Balance <u>Dec. 31, 2011</u>	<u>Increased</u>	Balance <u>Dec. 31, 2012</u>
Waste Water Collection System Planning	\$ 33,263.61	-	\$ 33,263.61
Construction of Sanitary Sewer System	1,373,944.53	-	1,373,944.53
Various Improvements-Sanitary Sewer System	39,891.02	-	39,891.02
Cedar Run/Dock Road Sanitary Sewer System	100,000.00	-	100,000.00
Replacement of Sewer Tank & Pumps	23,000.00	-	23,000.00
	<u>\$ 1,570,099.16</u>	<u>-</u>	<u>1,570,099.16</u>
<u>Ref.</u>	D		D

Note: The Fixed capital is taken from the local records and does not necessarily reflect the true condition of such Fixed Capital. The Sewer System was transferred at no cost to the Township of Eagleswood Sewerage Authority upon liquidation. As such, no cost is carried for the Sewer System contributed.

STATEMENT OF FIXED CAPITAL AUTHORIZED & UNCOMPLETED

<u>Purpose</u>	<u>Ordinance Number</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2012</u>
		<u>Date</u>	<u>Amount</u>	
Sewer Improvements	07-00	5/22/2000	100,000.00	\$ 100,000.00
Rehabilitation of Wastewater Collection System	11-10	10/26/2011	755,000.00	755,000.00
				<u>\$ 855,000.00</u>
				<u>Ref.</u> D

STATEMENT OF DUE FROM UTILITY CAPITAL FUND
UTILITY OPERATING FUND

	<u>Ref.</u>		
Balance December 31, 2011	D		\$ -
Increased by:			
Budget Appropriation Capital Improvement Fund	D-3	\$ 5,000.00	
Interest Earned in Utility Capital Fund	D-4	65.06	
Spwcial Emergency Note		<u>1,200,000.00</u>	
	D-4		<u>1,205,065.06</u>
			<u>1,205,065.06</u>
Decreased by:			
Budget Appropriation Capital Improvement Fund	D-3	\$ 5,000.00	
Paid to Utility Operating Fund	D-4	<u>313,562.68</u>	
			<u>318,562.68</u>
Balance December 31, 2012	D		<u><u>\$ 886,502.38</u></u>

STATEMENT OF 2011 APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Expended</u>	<u>Balance</u> <u>Lapsed</u>
Other Accounts with No Change	4,648.77	-	4,648.77
	<u>\$ 4,648.77</u>	<u>-</u>	<u>4,648.77</u>
<u>Ref.</u>	D	D-4	D-1