

**TOWNSHIP OF EAGLESWOOD**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2013**



**TOWNSHIP OF EAGLEWOOD**  
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**TOWNSHIP OF EAGLEWOOD**

**PART I**

**REPORT ON AUDIT OF**

**FINANCIAL STATEMENTS - REGULATORY BASIS**

**DECEMBER 31, 2013**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of Township Committee  
Township of Eagleswood  
County of Ocean, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Eagleswood, as of December 31, 2013, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents. The financial statements of the Township as of and for the year ended December 31, 2012, were audited by other auditors whose report dated November 25, 2013, expressed an adverse opinion on those statements in accordance with Generally Accepted Accounting Principles and an unqualified opinion on those statements in conformity with the Regulatory Basis of Accounting described in Note 1.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Eagleswood as of December 31, 2013 or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Eagleswood's basic financial statements. The supplementary information listed in the table of contents and the general comments and findings and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

The general comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2014 on our consideration of the Township of Eagleswood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Eagleswood's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 472**

**June 2, 2014**

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**EXHIBIT - A**  
**CURRENT FUND**



**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 1,331,801.89	1,564,704.12
Cash - Change	100.00	100.00
Total Cash	<u>1,331,901.89</u>	<u>1,564,804.12</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	1,821.69	-
Investment in Bond Anticipation Note	200,000.40	200,000.00
Total Other Receivables	<u>201,822.09</u>	<u>200,000.00</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	171,165.64	114,071.25
Tax Title and Other Liens	127,650.71	115,179.90
Property Acquired for Taxes - at Assessed Valuation	1,616,500.00	1,616,500.00
Interfund Receivable:		
Dog Trust Fund	202.73	690.60
Grant Fund	198,177.56	85,075.08
Trust - Other Fund	26,009.33	31,093.45
Trust - TTL	15,603.48	-
General Capital Fund	-	17,412.87
Other Receivables	-	1,571.69
Total Receivables and Other Assets	<u>2,155,309.45</u>	<u>1,981,594.84</u>
Deferred Charges:		
Special Emergency Appropriation	200,000.00	250,000.00
Total Deferred Charges	<u>200,000.00</u>	<u>250,000.00</u>
Total Regular Fund	<u>3,889,033.43</u>	<u>3,996,398.96</u>
Federal and State Grant Fund:		
Cash	-	-
Federal and State Grants Receivable	663,371.60	611,140.88
Total Federal and State Grant Fund	<u>663,371.60</u>	<u>611,140.88</u>
Total Current Fund	<u>\$ 4,552,405.03</u>	<u>4,607,539.84</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2013</u>	<u>2012</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 200,660.51	404,190.45
Reserve for Encumbrances	7,258.11	11,751.83
Accounts Payable	1,978.93	-
Prepaid Taxes	64,682.10	60,548.03
Overpaid Taxes	9,920.64	13,003.31
Prepaid Licenses Fees	2,045.00	-
Local School Tax Payable	331,365.30	488,709.28
Regional School Tax Payable	10,514.46	10,070.04
County Added Tax Payable	2,529.28	2,646.61
Due to Fire Company	522.31	-
Due to State:		
Marriage Licenses	50.00	50.00
Interfund Payable:		
Utility Operating Fund	-	308.07
Utility Capital Fund	14.28	14.28
Other		
Reserve for Codification of Ordinances	19,577.00	22,718.00
Reserve for Reassessment	58.57	58.57
Reserve for Preservation Trust Fund	-	16,981.00
Reserve for Building Renovations	34,745.47	25,745.47
Reserve for Purchase of Pick-Up Truck	35,000.00	35,000.00
Reserve for Roof Replacement	35,000.00	-
Reserve for Hurricane Sandy	242,625.17	-
Special Emergency Note Payable	200,000.00	250,000.00
	1,198,547.13	1,341,794.94
Reserve for Receivables and Other Assets	2,155,309.45	1,981,594.84
Fund Balance	535,176.85	673,009.18
Total Regular Fund	3,889,033.43	3,996,398.96
Federal and State Grant Fund:		
Unappropriated Reserves	21,415.09	2,465.10
Appropriated Reserves	443,778.95	523,600.70
Due to Current Fund	198,177.56	85,075.08
	663,371.60	611,140.88
Total Current Fund	\$ 4,552,405.03	\$ 4,607,539.84

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	2013	2012
Revenue and Other Income Realized		
Fund Balance	\$ 474,867.00	340,000.00
Miscellaneous Revenue Anticipated	596,637.23	590,843.40
Receipts from Delinquent Taxes	117,803.47	158,165.59
Receipts from Current Taxes	4,964,648.30	4,861,690.05
Non Budget Revenue	57,104.76	52,781.12
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	108,367.96	123,041.36
Prior Year Grant Fund Adjustment	26,596.80	-
Interfund Returned	18,103.47	209,982.62
Cancellation of Prior Year Liability	1,571.69	25.00
Total Income	6,365,700.68	6,336,529.14
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	433,078.00	447,135.00
Other Expenses	790,369.00	968,196.00
Deferred Charges & Statutory Expenditures	84,144.00	82,457.00
Appropriations Excluded from "CAPS"		
Operations:		
Other Expenses	323,586.62	159,226.51
Capital Improvements	64,000.00	279,000.00
Debt Service	71,892.60	62,126.66
Deferred Charges	60,000.00	10,000.00
Local District School Tax	1,582,818.31	1,721,931.00
Regional District School Tax	1,487,069.00	1,431,074.62
County Tax	994,396.52	971,015.28
County Share of Added Tax	2,529.28	2,646.61
Other:		
Interfund Created	130,505.96	4,427.11
Prior Period Adjustment for Grants	-	22,186.55
Refund of Prior Year's Revenue	4,276.72	2,764.71
Total Expenditures	6,028,666.01	6,164,187.05
Excess/(Deficit) in Revenue	\$ 337,034.67	172,342.09

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	2013	2012
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	\$ -	250,000.00
Emergency Appropriation		
Total Adjustments	-	250,000.00
Statutory Excess to Fund Balance	337,034.67	422,342.09
Fund Balance January 1	673,009.18	590,667.09
	1,010,043.85	1,013,009.18
Decreased by:		
Utilization as Anticipated Revenue	474,867.00	340,000.00
Fund Balance December 31	\$ 535,176.85	673,009.18



**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Anticipated	Realized	Excess or (Deficit)
	Budget		
	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 474,867.00	474,867.00	-
Total Fund Balance Anticipated	474,867.00	474,867.00	-
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	5,842.00	6,722.00	880.00
Other	1,420.00	8,300.00	6,880.00
Interest and Costs on Taxes	25,584.38	22,105.46	(3,478.92)
Interest on Investments and Deposits	2,000.00	967.09	(1,032.91)
Rent - Boat Stalls	1,600.00	5,600.00	4,000.00
Eagleswood Village Rent Fee	4,928.00	5,376.00	448.00
Cable TV Franchise	6,291.52	6,416.20	124.68
Billboard Lease	2,000.00	1,748.76	(251.24)
Total Section A: Local Revenues	49,665.90	57,235.51	7,569.61
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	186,382.00	186,382.00	-
Garden State Preservation Trust Fund	16,981.00	16,981.00	-
Total Section B: State Aid Without Offsetting Appropriations	203,363.00	203,363.00	-
Section D: Shared Service Agreements Off-Set with Appropriations:			
Little Egg Harbor - Municipal Alliance Program	34,506.00	14,801.95	(19,704.05)
Total Section D: Shared Service Agreements Off-Set with Appropriations:	34,506.00	14,801.95	(19,704.05)

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section E: Additional Revenue Off-Set with Appropriations: Sahara Sands MotoX	4,000.00		2,417.00
Total Section E: Additional Revenue Off-Set with Appropriations:	4,000.00	-	2,417.00
Section F: Special Items - Public and Private Programs Off-Set with Appropriations Clean Communities Grant	2,465.10	4,529.67	-
Recycling Tonnage		2,465.10	-
NJDOT 2013		180,000.00	-
Community Development Block Grant		37,000.00	-
Municipal Alliance - 2013		56,500.00	-
Municipal Alliance - Local Match - 2013		8,325.00	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	2,465.10	286,354.67	-

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Anticipated	Realized	Excess or (Deficit)
	Budget		
	N.J.S. 40A:4-87		
Section G: Other Special Items			
Storm Reimbursement - FEMA	26,000.00	26,000.00	-
Total Section G: Other Special Items	<u>26,000.00</u>	<u>26,000.00</u>	<u>-</u>
Total Miscellaneous Revenues:	320,000.00	596,637.23	(9,717.44)
Receipts from Delinquent Taxes	114,000.00	117,803.47	3,803.47
Amount to be Raised by Taxes for Support of Municipal Budget	920,000.00	988,278.50	68,278.50
Local Tax for Municipal Purposes			
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>920,000.00</u>	<u>988,278.50</u>	<u>68,278.50</u>
Budget Totals	1,828,867.00	2,177,586.20	62,364.53
Non- Budget Revenues:			
Other Non- Budget Revenues:		57,104.76	57,104.76
	<u>\$ 1,828,867.00</u>	<u>\$ 2,234,690.96</u>	<u>\$ 119,469.29</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

## Analysis of Realized Revenues

## Allocation of Current Tax Collections:

Revenue from Collections	\$ 4,964,648.30
Less: Reserve for Tax Appeals Pending	<u>-</u>
Net Revenue from Collections	4,964,648.30
Allocated to:	
School, County and Other Taxes	<u>4,238,869.80</u>
Balance for Support of Municipal Budget Appropriations	725,778.50
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	<u>262,500.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>988,278.50</u></u>

## Receipts from Delinquent Taxes:

Delinquent Tax Collection	117,803.47
Tax Title Lien Collections	<u>-</u>

## Total Receipts from Delinquent Taxes

117,803.47

## Analysis of Non-Budget Revenue:

## Miscellaneous Revenue Not Anticipated:

Insurance Reimbursements	675.00
Vital Statistics	153.00
Copies	0.50
5k/10k Registration Fees	1,158.00
Tax & Assessment Searches	160.00
Land Use Board	700.00
Zoning Permits	1,325.00
Certified Property List	50.00
Road Openings	420.00
Country Fair	450.00
Senior & Veterans Administrative Fee	460.00
Refrigerator, A/C, Propane Fees	63.00
Municipal Court	250.00
Fish & Wildlife	8,940.00
Recycling Revenue	2,304.28
FEMA	12,818.21
Bass River Shared Services	1,750.02
Prior Year MAC - Shared Services	18,500.00
Premium on Sale of Notes	153.97
Miscellaneous	<u>6,773.78</u>

## Total Miscellaneous Revenue Not Anticipated:

\$ 57,104.76

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
General Administration						
Salaries and Wages	23,100.00	23,100.00	13,943.46		9,156.54	-
Other Expenses	4,500.00	4,500.00	3,372.67	36.00	1,091.33	-
Mayor and Committee						
Salaries and Wages	8,400.00	8,400.00	8,400.00		-	-
Other Expenses	1,500.00	1,500.00	573.20		926.80	-
Municipal Clerk						
Salaries and Wages	50,164.00	48,164.00	32,127.18		16,036.82	-
Other Expenses	6,500.00	8,500.00	6,499.85	139.00	1,861.15	-
Financial Administration (Treasury)						
Salaries and Wages	55,000.00	50,500.00	40,283.93		10,216.07	-
Other Expenses	11,000.00	12,500.00	11,953.97	311.50	234.53	-
Audit Services	29,000.00	29,000.00	10,500.00		18,500.00	-
Revenue Administration (Tax Collection)						
Salaries and Wages	37,410.00	37,410.00	37,235.98		174.02	-
Other Expenses	9,000.00	9,000.00	5,711.60	275.00	3,013.40	-
Tax Assessment Administration						
Salaries and Wages	16,320.00	16,320.00	16,000.08		319.92	-
Other Expenses	6,500.00	6,500.00	3,565.34	6.76	2,927.90	-
Maintenance of Tax Map	500.00	500.00			500.00	-
Legal Services (Legal Department)						
Salaries and Wages	37,500.00	37,500.00	37,500.00		-	-
Special Counsel	3,000.00	6,000.00	5,689.47		310.53	-
Liquidation of Tax Title Liens	1,000.00	1,000.00			1,000.00	-
Engineering Services						
Other Expenses	35,000.00	35,000.00	25,222.96		9,777.04	-
Economic Development Agencies						
Other Expenses	450.00	450.00			450.00	-
<b>PLANNING AND CODE ENFORCEMENT</b>						
Planning Board						
Salaries and Wages	15,300.00	16,350.00	15,974.45		375.55	-
Other Expenses	6,200.00	5,150.00	793.94		4,356.06	-
Master Plan	100.00	100.00			100.00	-
Code Enforcement and Zoning						
Salaries and Wages	19,434.00	19,434.00	19,230.09		203.91	-
Other Expenses	1,000.00	1,000.00	431.38		568.62	-

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>INSURANCE</b>						
General Liability - JIF	87,500.00	87,500.00	86,133.43		1,366.57	-
Employee Group Health	194,719.00	194,719.00	189,802.59		4,916.41	-
Health Benefit Waiver						
Salaries and Wages	11,550.00	11,550.00	5,000.00		6,550.00	-
Other Insurance	800.00	800.00	750.00		50.00	-
<b>PUBLIC SAFETY</b>						
Police Department						
Salaries and Wages	100.00	100.00			100.00	-
Other Expenses	100.00	100.00			100.00	-
Office of Emergency Management						
Salaries and Wages	2,100.00	2,100.00	2,081.12		18.88	-
Other Expenses	500.00	500.00	291.94		208.06	-
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	9,000.00		-	-
Contribution to First Aid Organization (NJSA 40:5-2)	11,000.00	11,000.00	11,000.00		-	-
<b>PUBLIC WORKS</b>						
Other Public Works Functions:						
Salaries and Wages	172,000.00	172,000.00	165,136.37		6,863.63	-
Other Expenses	26,000.00	26,000.00	15,834.76	571.41	9,593.83	-
Streets and Road Maintenance						
Other Expenses	3,000.00	3,000.00	440.06	18.84	2,541.10	-
Schedule "C"	10,000.00	10,000.00	3,692.89	1,500.00	4,807.11	-
Solid Waste Collection						
Other Expenses/ Contractual	72,500.00	72,500.00	62,982.86		9,517.14	-
Tipping Fees	67,500.00	67,500.00	51,598.81		15,901.19	-
Buildings and Grounds						
Other Expenses	20,000.00	20,000.00	9,549.65	2,409.22	8,041.13	-
Mosquito Control						
Salaries and Wages	1,000.00	1,000.00			1,000.00	-
Other Expenses	5,000.00	5,000.00	880.90		4,119.10	-
<b>HEALTH AND HUMAN SERVICES</b>						
Environmental Commission						
Salaries and Wages	600.00	600.00	50.00		550.00	-
Other Expenses	1,000.00	1,000.00			1,000.00	-
Animal Control Services						
Other Expenses	3,400.00	3,400.00	2,760.00	276.00	364.00	-

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>RECREATION AND EDUCATION</b>						
Recreation Services and Programs						
Other Expenses	8,500.00	8,500.00	7,581.02	197.37	721.61	-
Public Docks						
Salaries and 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	740.01		3,259.99	-
Accumulated Absence Liability	6,000.00	6,000.00	6,000.00		-	-
<b>UNCLASSIFIED</b>						
Electricity	11,000.00	11,100.00	11,084.91		15.09	-
Street Lighting	29,500.00	29,400.00	26,634.02	787.98	1,978.00	-
Telephone (excluding equipment acquisition)	7,000.00	7,000.00	3,923.42	323.80	2,752.78	-
Fuel Oil	5,000.00	5,000.00	1,699.58		3,300.42	-
Gasoline	23,000.00	23,000.00	16,481.02		6,518.98	-
Natural Gas	5,000.00	5,000.00	2,258.04	405.23	2,336.73	-
Technology	10,000.00	10,000.00	2,712.05		7,287.95	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>1,222,447.00</b>	<b>1,222,447.00</b>	<b>1,026,609.00</b>	<b>7,258.11</b>	<b>188,579.89</b>	<b>-</b>
Contingent	1,000.00	1,000.00			1,000.00	-
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>1,223,447.00</b>	<b>1,223,447.00</b>	<b>1,026,609.00</b>	<b>7,258.11</b>	<b>189,579.89</b>	<b>-</b>
Detail:						
Salaries and Wages	438,528.00	433,078.00	387,962.66	-	45,115.34	-
Other Expenses (Including Contingent)	784,919.00	790,369.00	638,646.34	7,258.11	144,464.55	-

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN CAPS						
<b>STATUTORY EXPENDITURES</b>						
Contributions to:						
Public Employees' Retirement System	42,144.00	42,144.00	42,144.00			-
Social Security System (O.A.S.I.)	37,000.00	37,000.00	31,633.87		5,366.13	-
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00			-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<u>84,144.00</u>	<u>84,144.00</u>	<u>78,777.87</u>	<u>-</u>	<u>5,366.13</u>	<u>-</u>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<u>1,307,591.00</u>	<u>1,307,591.00</u>	<u>1,105,386.87</u>	<u>7,258.11</u>	<u>194,946.02</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
Operations - Excluded from "CAPS"						
Recycling Tax	2,700.00	2,700.00	2,269.41		430.59	-
Employee Group Health	9,381.00	9,381.00	9,381.00			-
Fair Share Housing Plan	-	-	-			-
	<u>12,081.00</u>	<u>12,081.00</u>	<u>11,650.41</u>	<u>-</u>	<u>430.59</u>	<u>-</u>
Shared Service Agreements						
Little Egg Harbor - Municipal Alliance	34,506.00	34,506.00	14,801.95			19,704.05
	<u>34,506.00</u>	<u>34,506.00</u>	<u>14,801.95</u>	<u>-</u>	<u>-</u>	<u>19,704.05</u>
Additional Appropriations Offset by Revenues (N.J.S. 40A:4-45.3h)						
Sahara Sands MotoX	4,000.00	4,000.00	800.00		3,200.00	-
	<u>4,000.00</u>	<u>4,000.00</u>	<u>800.00</u>	<u>-</u>	<u>3,200.00</u>	<u>-</u>



**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Public and Private Programs Off-Set by Revenues						
Clean Communities Grant		4,529.67	4,529.67			-
Municipal Alliance - 2013		56,500.00	56,500.00			-
Municipal Alliance - Local Match - 2013		10,125.00	10,125.00			-
Recycling Tonnage Grant	2,465.10	2,465.10	2,465.10			-
Matching Funds for Future Grants	3,883.90	2,083.90		2,083.90		-
Community Development Block Grant		37,000.00	37,000.00			-
NJDOT - 2013		180,000.00	180,000.00			-
<b>Total Public and Private Programs Off-Set by Revenues</b>	<b>6,349.00</b>	<b>292,703.67</b>	<b>290,619.77</b>	<b>-</b>	<b>2,083.90</b>	<b>-</b>
Total Operations - Excluded from "CAPS"	56,936.00	343,290.67	317,872.13	-	5,714.49	19,704.05
Detail:						
Salaries and Wages						
Other Expenses	56,936.00	343,290.67	317,872.13	-	5,714.49	19,704.05
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			-
Roof Replacement	35,000.00	35,000.00	35,000.00			-
Total Capital Improvements	<b>64,000.00</b>	<b>64,000.00</b>	<b>64,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes	50,000.00	50,000.00	50,000.00			-
Interest on Notes	14,000.00	14,000.00	8,061.50			5,938.50
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	13,840.00	13,840.00	13,831.10			8.90
Total Debt Service	<b>77,840.00</b>	<b>77,840.00</b>	<b>71,892.60</b>	<b>-</b>	<b>-</b>	<b>5,947.40</b>
Deferred Charges - Municipal - Excluded from "CAPS"						
Special Emergency Authorizations - 5 years	50,000.00	50,000.00	50,000.00			-
Deferred Charges to Future Taxation-Unfunded:						
Purchase of Fire Truck	10,000.00	10,000.00	10,000.00			-
Total Deferred Charges	<b>60,000.00</b>	<b>60,000.00</b>	<b>60,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	258,776.00	545,130.67	513,764.73	-	5,714.49	25,651.45
SUBTOTAL GENERAL APPROPRIATIONS	1,566,367.00	1,852,721.67	1,619,151.60	7,258.11	200,660.51	25,651.45
Reserve for Uncollected Taxes	262,500.00	262,500.00	262,500.00			-
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 1,828,867.00</b>	<b>2,115,221.67</b>	<b>1,881,651.60</b>	<b>7,258.11</b>	<b>200,660.51</b>	<b>25,651.45</b>
Budget		1,828,867.00				25,651.45
Appropriations by 40A-4-87		286,354.67				-
Emergency Appropriations		-				
		<u>2,115,221.67</u>				<u>25,651.45</u>
Reserve for Uncollected Taxes			262,500.00			
Federal and State Grants			290,619.77			
Deferred Charges			50,000.00			
Transferred to Reserve for Building Renovations			9,000.00			
Transferred to Reserve for Roof Replacement			35,000.00			
Disbursements			1,234,531.83			
			<u>1,881,651.60</u>			
					Cancelled Overexpended	

**EXHIBIT - B  
TRUST FUND**



**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2013	2012
<u>ASSETS</u>		
<u>DOG TRUST FUND</u>		
Cash	\$ 788.33	1,295.40
	788.33	1,295.40
<u>OTHER TRUST FUND</u>		
Cash and Investments	645,372.07	611,710.81
	645,372.07	611,710.81
	646,160.40	613,006.21
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>DOG TRUST FUND</u>		
Reserve for Dog Fund Expenditures	585.60	604.80
Interfunds and Payables:		
Due from Current Fund	202.73	690.60
	788.33	1,295.40
<u>OTHER TRUST FUND</u>		
Reserve for:		
Unemployment Compensation	31,953.38	21,811.79
Public Defender	2,513.80	2,340.00
Recreation	5,258.17	5,254.71
Developers Escrow	46,814.55	137,350.47
COAH Fees	292,703.14	288,004.57
Performance Bonds	76,913.84	20,755.36
Maintenance Bonds	462.00	-
Sewer Bonds	35,111.18	-
Tax Sale Premiums	77,637.15	77,516.55
Outside Tax Liens	1,177.32	3,232.54
Tax Map Maintenance	607.28	300.00
Accumulated Sick Leave Fund	20,442.98	17,000.00
Reserve for Payroll Deductions	9,610.77	7,049.93
Interfunds and Payables:		
Due to Current Fund	41,612.81	31,094.89
Due to Sewer Utility	2,553.70	-
	645,372.07	611,710.81
	\$ 646,160.40	613,006.21

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

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**EXHIBIT - C**  
**GENERAL CAPITAL FUND**





**GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Cash	\$ 73,276.58	60,079.45
Deferred Charges to Future Taxation -		
Funded	157,641.34	168,161.54
Unfunded	622,446.00	682,446.00
	<u>853,363.92</u>	<u>910,686.99</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfunds:		
Due to Current Fund	-	17,412.87
Bond Anticipation Notes Payable	438,931.40	488,931.40
Loans Payable	157,641.34	168,161.54
Green Trust Loan Payable		
Improvement Authorizations:		
Funded	40,939.32	2,072.83
Unfunded	76,077.37	114,943.86
Reserve to Pay Notes	-	
Capital Improvement Fund	100,000.00	80,000.00
Fund Balance	39,774.49	39,164.49
	<u>\$ 853,363.92</u>	<u>910,686.99</u>

There were bonds and notes authorized but not issued at December 31 (C - 10)

2012	193,514.60
2013	183,514.60

**GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	2013	2012
Beginning Balance January 1	\$ 39,164.49	39,164.49
Increased by:		
Premium Received on Sale of Bond Anticipation Note	610.00	-
Decreased by:		
None	-	-
Ending Balance December 31	\$ 39,774.49	39,164.49

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**EXHIBIT - D**  
**SEWER UTILITY FUND**



**SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Operating Fund:		
Cash	\$ 653,235.17	79,418.24
Interfunds and Receivables		
Due from Current Fund	-	308.07
Due from TTL Trust	2,553.70	-
Due from Sewer Capital Fund	-	886,502.38
Due from FEMA	240,000.00	-
	<u>895,788.87</u>	<u>966,228.69</u>
Receivables and Other Assets with Full Reserves:		
Sewer Accounts Receivable	10,078.29	9,058.19
	<u>10,078.29</u>	<u>9,058.19</u>
Deferred Charges:		
Overexpenditure of Appropriation	1,480.00	1,480.00
Special Emergency	960,000.00	1,200,000.00
	<u>961,480.00</u>	<u>1,201,480.00</u>
Total Operating Fund	<u>1,867,347.16</u>	<u>2,176,766.88</u>
Capital Fund:		
Cash - Treasurer	20,035.59	901,537.97
Interfunds and Receivables		
Due from Current Fund	14.28	14.28
Fixed Capital - Complete	1,670,099.16	1,570,099.16
Fixed Capital - Authorized and Uncompleted	755,000.00	855,000.00
Total Capital Fund	<u>2,445,149.03</u>	<u>3,326,651.41</u>
	<u>\$ 4,312,496.19</u>	<u>5,503,418.29</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 37,750.18	874,868.28
Reserve for Encumbrances	1,292.04	17,108.70
Prepaid Sewer Rents	19,805.79	15,293.64
Overpaid Sewer Rents	379.66	-
Accrued Interest on Bonds and Notes	1,106.94	1,066.15
Reserve for Special Emergency - Sandy	785,172.14	-
Special Emergency Note Payable	960,000.00	1,200,000.00
	1,805,506.75	2,108,336.77
Reserve for Receivables	10,078.29	9,058.19
Fund Balance	51,762.12	59,371.92
Total Operating Fund	1,867,347.16	2,176,766.88
Capital Fund:		
Interfunds:		
Due to Sewer Operating Fund	-	886,502.38
Bond Anticipation Notes Payable	-	12,100.00
Bonds And Loans Payable	270,849.30	290,749.98
Improvement Authorizations:		
Funded	-	-
Unfunded	755,049.87	755,049.87
Reserve for Amortization	1,399,249.86	1,263,949.18
Deferred Reserve for Amortization	-	103,300.00
Capital Improvement Fund	20,000.00	15,000.00
Fund Balance	-	-
Total Capital Fund	2,445,149.03	3,326,651.41
	\$ 4,312,496.19	5,503,418.29

There were bonds and notes authorized but not issued at December 31 (D - 15)

2012	755,000.00
2013	755,000.00

**SEWER UTILITY FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES**  
**IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized		
Fund Balance	\$ 24,480.00	24,800.00
Water & Sewer Rents	154,418.22	162,655.83
Miscellaneous Revenue Anticipated	240,000.00	-
Miscellaneous Revenue Not Anticipated	5,287.16	5,478.35
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,580.91	4,648.77
Accounts Payable Cancelled	186.70	780.32
Prior Period Adjustment	-	1,706.51
Total Income	<u>427,952.99</u>	<u>200,069.78</u>
Expenditures		
Operations	99,500.00	1,297,800.00
Capital Improvements	5,000.00	5,000.00
Debt Service	66,082.79	65,309.92
Deferred Charges and Statutory Expenditures	240,500.00	500.00
Total Expenditures	<u>411,082.79</u>	<u>1,368,609.92</u>
Excess/(Deficit) in Revenue	<u>16,870.20</u>	<u>(1,168,540.14)</u>
Adjustments to Income before Fund Balance:		
Deferred Charges	-	1,200,000.00
Total Adjustments	<u>-</u>	<u>1,200,000.00</u>
Excess in Operations	<u>16,870.20</u>	<u>31,459.86</u>
Fund Balance January 1	<u>59,371.92</u>	<u>52,712.06</u>
Decreased by:	76,242.12	84,171.92
Utilization as Anticipated Revenue	<u>24,480.00</u>	<u>24,800.00</u>
Fund Balance December 31	<u>\$ 51,762.12</u>	<u>59,371.92</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**SEWER UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	2013	2012
Beginning Balance January 1	\$ -	-
Increased by:		
None		
Decreased by:		
None		
Ending Balance December 31	\$ -	-



**SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 24,480.00	24,480.00	-
User Fees	150,000.00	154,418.22	4,418.22
FEMA Reimbursement - Hurricane Sandy	240,000.00	240,000.00	-
	<u>\$ 414,480.00</u>	<u>418,898.22</u>	<u>4,418.22</u>

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

Current Collections	139,124.58
Prepayments & Overpayments Applied	15,293.64
	<u>154,418.22</u>

Miscellaneous Revenue Not Anticipated

Interest on Investments	548.13
Premium On Sale of Notes	739.03
Connection Fees	4,000.00
	<u>5,287.16</u>

**SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 10,500.00	10,500.00	4,439.03		6,060.97	
Other Expenses	40,000.00	40,000.00	8,633.36	842.04	30,524.60	
Ocean County Utilities Authority	47,000.00	47,000.00	46,195.80		804.20	
Stafford Township Utility Fund	2,000.00	2,000.00	1,350.00	450.00	200.00	
	<u>99,500.00</u>	<u>99,500.00</u>	<u>60,618.19</u>	<u>1,292.04</u>	<u>37,589.77</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		-	
	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	20,000.00	20,000.00	19,900.68			99.32
Payment of Notes	13,580.00	13,580.00	12,100.00			1,480.00
Interest on Bonds	15,900.00	15,900.00	15,706.70			193.30
Interest on Notes	20,000.00	20,000.00	18,375.41			1,624.59
	<u>69,480.00</u>	<u>69,480.00</u>	<u>66,082.79</u>	<u>-</u>	<u>-</u>	<u>3,397.21</u>
Deferred Charges and Statutory Expenditures:						
Special Emergency	240,000.00	240,000.00	240,000.00			
Social Security System	500.00	500.00	339.59		160.41	
	<u>240,500.00</u>	<u>240,500.00</u>	<u>240,339.59</u>	<u>-</u>	<u>160.41</u>	<u>-</u>
	<u>\$ 414,480.00</u>	<u>414,480.00</u>	<u>372,040.57</u>	<u>1,292.04</u>	<u>37,750.18</u>	<u>3,397.21</u>

**EXHIBIT - E**  
**GENERAL FIXED ASSET ACCOUNT GROUP**



**GENERAL FIXED ASSET ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Land Buildings and Improvements	\$ 1,830,425.26	1,830,425.26
Machinery and Equipment	<u>1,682,250.07</u>	<u>1,682,250.07</u>
	<u>3,512,675.33</u>	<u>3,512,675.33</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Investment in General Fixed Assets	\$ <u>3,512,675.33</u>	<u>3,512,675.33</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

**A. Reporting Entity**

Except as noted below, the financial statements of the Township of Eagleswood include every board, body, office 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.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The entity has no component units.

**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 designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the 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 Funds -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

**C. Basis of Accounting**

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

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

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

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st 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 bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

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

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

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

General Fixed Assets -- The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

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

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$2,000.00 are capitalized. No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the 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 costs 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 represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Township of Eagleswood to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The entity operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments on January 1, April 1, July 1 and October 1.

Interest on Delinquent Utility Charges - It is the policy of the entity to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge one and one half percent (1.5%) per month on charges becoming delinquent after due date. There is a ten day grace period.

Capitalization of Interest -- It is the policy of the Township of Eagleswood to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

**D. Required Financial Statements**

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

**E. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**F. Recent Accounting Pronouncements Not Yet Effective**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the entity's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the entity's financial statements.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2013 and 2012 statutory budgets included a reserve for uncollected taxes in the amount of \$262,500.00 and \$275,000.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2013 and 2012 statutory budgets was \$474,867.00 and \$340,000.00. In addition, the entity operates a self liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2013 and 2012 statutory budgets was \$24,480.00 and \$24,800.00.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by The Township Committee. The following significant budget transfers were approved in the 2013 and 2012 calendar years:

<u>Budget Category</u>	<u>2013</u>	<u>2012</u>
<u>Current Fund:</u>		
Municipal Clerk		
Salaries and Wages	(2,000.00)	
Other Expenses	2,000.00	
Financial Administration		
Salaries and Wages	(4,500.00)	
Other Expenses	1,500.00	
Legal Services		
Special Counsel	3,000.00	
Tax Assessment		
Salaries and Wages		5,000.00
Mosquito Control		
Other Expenses		(5,000.00)
<u>Budget Category</u>	<u>2013</u>	<u>2012</u>
<u>Sewer Utility Fund</u>	None	None

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2013 and 2012, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2013</u>	<u>2012</u>
Clean Communities Program	4,529.67	
Community Development Block Grant	37,000.00	
NJ DOT	180,000.00	
Municipal Alliance	64,825.00	
Total	<u>286,354.67</u>	<u>None</u>

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 2: BUDGETARY INFORMATION - CONTINUED**

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The entity approved a special emergency appropriation in 2012 for \$250,000.00 in the Current Fund and \$1,200,000.00 in the Sewer Fund. These emergencies were for the damage caused by Hurricane Sandy. The unfunded balance as of December 31, 2013 was \$200,000.00 and \$960,000.00 respectively. No emergencies were authorized in 2013.

**Note 3: INVESTMENTS**

As of December 31, 2013 and 2012, the municipality held no investments.

**Note 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The municipality’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2013 and 2012, \$0 of the municipality’s bank balance of \$2,735,082.06 and \$3,331,940.15 was exposed to custodial credit risk.

**Note 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2013 and 2012:

	Balance 12/31/2011	Additions	Retirements/ Adjustments	Balance 12/31/2012
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	1,630,397.07			1,630,397.07
	<u>\$ 3,512,675.33</u>	<u>-</u>	<u>-</u>	<u>3,512,675.33</u>
	Balance 12/31/2012	Additions	Retirements/ Adjustments	Balance 12/31/2013
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	1,630,397.07			1,630,397.07
	<u>\$ 3,512,675.33</u>	<u>-</u>	<u>-</u>	<u>3,512,675.33</u>

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/11	Issued	Retired	Balance 12/31/12
Notes Payable:				
Special Emergency - Current Fund	\$ -	250,000.00		250,000.00
Sewer Utility Fund		1,200,000.00		1,200,000.00
Bond Anticipation				
General Capital	327,616.00	200,000.00	38,684.60	488,931.40
Sewer Utility Capital	40,300.00		28,200.00	12,100.00
Total	<u>\$ 367,916.00</u>	<u>1,650,000.00</u>	<u>66,884.60</u>	<u>1,951,031.40</u>

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Notes Payable:				
Special Emergency - Current Fund	\$ 250,000.00		50,000.00	200,000.00
Sewer Utility Fund	1,200,000.00		240,000.00	960,000.00
Bond Anticipation				
General Capital	488,931.40		50,000.00	438,931.40
Sewer Utility Capital	12,100.00		12,100.00	-
Total	<u>\$ 1,951,031.40</u>	<u>-</u>	<u>352,100.00</u>	<u>1,598,931.40</u>

The Special Emergency Note totaling \$1,160,000.00 was issued on December 13, 2013 and is due and payable on December 9, 2014 with interest at 1.375% per annum. There are two Bond Anticipation Notes, the first totaling \$238,931.00 was issued on September 14, 2013 and is due and payable on September 12, 2014 with interest at 1.50% per annum and the second totaling \$200,000.40 was issued on December 31, 2013 and is due and payable on December 31, 2014 interest free purchased by the Township's Current Fund.

As of December 31, 2013 the entity has authorized but not issued bonds in the amount of \$183,514.60 and \$755,000.00 in the General Capital Fund and Sewer Utility Capital Fund respectively.

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 7: LONG TERM DEBT**

Long-term debt as of December 31, 2013 and 2012 consisted of the following:

	Balance 12/31/11	Issued	Retired	Balance 12/31/12	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ 178,474.45		10,312.91	168,161.54	10,520.20
Utility	310,105.01		19,355.03	290,749.98	19,900.68
Total	488,579.46	-	29,667.94	458,911.52	30,420.88
Compensated Absences Payable	38,010.00	23,790.00		61,800.00	-
Total long-term liabilities	<u>\$ 526,589.46</u>	<u>23,790.00</u>	<u>29,667.94</u>	<u>520,711.52</u>	<u>30,420.88</u>
	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ 168,161.54		10,520.20	157,641.34	10,731.66
Utility	290,749.98		19,900.68	270,849.30	20,478.15
Total	458,911.52	-	30,420.88	428,490.64	31,209.81
Compensated Absences Payable	61,800.00		45,999.90	15,800.10	-
Total long-term liabilities	<u>\$ 520,711.52</u>	<u>-</u>	<u>76,420.78</u>	<u>444,290.74</u>	<u>31,209.81</u>

**Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the Township:**

\$222,425.00 Green Trust Loan dated 11/1/07 payable in semi-annual installments through 2026. Interest is paid semiannually at 2.00% per annum. The balance remaining as of December 31, 2013 was \$157,641.34.

**Outstanding bonds whose principal and interest are paid from the Sewer Utility Operating Fund of the Township:**

\$340,700.00 USDA Bonds dated 6/23/87 payable in semi - annual installments through 2027. Interest is paid semiannually at 5.75% per annum. The balance remaining as of December 31, 2013 was \$205,849.30.

\$185,000.00 Sewer Bonds dated 12/23/98 payable in annual installments through 2018. Interest is paid semiannually at varying rates from 4.75 to 5.90 % per annum. The balance remaining as of December 31, 2013 was \$65,000.00.

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 7: LONG TERM DEBT - CONTINUED**

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

Year	General Fund		Sewer Utility Fund	
	Principal	Interest	Principal	Interest
2014	\$ 10,731.66	3,099.43	20,478.15	14,857.85
2015	10,947.37	2,883.73	21,089.31	13,771.69
2016	11,167.41	2,663.68	26,736.11	12,634.89
2017	11,391.88	2,439.22	27,420.64	11,215.36
2018	11,620.85	2,210.24	28,145.09	9,755.91
2019-2023	61,703.27	7,452.21	78,160.51	32,669.49
2024-2028	40,078.90	1,414.39	68,819.49	8,082.01
	<u>\$ 157,641.34</u>	<u>22,162.90</u>	<u>270,849.30</u>	<u>102,987.20</u>

As of December 31, 2013 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$ 3,310.90 and to the utility budget was \$15,910.32.

<u>Summary of Municipal Debt</u>	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 596,572.74	657,092.94	506,090.45
Sewer Utility - Bonds and Notes	270,849.30	302,849.98	350,405.01
Total Issued	<u>867,422.04</u>	<u>959,942.92</u>	<u>856,495.46</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	183,514.60	193,514.60	403,514.60
Sewer Utility - Bonds and Notes	755,000.00	755,000.00	755,000.00
Total Authorized But Not Issued	<u>938,514.60</u>	<u>948,514.60</u>	<u>1,158,514.60</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 1,805,936.64</u>	<u>1,908,457.52</u>	<u>2,015,010.06</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.306%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 1,938,852.94	1,938,852.94	-
Sewer Utility Debt	1,025,849.30	1,025,849.30	-
General Debt	780,087.34	-	780,087.34
	<u>\$ 3,744,789.58</u>	<u>2,964,702.24</u>	<u>780,087.34</u>

Net Debt \$780,087.34 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$254,981,708.00 = 0.306%.

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 7: LONG TERM DEBT - CONTINUED**

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$	8,924,359.78
Net Debt		780,087.34
Remaining Borrowing Power	\$	<u>8,144,272.44</u>

**Note 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2013 and 2012, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014 and 2013 were as follows:

		<u>2014</u>	<u>2013</u>
Current Fund	\$	385,000.00	474,867.00
Sewer Utility		43,480.00	24,480.00

**Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2013	2014 Budget Appropriation	Cancelled	Balance to Succeeding
Current fund:				
Special Emergency Appropriation	\$ 200,000.00		200,000.00	-
	<u>200,000.00</u>	<u>-</u>	<u>200,000.00</u>	<u>-</u>
Sewer Utility Fund:				
Overexpenditure of Appropriation	1,480.00	1,480.00		-
Special Emergency Appropriation	960,000.00	45,000.00	783,618.64	131,381.36
	<u>\$ 961,480.00</u>	<u>46,480.00</u>	<u>783,618.64</u>	<u>131,381.36</u>

**Note 10: SCHOOL TAXES**

Local District School Tax in the amounts of \$1,754,875.00 and \$1,721,931.00 have been raised for the 2013 and 2012 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>12/31/2013</u>	<u>12/31/2012</u>
Balance of Tax	\$ 746,365.30	731,652.59
Deferred	415,000	242,943.31
Tax Payable	<u>\$ 331,365.30</u>	<u>488,709.28</u>

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 10: SCHOOL TAXES - CONTINUED**

Regional District School Tax in the amounts of \$1,487,069.00 and \$1,431,074.62 have been raised for the 2013 and 2012 calendar years and remitted or due to the school district. The school tax levy is determined by taking 100% of the current year requirements, plus the actual amount needed for debt service.

Regional District School Taxes have been raised resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>12/31/2013</u>	<u>12/31/2012</u>
Balance of Tax	\$ 10,514.46	10,070.04
Deferred	-	-
Tax Payable	<u>\$ 10,514.46</u>	<u>10,070.04</u>

**Note 11: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance 12/31/13</u>	<u>Balance 12/31/12</u>
Prepaid Taxes	\$ 64,682.10	60,548.03
Cash Liability for Taxes Collected in Advance	<u>\$ 64,682.10</u>	<u>60,548.03</u>

**Note 12: PENSION FUNDS**

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) a cost sharing multiple-employer defined benefit pension plan which has been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the system. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.



**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 12: PENSION FUNDS - CONTINUED**

PERS provided for employee contributions of 6.64% through June 30, 2013 and 6.78% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The entity's contributions to PERS for the years ended December 31, 2013, 2012, and 2011 were \$42,144.00, \$40,457.00 and \$34,155.00.

The total payroll for the year ended December 31, 2013, 2012 and 2011 was \$427,899.51, \$430,529.13 and \$431,250.00. Payroll covered by PERS was \$290,369.00, \$292,153.00 and \$292,642.00.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) operates and to the benefit provisions of the system.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to  $\frac{1}{60}^{\text{th}}$  from  $\frac{1}{55}^{\text{th}}$ , and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a  $\frac{1}{7}^{\text{th}}$  of the required amount, beginning in fiscal years 2012.

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 12: PENSION FUNDS - CONTINUED**

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**Note 13: POST-RETIREMENT BENEFITS**

**Plan Description** The Township of Eagleswood contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of Eagleswood on a monthly basis. The rates charged by the system for the year ended December 31, 2012 vary according to the type of coverage selected by the retiree and range from \$378 to \$1,770 monthly per retiree.

The Township of Eagleswood contributions to SHBP for post-retirement benefits for the year ended December 31, 2013 and 2012 equaled the required contribution for the year.

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 14: ACCRUED SICK AND VACATION BENEFITS**

The Township has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$15,800.10 in 2013 and \$61,800.00 in 2012. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. The Township maintains a Dedicated Trust Fund Reserve to fund these benefits. The balance in the reserve was \$20,442.98 and \$17,000.00 at December 31, 2013 and 2012 respectively.

**Note 15: ECONOMIC DEPENDENCY**

The Township of Eagleswood is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

**Note 16: RISK MANAGEMENT**

The entity is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2013 and 2012 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The entity is a member of the Ocean County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The entity has a general liability limit of \$50,000 under JIF, which increases to \$5,000,000 under MEL.

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

Calendar Year	Township Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2013	\$ 9,049.05	1,053.58	38.96	-	31,953.58
2012	5,000.00	1,281.68	-	1,729.68	21,811.99
2011	\$ -	1,281.68	-	-	17,259.99

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 17: CONTINGENT LIABILITIES**

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**Note 18: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2013, the following interfunds were included on the balance sheets of the various funds of the Township of Eagleswood:

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
Dog Trust Fund	\$ 202.73	
Grant Fund	198,177.56	
Trust - Other Fund	41,612.81	
Utility Capital Fund		14.28
Grant Fund:		
Current Fund		198,177.56
Trust Fund:		
Current - Dog Trust Fund		202.73
Current - Trust - Other Fund		41,612.81
Utility Operating - Trust - Other Fund		2,553.70
Sewer Operating:		
Trust - Other Fund	2,553.70	
Sewer Capital Fund:		
Current Fund	14.28	
	<u>\$ 242,561.08</u>	<u>242,561.08</u>

The amounts due to the Current Fund from the Grant fund is due to the fact that the Current Fund advances cash to the Grant Fund in anticipation of Grant Receivable balances being collected from the granting agency. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

**TOWNSHIP OF EAGLESWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 19: SUBSEQUENT EVENTS**

The entity has evaluated subsequent events through June 2, 2014, the date which the financial statements were available to be issued and identified the following events requiring disclosure.

On February 24, 2014 the Township cancelled the unexpended balances on the two emergency authorizations from 2012 that are discussed in Note 2. In the Current Fund the remaining \$200,000.00 deferred charge was cancelled. In the Sewer Operating Fund deferred charges in the amount of \$783,618.64 were cancelled.

On February 24, 2014 the Township introduced a Bond Ordinance in the amount of \$1,160,000.00 to purchase Sewer Equipment.

On February 24, 2014 the Township introduced a Bond Ordinance in the amount of \$500,000.00 to replace a bulkhead and gazebo.

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## **SUPPLEMENTARY INFORMATION**







# FORD - SCOTT

& ASSOCIATES, L.L.C.

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

To the Honorable Mayor and  
Members of the Township Committee  
Township of Eagleswood  
County of Ocean, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements – regulatory basis of the various funds and account group, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Township of Eagleswood, State of New Jersey, as of and for the year ended December 31, 2013, and have issued our report thereon dated June 2, 2014 which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, 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 (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as Findings #2013-1 and #2013-2.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 472**

**June 2, 2014**

**TOWNSHIP OF EAGLESWOOD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDING DECEMBER 31, 2013**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: **Unqualified Opinion issued on the Financial Statements – Regulatory Basis.**

Internal control over financial reporting:

- 1) Material Weakness identified? **No**
- 2) Significant Deficiencies? **None Reported**

Non-Compliance material to Financial Statements – Regulatory Basis noted? **No**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed the following findings relating to the financial statements – regulatory basis that are required to be reported.

**Finding #2013-1**

The Township is unable to provide an up to date Fixed Asset Listing.

**Criteria or Specific Requirement:**

New Jersey Administrative Code (NJAC) Section 5:30-5.6, "Accounting for governmental fixed assets" requires that all municipalities maintain a fixed asset accounting and reporting system.

**Condition:**

The Township has not updated its fixed asset listing for several years.

**Context:**

Previous year's Audit Reports value the Township's fixed assets at \$3,512,675.33.

**Cause:**

The Township has had a high turnover in the CFO position over the last several years and due to that turnover the fixed assets listing has not been maintained.

**Effect:**

Additions and deletions to the Township's fixed assets may not have been recorded.

**Recommendation:**

We recommend that the Township maintain a fixed asset listing in accordance with NJAC 5:30-5.6.

**View of Responsible Officials and Planned Corrective Action:**

The Township agrees with this finding and is in the process of arranging to have a complete fixed asset inventory performed prior to the end of 2014.

**TOWNSHIP OF EAGLESWOOD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDING DECEMBER 31, 2013  
(CONTINUED)**

**Finding #2013-2**

On several occasions during the year Tax and Sewer deposits were not made within 48 hours of receipt.

**Criteria or Specific Requirement:**

NJSA 40A:5-15 requires that all cash receipts be deposited to the bank within 48 hours of receipt.

**Condition:**

Deposits were not always made within 48 hours of receipt.

**Context:**

This condition was noted on four days during the year.

**Cause:**

Unknown.

**Effect:**

The Township is not in compliance with the statute.

**Recommendation:**

We recommend that all Tax and Sewer cash receipts be deposited to the bank within 48 hours of receipt, in accordance with NJSA 40A:5-15.

**View of Responsible Officials and Planned Corrective Action:**

The Township agrees with this finding and will implement corrective action.

**MANAGEMENT RESPONSES**

Management agrees with the findings and will implement a Corrective Action Plan.

**STATUS OF PRIOR YEAR FINDINGS**

There were no prior year findings.

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	Current Fund		Grant Fund
Balance December 31, 2012	\$	1,564,704.12	\$ -
Increased by Receipts:			
Revenue Accounts Receivable		347,941.22	
Prepaid Taxes		64,682.10	
Tax Overpayments		9,920.64	
Taxes Receivable		4,894,942.99	
Homestead Rebates		90,957.44	
Due from State of NJ Senior & Veterans			
Deductions		22,750.00	
Prepaid License Fees		2,045.00	
Insurance Proceeds Due to Fire Company		522.31	
Due to State of NJ - Marriage Licenses		275.00	
Due from General Capital Fund		17,412.87	
Due from Dog Trust Fund		690.60	
Due from Current Fund			114,902.48
Prior Year Grant Fund Adjustment		26,596.80	
Federal and State Unappropriated			89,056.14
Federal and State Receivables			166,482.90
		5,478,736.97	370,441.52
		7,043,441.09	370,441.52
Decreased by Disbursements:			
Current Year Appropriation		1,234,531.83	
Prior Year Appropriations		57,574.32	
Federal and State Grant - Appropriated Reserves			370,441.52
County Taxes		997,043.13	
Local District School Taxes		1,740,162.29	
Regional School Taxes		1,486,624.58	
Investment in General Capital BAN		0.40	
Reserve for Codification of Ordinances		3,141.00	
Hurricane Sandy Expenditures		7,374.83	
Due to State of NJ - Marriage Licenses		275.00	
Special Emergency Note Payable		50,000.00	
Due from Grant Fund		114,902.48	
Due from Trust - TTL		15,603.48	
Refund of Prior Year's Revenue		4,097.79	
Due to Sewer Operating Fund		308.07	
		5,711,639.20	370,441.52
Balance December 31, 2013	\$	1,331,801.89	\$ -

**CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2012	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2013
				2012	2013			
2012	\$ 114,071.25	-	-	-	117,803.47	(3,878.35)	83.20	62.93
	114,071.25	-	-	-	117,803.47	(3,878.35)	83.20	62.93
2013		5,158,300.66	13,051.70	60,548.03	4,904,100.27	22,538.54	13,062.81	171,102.71
	\$ 114,071.25	5,158,300.66	13,051.70	60,548.03	5,021,903.74	18,660.19	13,146.01	171,165.64

\$ 4,894,942.99 Cash Receipts  
 23,000.00 Senior Citizens and Veterans  
 13,003.31 Tax Overpayments Applied  
 90,957.44 Homestead Rebates  
5,021,903.74

Analysis of Current Year Tax Levy

Tax Yield:

General Property Tax 5,158,300.66  
 Added Taxes (54:4-63.1 et. Seq.) 13,051.70  
5,171,352.36

Tax Levy:

General County Taxes 833,412.68  
 County Library Taxes 95,645.69  
 County Open Space Taxes 30,731.16  
 County Health Taxes 34,606.99  
 County Added and Omitted Taxes 2,529.28  
 Total County Taxes 996,925.80

Local School District Tax 1,754,875.00  
 Regional School District Tax 1,487,069.00

Local Tax for Municipal Purposes 920,000.00  
 Add: Additional Tax Levied 12,482.56  
932,482.56

\$ 5,171,352.36

**CURRENT FUND  
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2012		\$ 115,179.90
Increased by:		
Transfers from Taxes Receivable	13,146.01	
Interest and Costs Accrued at Tax Sale	18.70	
	<u>                    </u>	<u>13,164.71</u>
		128,344.61
Decreased by:		
Cancelled	693.90	
	<u>                    </u>	<u>693.90</u>
Balance December 31, 2013		\$ <u><u>127,650.71</u></u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2012	Accrued in 2013	Collected by Treasurer	Balance Dec. 31, 2013
Licenses:				
Alcoholic Beverages	\$	6,722.00	6,722.00	-
Other		8,300.00	8,300.00	-
Interest and Costs on Taxes		22,105.46	22,105.46	-
Interest on Investments and Deposits		967.09	967.09	-
Rent - Boat Stalls		5,600.00	5,600.00	-
Eagleswood Village Rent Fee		5,376.00	5,376.00	-
Cable TV Franchise		6,416.20	6,416.20	-
Billboard Lease		1,748.76	1,748.76	-
Energy Receipts Tax		186,382.00	186,382.00	-
Interlocal - Little Egg Harbor - Municipal Alliance Program		14,801.95	14,801.95	-
Sahara Sands MotoX		6,417.00	6,417.00	-
Storm Reimbursement - FEMA		26,000.00	26,000.00	-
Miscellaneous Revenue Not Anticipated		57,104.76	57,104.76	-
	\$	347,941.22	347,941.22	-



**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charges	Balance Lapsed
<b>OPERATIONS WITHIN "CAPS"</b>				
<b>GENERAL GOVERNMENT:</b>				
General Administration				
Salaries and Wages	\$ 794.29	794.29		794.29
Other Expenses	3,416.47	3,416.47	109.98	3,306.49
Mayor and Committee				
Other Expenses	924.83	924.83	241.27	683.56
Municipal Clerk				
Salaries and Wages	947.73	947.73		947.73
Other Expenses	4,477.77	4,477.77	133.57	4,344.20
Financial Administration (Treasury)				
Salaries and Wages	33.45	33.45		33.45
Other Expenses	2,560.58	2,560.58	201.50	2,359.08
Revenue Administration (Tax Collection)				
Salaries and Wages	1,053.09	1,053.09		1,053.09
Other Expenses	2,232.33	2,232.33	700.99	1,531.34
Tax Assessment Administration				
Salaries and Wages	5,833.32	5,833.32	2,970.00	2,863.32
Other Expenses	1,979.02	1,979.02		1,979.02
Maintenance of Tax Map	500.00	500.00	500.00	-
Legal Services (Legal Department)				
Special Counsel	291.26	291.26		291.26
Liquidation of Tax Title Liens	1,000.00	1,000.00		1,000.00
Engineering Services				
Other Expenses	29,190.93	29,190.93	29,190.93	-
Economic Development Agencies				
Other Expenses	450.00	450.00		450.00

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charges	Balance Lapsed
<b>PLANNING AND CODE ENFORCEMENT</b>				
Planning Board				
Salaries and Wages	579.12	579.12		579.12
Other Expenses	1,440.60	1,440.60	258.65	1,181.95
Master Plan	100.00	100.00		100.00
Code Enforcement and Zoning				
Salaries and Wages	445.63	445.63		445.63
Other Expenses	563.47	563.47		563.47
<b>INSURANCE</b>				
General Liability - JIF	0.36	0.36		0.36
Employee Group Health				
Health Benefit Waiver	16,958.58	16,958.58	1,256.82	15,701.76
Salaries and Wages	3.00	3.00		3.00
Other Insurance	50.00	50.00		50.00
<b>PUBLIC SAFETY</b>				
Police Department				
Salaries and Wages	100.00	100.00		100.00
Other Expenses	100.00	100.00		100.00
Office of Emergency Management				
Other Expenses	339.90	339.90		339.90
Occupational Safety and Health Act	1,849.48	1,849.48	1,849.48	-
Superstorm Sandy Emergency Appropriation	250,000.00	250,000.00	250,000.00	-

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charges	Balance Lapsed
<b>PUBLIC WORKS</b>				
Salaries and Wages	10,216.24	10,216.24		10,216.24
Vehicle Repair & Maintenance	14,011.87	14,011.87	1,203.54	12,808.33
Streets and Road Maintenance				
Other Expenses	2,296.35	2,296.35		2,296.35
Schedule "C"	5,011.95	5,011.95		5,011.95
Solid Waste Collection				
Other Expenses/ Contractual	12,811.79	12,811.79	5,783.33	7,028.46
Tipping Fees	17,769.77	17,769.77	3,943.22	13,826.55
Buildings and Grounds				
Other Expenses	15,249.26	15,249.26	191.97	15,057.29
Mosquito Control				
Salaries and Wages	1,000.00	1,000.00		1,000.00
Other Expenses	1,520.39	1,520.39		1,520.39
<b>HEALTH AND HUMAN SERVICES</b>				
Environmental Commission				
Salaries and Wages	500.00	500.00		500.00
Other Expenses	1,000.00	1,000.00		1,000.00
Animal Control Services				
Other Expenses	364.00	364.00	276.00	88.00
<b>RECREATION AND EDUCATION</b>				
Recreation Services and Programs				
Other Expenses	252.80	252.80	12.59	240.21
Public Docks				
Salaries and Wages	100.00	100.00		100.00
Other Expenses	600.00	600.00		600.00
Celebration of Public Events				
Other Expenses	3,567.55	3,567.55		3,567.55

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charges	Balance Lapsed
<b>UNCLASSIFIED</b>				
Electricity	3,501.73	3,501.73		3,501.73
Street Lighting	4,022.05	4,022.05	221.11	3,800.94
Telephone (excluding equipment acquisition)	3,872.55	3,872.55	47.86	3,824.69
Fuel Oil	3,908.60	3,908.60	808.60	3,100.00
Gasoline	4,007.31	4,007.31	2,413.16	1,594.15
Natural Gas	2,880.71	2,880.71	553.37	2,327.34
Technology	9,752.50	9,752.50		9,752.50
Contingent	1,000.00	1,000.00		1,000.00
<b>STATUTORY EXPENDITURES</b>				
Contributions to:				
Social Security System (O.A.S.I.)	2,571.06	2,571.06		2,571.06
Unemployment Compensation Insurance	4,532.95	4,532.95	4,532.95	-
Operations - Excluded from "CAPS"				
Recycling Tax	258.34	258.34	173.43	84.91
Little Egg Harbor - Municipal Alliance	7,608.34	7,608.34		7,608.34
Sahara Sands MotoX	3,500.00	3,500.00		3,500.00
Prior Period Correction to Reserves & Encumbrances	(49,961.04)	(49,961.04)		(49,961.04)
	<u>\$ 415,942.28</u>	<u>415,942.28</u>	<u>307,574.32</u>	<u>108,367.96</u>

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2012			
School Tax Payable	\$	488,709.28	
School Tax Deferred		242,943.31	
			731,652.59
Increased by:			
Levy - School Year July 1, 2013 to June 30, 2014			1,754,875.00
			2,486,527.59
Decreased by:			
Payments			1,740,162.29
Balance December 31, 2013			
School Tax Payable		331,365.30	
School Tax Deferred		415,000.00	
			746,365.30
Current Year Liability for Local School District School Tax:			
Tax Paid			1,740,162.29
Tax Payable Ending			331,365.30
			2,071,527.59
Less: Tax Payable Beginning			488,709.28
Amount charged to Current Year Operations			\$ 1,582,818.31

**CURRENT FUND  
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX**

Balance December 31, 2012			
School Tax Payable	\$	10,070.04	
School Tax Deferred		-	
		10,070.04	
Increased by:			
Levy - Colander Year 2013			1,487,069.00
			1,497,139.04
Decreased by:			
Payments			1,486,624.58
			1,486,624.58
Balance December 31, 2013			
School Tax Payable		10,514.46	
School Tax Deferred		-	
		10,514.46	<u>10,514.46</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			1,486,624.58
Tax Payable Ending			10,514.46
			1,497,139.04
Less: Tax Payable Beginning			10,070.04
			1,487,069.00
Amount charged to Current Year Operations			<u><u>\$ 1,487,069.00</u></u>

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	Balance Dec. 31, 2012	Transferred From 2013 Revenues	Received	Adjustments	Balance Dec. 31, 2013
<b>FEDERAL GRANTS:</b>					
CDBG - Sidewalk & Curb Cut Improvements - 2010	\$ 29,108.72				29,108.72
CDBG - Downtown Sidewalk & Curb Improvements	42,000.00				42,000.00
CDBG - 2013		37,000.00			37,000.00
Total Federal	<u>71,108.72</u>	<u>37,000.00</u>	<u>-</u>	<u>-</u>	<u>108,108.72</u>
<b>STATE GRANTS:</b>					
NJ Transportation Trust Fund - 2008	63,253.93				63,253.93
NJ Transportation Trust Fund - 2009	51,813.50				51,813.50
NJ Transportation Trust Fund - 2010	16,874.15				16,874.15
NJ Transportation Trust Fund - 2011	91,805.82				91,805.82
NJ Transportation Trust Fund - 2012	250,000.00		147,768.38		102,231.62
NJ Transportation Trust Fund - 2013		180,000.00			180,000.00
Municipal Alliance	18,250.00		18,250.00	1,713.62	1,713.62
Ocean County Tourism Grant - 2012	500.00		464.52		35.48
I BOAT NJ Program	47,534.76				47,534.76
Total State	<u>540,032.16</u>	<u>180,000.00</u>	<u>166,482.90</u>	<u>1,713.62</u>	<u>555,262.88</u>
Total	<u>\$ 611,140.88</u>	<u>217,000.00</u>	<u>166,482.90</u>	<u>1,713.62</u>	<u>663,371.60</u>

**CURRENT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2012		2013 Appropriations	Disbursed	Balance Dec. 31, 2013
	Appropriated	Reserve for Encumbrances			
<b>FEDERAL GRANTS:</b>					
CDBG - Sidewalk & Curb Cut Improvements - 2010	\$ 24,806.77	\$ -		24,806.77	-
CDBG - Downtown Sidewalk & Curb Improvements	32,055.00		37,000.00	32,055.00	-
CDBG - 2013				1,517.91	35,482.09
<b>Total Federal</b>	<u>56,861.77</u>	<u>-</u>	<u>37,000.00</u>	<u>58,379.68</u>	<u>35,482.09</u>
<b>STATE GRANTS:</b>					
Recycling Tonnage	6,433.68				6,433.68
Recycling Tonnage Grant - 2008	552.23				552.23
Recycling Tonnage Grant - 2013			2,465.10		2,465.10
Alcohol Education & Rehabilitation	1,349.08				1,349.08
Clean Communities - 2006	807.28			175.00	807.28
Clean Communities - 2007	2,385.92			1,501.55	2,210.92
Clean Communities - 2008	1,501.55				-
Clean Communities - 2010	4,000.00				4,000.00
Clean Communities - 2011	2,421.02				2,421.02
Clean Communities - 2012	4,000.00			3,078.59	921.41
Clean Communities - 2013			4,529.67		4,529.67
Ocean County Tourism Grant - 2010	876.00				876.00
Ocean County Tourism Grant - 2011	500.00				500.00
Municipal Alliance	10,814.20		56,500.00	56,500.00	10,814.20
Municipal Alliance - Local Matching Funds	855.04		10,125.00	10,125.00	855.04
NJ Transportation Trust Fund - 2009	11,136.68				11,136.68
NJ Transportation Trust Fund - 2010	4,110.35				4,110.35
NJ Transportation Trust Fund - 2011	30,080.15				30,080.15
NJ Transportation Trust Fund - 2012	250,000.00			166,710.98	83,289.02
NJ Transportation Trust Fund - 2013			180,000.00		180,000.00
I BOAT NJ Program	29,260.00			29,260.00	-
I BOAT NJ Program - Local Match	103,694.56			44,710.72	58,983.84
<b>Total State</b>	<u>464,777.74</u>	<u>-</u>	<u>253,619.77</u>	<u>312,061.84</u>	<u>406,335.67</u>
<b>OTHER GRANTS:</b>					
Cable Television Grant	1,961.19				1,961.19
<b>Total Other</b>	<u>1,961.19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,961.19</u>
<b>Total</b>	<u>\$ 523,600.70</u>	<u>\$ -</u>	<u>\$ 290,619.77</u>	<u>\$ 370,441.52</u>	<u>\$ 443,778.95</u>



**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	<u>Balance Dec. 31, 2012</u>	<u>Transferred To 2013 Appropriations</u>	<u>Received</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2013</u>
<b>FEDERAL GRANTS:</b>					
None	\$ -				-
Total Federal					
<b>STATE GRANTS:</b>					
Recycling Tonnage Grant	2,465.10	2,465.10	2,415.09		2,415.09
Clean Communities		4,529.67	4,529.67		-
Municipal Alliance		56,500.00	73,786.38	1,713.62	19,000.00
Municipal Alliance - Local Matching Funds		8,325.00	8,325.00		-
Total State	<u>2,465.10</u>	<u>71,819.77</u>	<u>89,056.14</u>	<u>1,713.62</u>	<u>21,415.09</u>
	\$ <u>2,465.10</u>	<u>71,819.77</u>	<u>89,056.14</u>	<u>1,713.62</u>	<u>21,415.09</u>

**TRUST FUND  
SCHEDULE OF DOG TRUST CASH - TREASURER**

Balance December 31, 2012		\$	1,295.40
Increased by:			
Cash Receipts for:			
Dog Licenses Collected	235.20		
Due to State of NJ	88.80		
			324.00
			1,619.40
Decreased by:			
Cash Disbursed for:			
Dog Fund Expenditures	51.67		
Due to State of New Jersey	88.80		
Due to Current Fund	690.60		
			831.07
Balance December 31, 2013		\$	788.33

**TRUST FUND  
SCHEDULE OF OTHER TRUST CASH - TREASURER**

Balance December 31, 2012		\$ 611,710.81
Increased by:		
Cash Receipts for:		
Current Fund Interfund	41,612.81	
Sewer Utility Fund Interfund	2,553.70	
Other Reserves:		
Interest on Investments	203.43	
Employee Withholdings	1,053.58	
Budget Appropriations	12,448.16	
Other Receipts	647,981.72	
	<hr/>	<hr/> 705,853.40
		1,317,564.21
Decreased by:		
Cash Disbursed for:		
Current Fund Interfund	31,094.89	
Other Reserves	641,097.25	
	<hr/>	<hr/> 672,192.14
Balance December 31, 2013		\$ <u><u>645,372.07</u></u>

**TRUST FUND  
ANIMAL CONTROL FUND - RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2012	\$	604.80
Increased by:		
Dog License - Cash Receipts	235.20	
	<u>                    </u>	<u>235.20</u>
		840.00
Decreased by:		
Statutory Excess Due to Current Fund	202.73	
Cash Disbursed	51.67	
	<u>                    </u>	<u>254.40</u>
Balance December 31, 2013	\$	<u><u>585.60</u></u>

Fess Collected		2012	283.20
		2011	302.40
			<u>                    </u>
			<u><u>585.60</u></u>

**TRUST FUND  
ANIMAL CONTROL FUND - DUE TO STATE OF NEW JERSEY**

Balance December 31, 2012	\$		-
Increased by:			
Cash Receipts		88.80	
		88.80	88.80
Decreased by:			
Cash Disbursed		88.80	
		88.80	88.80
Balance December 31, 2013	\$		-

**TRUST FUND  
SCHEDULE OF OTHER RESERVES**

Title	Balance Dec. 31, 2012	Interest on Investments	Employee Withholdings	Budget Appropriation	Other Cash Receipts	Cash Disbursed	Balance Dec. 31, 2013
Unemployment Compensation	\$ 21,811.79	38.96	1,053.58	9,049.05			31,953.38
Public Defender	2,340.00				3,130.00	2,956.20	2,513.80
Recreation	5,254.71				3.46		5,258.17
Performance Bonds	20,755.36				69,943.08	13,784.60	76,913.84
Developers Escrow	137,350.47				11,522.59	102,058.51	46,814.55
COAH Fees	288,004.57				4,698.57		292,703.14
Maintenance Bonds					462.00		462.00
Sewer Bonds					41,994.70	6,883.52	35,111.18
Tax Sale Premiums	77,516.55	120.60					77,637.15
Outside Tax Liens	3,232.54				13,548.26	15,603.48	1,177.32
Tax Map Maintenance	300.00				307.28		607.28
Accumulated Absences	17,000.00	43.87		3,399.11			20,442.98
Reserve for Payroll Deductions	7,049.93				502,371.78	499,810.94	9,610.77
	<u>\$ 580,615.92</u>	<u>203.43</u>	<u>1,053.58</u>	<u>12,448.16</u>	<u>647,981.72</u>	<u>641,097.25</u>	<u>601,205.56</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2012		\$ 60,079.45
Increased by:		
Bond Anticipation Notes Issued	438,931.40	
Budget Appropriation:		
Capital Improvement Fund	20,000.00	
Deferred Charges to Future Taxation Unfunded	10,000.00	
Premium on Sale of BAN	610.00	
Budget Appropriation for Payment of Bond Anticipation Note	50,000.00	
Due from Current Fund	<u>123.68</u>	
		<u>519,665.08</u>
		579,744.53
Decreased by:		
Due from Current Fund	17,536.55	
Bond Anticipation Notes Paid	<u>488,931.40</u>	
		<u>506,467.95</u>
Balance December 31, 2013		\$ <u><u>73,276.58</u></u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2012	Receipts		Debt Issued	Disbursements		Balance Dec. 31, 2013
		Miscellaneous			Improvement Authorizations	Miscellaneous	
Fund Balance	\$ 39,164.49		610.00				39,774.49
Capital Improvement Fund	80,000.00	20,000.00					100,000.00
Due to/(from) Current Fund	17,412.87	123.68			17,536.55		-
<u>Improvement Authorizations:</u>							
1999-03 Refurfacing, Reconstruction and/ or Installation of Drainage Improvements along Various Streets	32,074.54						32,074.54
2001-09 / 2002-15 Construction of Recreation Area	2,072.83						2,072.83
2002-04 Improvements to South Creek Drive and Various Roads	(16,500.00)						(16,500.00)
2003-08 Acquisition of 4WD Utility Vehicle	1,104.91						1,104.91
2004-16 Purchase & Installation of New Phone System	5,687.04						5,687.04
2004-27 Purchase of Radios and Equipment for Fire Department	23,366.00						23,366.00
2005-24 Purchase of Mason Dump Truck	9,779.65						9,779.65
2006-15 Downtown Improvements Phase II	2,311.45						2,311.45
2006-23 Various Improvements to Municipal Building	14,831.56						14,831.56
2007-08 Purchase of Recycling Truck	15,327.11						15,327.11
2008-36 Purchase of Fire Truck	(166,553.00)	10,000.00					(156,553.00)
	<u>\$ 60,079.45</u>	<u>30,733.68</u>		<u>-</u>	<u>-</u>	<u>17,536.55</u>	<u>73,276.58</u>



**GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2012		\$	80,000.00
Increased by:			
Budget Appropriation	20,000.00		20,000.00
			100,000.00
Decreased by:			
None			-
Balance December 31, 2013		\$	100,000.00

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

Balance December 31, 2012		\$ 168,161.54
Increased by:		
None		-
		168,161.54
Decreased by:		
Loan Pricipal Paid	10,520.20	10,520.20
Balance December 31, 2013		\$ 157,641.34

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

Ord #	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Raised in 2013 Budget	Balance Dec. 31, 2013	Bond Anticipation Notes	Analysis of Balance	
							Expenditures	Unexpended Improvement Authorizations
2002-04	Improvements to South Creek Drive and Various Roads	\$ 16,500.00			16,500.00		16,500.00	
2004-27	Purchase of Radios and Equipment for Fire Department	49,000.00		10,849.00	38,151.00	38,151.00		-
2005-24	Purchase of Mason Dump Truck	28,971.00		8,956.00	20,015.00	20,000.00	15.00	-
2006-15	Downtown Improvements Phase II	30,000.00		5,000.00	25,000.00	25,000.00		-
2006-23	Various Improvements to Municipal Building	48,000.00		3,000.00	45,000.00	45,000.00		-
2007-08	Purchase of Recycling Truck	132,975.00		22,195.00	110,780.00	110,780.00		-
2008-36	Purchase of Fire Truck	377,000.00		10,000.00	367,000.00	200,000.40	166,999.60	-
		\$ <u>682,446.00</u>		<u>60,000.00</u>	<u>622,446.00</u>	<u>438,931.40</u>	<u>183,514.60</u>	<u>-</u>
						Improvement Authorizations Unfunded		\$ 76,077.37
						Less:		
						Unexpended Proceeds of Bond		
						Anticipation Notes Issued:		
						<b>Ord. Number</b>		
						2004-27	\$ 23,366.00	
						2005-24	9,794.25	
						2006-15	2,311.45	
						2006-23	14,831.56	
						2007-08	15,327.11	
						2008-36	10,447.00	
							<u>76,077.37</u>	
							\$	<u>-</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2012		Paid or Charged	Balance December 31, 2013	
				Funded	Unfunded		Funded	Unfunded
1999-03	Refurfacing, Reconsruction and/ or Installation of Drainage Improvements along Various Streets	3/18/1999	165,000	\$	32,074.54		32,074.54	
2001-09 / 2002-15	Construction of Recreation Area	12/17/01	250,000		2,072.83		2,072.83	
2003-08	Acquisition of 4WD Utility Vehicle	07/28/03	35,000		1,104.91		1,104.91	
2004-16	Purchase & Installation of New Phone System	05/27/04	10,000		5,687.04		5,687.04	
2004-27	Purchase of Radios & Equipment for Fire Department	12/20/04	70,000		23,366.00		23,366.00	
2005-24	Purchase of Mason Dump Truck	10/24/2005	55,000		9,794.25		9,794.25	
2006-15	Downtown Improvements Phase II	7/24/2006	40,000		2,311.45		2,311.45	
2006-23	Various Improvement to Municipal Building	11/27/2006	60,000		14,831.56		14,831.56	
2007-08	Purchase of Recycling Truck	4/23/2007	210,000		15,327.11		15,327.11	
2008-36	Purchase Fire Truck	2/24/2008	460,000		10,447.00		10,447.00	
				\$	<u>2,072.83</u>		<u>40,939.32</u>	<u>76,077.37</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding					
			Date	December 31, 2013 Amount	Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
Municipal Recreation Development	11/1/2007	222,425	2014	10,731.66	2.000%	\$ 168,161.54	10,520.20	157,641.34
			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					
						\$ 168,161.54	10,520.20	157,641.34

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
Purchase of Radios and Equipment for Fire Department	2004-27	9/23/2005	9/14/2012	9/14/2013	2.95%	49,000.00		49,000.00	-
		9/23/2005	9/14/2013	9/12/2014	1.50%		38,151.00		38,151.00
Purchase of Mason Dump Truck	2005-24	9/22/2006	9/14/2012	9/14/2013	2.95%	28,956.40		28,956.40	-
		9/22/2006	9/14/2013	9/12/2014	1.50%		20,000.00		20,000.00
Downtown Improvements Phase II	2006-15	9/2/2006	9/14/2012	9/14/2013	2.95%	30,000.00		30,000.00	-
		9/2/2006	9/14/2013	9/12/2014	1.50%		25,000.00		25,000.00
Various Improvements to Municipal Building	2006-23	9/21/2007	9/14/2012	9/14/2013	2.95%	48,000.00		48,000.00	-
		9/21/2007	9/14/2013	9/12/2014	1.50%		45,000.00		45,000.00
Purchase of Recycling Truck	2007-08	9/21/2007	9/14/2012	9/14/2013	2.95%	132,975.00		132,975.00	-
		9/21/2007	9/14/2013	9/12/2014	1.50%		110,780.00		110,780.00
Purchase of Fire Truck	2008-36	12/31/2012	12/31/2013	12/31/2014	0.00%	200,000.00		200,000.00	-
		12/31/2012	12/31/2013	12/31/2014	0.00%		200,000.40		200,000.40
						<u>\$ 488,931.40</u>	<u>438,931.40</u>	<u>488,931.40</u>	<u>438,931.40</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Other	Balance Dec. 31, 2013
2002-04	Improvements to South Creek Drive and Various Roads	\$ 16,500.00			16,500.00
2005-24	Purchase of Mason Dump Truck	14.60			14.60
2008-36	Purchase of Fire Truck	177,000.00		10,000.00	167,000.00
		<u>\$ 193,514.60</u>	<u>-</u>	<u>10,000.00</u>	<u>183,514.60</u>

**SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER**

	Operating Fund	Capital Fund
Balance December 31, 2012	\$ 79,418.24	901,537.97
Increased by Receipts:		
Water & Sewer Accounts Receivable	139,124.58	
Miscellaneous Revenue Not Anticipated	5,287.16	
Overpaid Sewer Rents	379.66	
Prepaid Sewer Rents	19,805.79	
Special Emergency Note	960,000.00	
Due from Current Fund	308.07	
Due from Sewer Capital Fund	881,502.38	
	2,006,407.64	-
	2,085,825.88	901,537.97
Decreased by Disbursements:		
Current Year Appropriation	92,958.46	
Prior Year Appropriations	291.20	
Accounts Payable	16,922.00	
Reserve for Special Emergency - Sandy	85,824.03	
Special Emergency Note	1,200,000.00	
Accrued Interest on Bonds	34,041.32	
Due from TTL Trust	2,553.70	
Due to Sewer Utility Operating Fund	881,502.38	
	1,432,590.71	881,502.38
Balance December 31, 2013	\$ 653,235.17	20,035.59



**SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2012	Disbursements		Transfers		Balance Dec. 31, 2013
		Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 15,000.00					20,000.00
Due from Current Fund	(14.28)				5,000.00	(14.28)
Due to Sewer Operating Fund	886,502.38		881,502.38	5,000.00		-
<u>Improvement Authorizations:</u>						
2007-00 Sewer Improvements	49.87					49.87
	<u>\$ 901,537.97</u>	<u>-</u>	<u>881,502.38</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>20,035.59</u>

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2012		\$	9,058.19
Increased by Receipts:			
Consumer Accounts Charges and Levies	155,438.32		
			155,438.32
			164,496.51
Decreased by Disbursements:			
Collections	139,124.58		
Prepayments & Overpayments Applied	15,293.64		
			154,418.22
Balance December 31, 2013		\$	10,078.29

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charges	Transferred to Reserve for Special Emergency	Balance Lapsed
Operating:					
Salaries and Wages	\$ 365.74	365.74			365.74
Other Expenses	873,343.16	873,343.16	291.20	870,996.17	2,055.79
Ocean County Utilities Authority	659.38	659.38			659.38
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)	500.00	500.00			500.00
	<u>\$ 874,868.28</u>	<u>874,868.28</u>	<u>291.20</u>	<u>870,996.17</u>	<u>3,580.91</u>

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

Balance December 31, 2012		\$ 1,066.15
Increased by:		
Budget Appropriations	34,082.11	
	<hr/>	<hr/>
		34,082.11
		35,148.26
Decreased By:		
Payments of Debt Service Interest		<hr/>
		34,041.32
Balance December 31, 2013		\$ <u><u>1,106.94</u></u>

Analysis of Accrued Interest December 31, 2013

Principal Outstanding December 31, 2013	Interest Rate	From	To	Days	Amount
205,849.30	5.75%	12/24/2013	12/31/2013	7	\$ 234.89
65,000.00	4.75%	12/2/2013	12/31/2013	29	248.72
960,000.00	1.38%	12/14/2013	12/31/2013	17	<hr/>
					<hr/>
					\$ <u><u>1,106.94</u></u>

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2012		Paid or Charged	Balance December 31, 2013	
				Funded	Unfunded		Funded	Unfunded
2007-00	Sewer Improvements	5/22/2000	100,000 \$		49.87		-	49.87
2011-10	Rehabilitation of Waste Water Collection System	10/26/2011	755,000		755,000.00		-	755,000.00
			\$	-	755,049.87		-	755,049.87

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
			Date	December 31, 2013	Amount				
1987 Utility Bonds	6/23/1987	\$ 340,700.00	2014	10,478.15	5.75%	\$ 215,749.98	9,900.68	205,849.30	
			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						
<hr/>									
1988 Monmouth County Improvement Authority Pooled Revenue Bonds	12/23/1998	\$ 185,000.00	12/1/2014	10,000.00	4.75%	75,000.00	10,000.00	65,000.00	
			12/1/2015	10,000.00	4.90%				
			12/1/2016	15,000.00	4.90%				
			12/1/2017	15,000.00	4.90%				
			12/1/2018	15,000.00	4.90%				
<hr/>									
					\$	<u>290,749.98</u>	<u>19,900.68</u>	<u>270,849.30</u>	

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
Cedar Run / Dock Road Sanitary Sewer System	1995-10	9/21/2007	9/14/2012	9/19/2013	2.950%	\$ 12,100.00	12,100.00	-
						\$ 12,100.00	12,100.00	-

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Debt Issued	Balance Dec. 31, 2013
2010-11	Rehabilitation of Waste Water Collection System	\$ 755,000.00			755,000.00
		<u>\$ 755,000.00</u>	<u>-</u>	<u>-</u>	<u>755,000.00</u>



**TOWNSHIP OF EAGLESWOOD**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2013**



## TOWNSHIP OF EAGLESWOOD

### GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law." The bid threshold is \$17,500.

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

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

Downtown Area Improvement Project

#### **Collection of Interest on Delinquent Taxes and Assessments**

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

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

**BE IT RESOLVED** by the Township Committee of the Township of Eagleswood, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Township of Eagleswood, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

**BE IT FURTHER RESOLVED** by the Township Committee of the Township of Eagleswood, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2012 This Resolution shall take effect January 1, 2013.

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

**TOWNSHIP OF EAGLESWOOD**

**GENERAL COMMENTS (Continued)**

**Delinquent Taxes and Tax Title Liens**

The tax sale was held on February 13, 2013 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<sup>st</sup> of the last three years:

Year	Number
2013	35
2012	35
2011	26

**Verification of Delinquent Taxes and Other Charges**

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2013 and 2014 Taxes	25
Delinquent Taxes	10
Payment of Sewer Rents	10
Delinquent Sewer Rents	10
Total	<u>55</u>

**Deposit of Municipal Funds**

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our examination revealed that municipal funds were not always deposited within the mandated time.

**TOWNSHIP OF EAGLESWOOD**

**GENERAL COMMENTS (Continued)**

**Comparison of Tax Levies and Collections Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2013	\$ 5,171,352.36	4,964,648.30	96.00%
2012	4,833,300.89	4,602,445.87	95.22%
2011	5,027,163.20	4,835,940.05	96.20%

**Comparative Schedule of Tax Rate Information**

	<u>2013</u>	<u>2012 R</u>	<u>2011</u>
Tax Rate	\$ 2.126	2.041	1.700
Apportionment of Tax Rate:			
Municipal	0.379	0.361	0.313
County	0.412	0.397	0.315
Regional School	0.612	0.582	0.477
Local School	0.723	0.701	0.595

R = A revaluation of properties was performed in 2011 in order to bring the assessed property values in line with their true value. The revaluation was effective for the 2012 tax year.

**Delinquent Taxes and Tax Title Liens**

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$ -	249,570.32	249,570.32	1.55%
2012	-	226,406.80	226,406.80	1.62%
2011	-	193,273.94	193,273.94	1.33%
2010	-	259,149.10	259,149.10	1.88%
2009				

TOWNSHIP OF EAGLESWOOD

**FINDINGS AND RECOMMENDATIONS**

**Finding #2013-1**

The Township is unable to provide an up to date Fixed Asset Listing.

**Recommendation:**

We recommend that the Township maintain a fixed asset listing in accordance with NJAC 5:30-5.6.

**Finding #2013-2**

On several occasions during the year Tax and Sewer deposits were not made within 48 hours of receipt.

**Recommendation:**

We recommend that all Tax and Sewer cash receipts be deposited to the bank within 48 hours of receipt, in accordance with NJSA 40A:5-15.

In accordance with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and Division of Local Government Services Regulations, a Corrective Action Plan must be prepared and filed by the Township in response to my recommendations.

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

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 472**

**June 2, 2014**