

TOWNSHIP OF PLUMSTED

COUNTY OF OCEAN

REPORT OF AUDIT

DECEMBER 31, 2012

William E. Antonides and Company
Certified Public Accountants

2807 Hurley Pond Road
Wall, NJ 07719

506 Hooper Avenue
Toms River, NJ 08753

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Plumsted
County of Ocean
New Egypt, New Jersey

Report on Financial Statements

We have audited the financial statements - regulatory basis of the various funds of the Township of Plumsted (the "Township"), in the County of Ocean, State of New Jersey, as of and for the years ended December 31, 2012 and 2011, and the related notes to financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, these financial statements have been prepared in conformity with accounting principles prescribe the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with statutory and regulatory requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, and the results of it operations for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township as of December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division, 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's basic financial statements. The supplementary financial schedules listed in the table of contents are required by the Division and are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2013, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

William E. Antonides and Company

Independent Auditors

A handwritten signature in cursive script, reading "William E. Antonides, Jr.", positioned above the printed name and title.

**William E. Antonides, Jr.
Registered Municipal Accountant
Certified Public Accountant**

Wall Township, New Jersey
July 12, 2013

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2012 AND 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Current Fund:			
Cash - Treasurer	A-4	\$ 1,430,046.26	\$ 1,394,388.46
Cash - Collector	A-5	399,382.95	336,305.69
Change Fund		600.00	600.00
		<u>1,830,029.21</u>	<u>1,731,294.15</u>
Receivables with Full Reserves:			
Foreclosed Property		196,900.00	196,900.00
Interfund - General Capital Fund	A-1	23.26	
Due from Police Association	A-4		816.49
Property Taxes Receivable	A-7	5,975.25	60.00
Tax Title Liens Receivable	A-8	12,660.75	18,142.68
Revenue Accounts Receivable	A-9	3,156.20	4,867.91
		<u>218,715.46</u>	<u>220,787.08</u>
Deferred Charges:			
Special Emergency Authorizations (N.J.S. 40A:4-53)	A-10	85,000.00	7,400.00
		<u>2,133,744.67</u>	<u>1,959,481.23</u>
Grant Fund:			
Interfund - Current Fund	A-18	76,831.74	40,058.79
Grants Receivable	A-19	72,748.88	179,152.96
		<u>149,580.62</u>	<u>219,211.75</u>
		<u>\$ 2,283,325.29</u>	<u>\$ 2,178,692.98</u>

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 2 of 2

DECEMBER 31, 2012 AND 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3,11	\$ 89,342.79	\$ 236,324.54
Reserve for Encumbrances	A-3,11,12	33,055.92	48,774.01
Special Emergency Note Payable	A-4	85,000.00	
Prepaid State Aid	A-4,9	5,099.00	5,099.00
Due State of New Jersey:			
Chapter 20, P.L. 1971		269.86	2,500.00
Fees Collected		225.00	200.00
Reserve for Hybrid Reassessment Program	A-12	27,386.45	
Payroll Liabilities	A-13	14,441.01	10,513.57
Tax Overpayments	A-14	3,272.78	763.42
Prepaid Taxes	A-15	154,049.06	104,969.00
Local District School Tax Payable	A-16	912,738.65	971,976.38
Due County for Added and Omitted Taxes	A-17		4,561.86
Interfunds:			
Trust Fund	A-3	30,000.00	
Grant Fund	A-18	76,831.74	40,058.79
		<u>1,431,712.26</u>	<u>1,425,740.57</u>
Reserve for Receivables		218,715.46	220,787.08
Fund Balance	A-1	483,316.95	312,953.58
		<u>2,133,744.67</u>	<u>1,959,481.23</u>
Grant Fund:			
Reserve for Encumbrances	A-20	78,073.09	101,647.86
Appropriated Reserves	A-20	71,507.53	117,563.89
		<u>149,580.62</u>	<u>219,211.75</u>
		<u>\$ 2,283,325.29</u>	<u>\$ 2,178,692.98</u>

There were deferred school taxes on December 31, 2012 and 2011 of \$4,658,699.61 and \$4,431,517.86, respectively (Schedule A-16).

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

Sheet 1 of 2

REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 359,193.75	\$ 754,000.00
Miscellaneous Revenue Anticipated	A-2	1,314,410.77	980,666.72
Receipts from Delinquent Taxes	A-2	6,973.07	5,063.86
Receipts from Current Taxes	A-2	16,961,433.65	16,496,597.34
Non-Budget Revenues	A-2	68,202.10	69,675.21
Other Credits to Income:			
Reimburse Fund Balance Tax Appeal Notes Issued	A-4	272,000.00	208,000.00
Unexpended Balance of Appropriation Reserves	A-11	228,073.85	197,747.98
Due to State of New Jersey Cancelled			6,705.26
Cancel Reserve for Due from Police Association		816.49	
Cancel General Capital Reserve Balance	A	23.26	
Cancelled Tax Overpayments	A-14	263.42	
Cancelled Federal and State Grant Appropriated			
Reserves	A-18	31,667.22	11,547.87
Total Income		<u>19,243,057.58</u>	<u>18,730,004.24</u>
<u>Expenditures</u>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		1,088,770.41	1,081,200.41
Other Expenses		1,060,390.50	1,107,709.71
Deferred Charges and Statutory Expenditures		324,242.00	322,715.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		72,620.00	75,667.00
Other Expenses		262,166.29	219,011.62
Capital Improvements		44,999.00	34,999.35
Municipal Debt Service		297,815.27	164,999.50
Deferred Charges		7,400.00	7,400.00
	A-3	<u>3,158,403.47</u>	<u>3,013,702.59</u>

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

Sheet 2 of 2

REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Refund Prior Year Revenue			5,579.04
Fire District Taxes	A-4	\$ 1,287,700.00	\$ 1,134,321.00
Municipal Open Space Taxes	A-4	211,052.00	214,870.00
Local District School Taxes	A-16	10,915,702.25	10,787,988.00
County Taxes	A-17	3,193,952.26	3,244,592.79
Reserve for Due from Police Association			816.49
Cancelled Federal and State Grant Receivable	A-18	31,667.22	11,547.87
Interfund Loans		23.26	
Total Expenditures		<u>18,798,500.46</u>	<u>18,413,417.78</u>
Excess in Revenue		444,557.12	316,586.46
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		85,000.00	
Statutory Excess to Fund Balance		<u>529,557.12</u>	<u>316,586.46</u>
Fund Balance January 1	A	<u>312,953.58</u>	<u>750,367.12</u>
		<u>842,510.70</u>	<u>1,066,953.58</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>359,193.75</u>	<u>754,000.00</u>
Fund Balance December 31	A	<u>\$ 483,316.95</u>	<u>\$ 312,953.58</u>

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 1 of 3

	Ref.	Anticipated		Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87	
	A-1	\$ 359,193.75	\$	\$
Fund Balance Anticipated				
<u>Miscellaneous Revenues</u>				
Licenses				
Alcoholic Beverages	A-9	10,300.00		10,300.00
Other	A-9	5,900.00		6,344.00
Fees and Permits	A-9	89,592.10		84,235.00
Fines and Costs				
Municipal Court	A-9	78,900.00		71,543.10
Interest and Costs on Taxes	A-9	30,000.00		25,544.91
Interest on Investments and Deposits	A-9	15,000.00		8,161.40
Cable Television Franchise Fee	A-9	23,852.97		23,870.07
Energy Receipts Tax	A-9	447,223.00		447,223.00
Transitional Aid	A-9	300,000.00		300,000.00
Garden State Trust Fund	A-9	5,099.00		5,099.00
Rental/Smoke Detector Inspections	A-9	17,500.00		13,925.00
Uniform Construction Code Fees	A-9	89,500.00		96,139.00
Plumsted Board of Education	A-9	22,620.00		22,620.00
Alcohol Education/Rehabilitation Program	A-18		1,187.19	1,187.19
Body Armor Grant	A-18		1,550.79	1,550.79
Bulletproof Vest	A-18		780.00	780.00
Clean Communities Program	A-18		13,899.84	13,899.84
Community Development Block Grant - Welcome Center	A-18		32,500.00	32,500.00
Drunk Driving Enforcement Fund	A-18		3,010.58	3,010.58
Municipal Alliance on Alcoholism and Drug Abuse	A-18	15,740.00		15,740.00
N.J. Department of Transportation - Municipal Aid Fort Avenue and Bell Street	A-18		75,000.00	75,000.00
Plumsted Senior Center	A-18	10,000.00		10,000.00

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 3

	<u>Anticipated</u>		<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Ref.</u>	<u>Budget</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Recycling Tonnage Grant			6,040.52	6,040.52	
Safe and Secure Communities Program	30,000.00			30,000.00	
Solid Waste Management Recycling			3,578.00	3,578.00	
Solid Waste Recycling Revenue			5,119.37	5,119.37	
Tourism Grant			1,000.00	1,000.00	
Total Miscellaneous Revenues	<u>1,191,227.07</u>		<u>143,666.29</u>	<u>1,314,410.77</u>	<u>(20,482.59)</u>
Receipts from Delinquent Taxes				6,973.07	6,973.07
Subtotal General Revenue	1,550,420.82		143,666.29	1,680,577.59	(13,509.52)
Amount to be Raised by Taxes for Support of Municipal Budget	1,597,066.12			1,243,595.15	(353,470.97)
Budget Totals	<u>3,147,486.94</u>		<u>143,666.29</u>	<u>2,924,172.74</u>	<u>(366,980.49)</u>
Non-Budget Revenues				68,202.10	68,202.10
	<u>\$ 3,147,486.94</u>		<u>\$ 143,666.29</u>	<u>\$ 2,992,374.84</u>	<u>\$ (298,778.39)</u>
Ref.	A-3		A-3		

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 3 of 3

	<u>Ref.</u>	<u>Realized</u>
<u>Analysis of Realized Revenues</u>		
<u>Allocation of Current Collections</u>		
Revenue from Collections	A-1,7	\$ 16,961,433.65
Less: Allocated to School, County, Fire and Municipal Open Space District	A-7	15,835,588.26
Balance for Support of Municipal Budget Appropriations		<u>1,125,845.39</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>117,749.76</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>\$ 1,243,595.15</u>
<u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	A-2,8	<u>\$ 6,973.07</u>
<u>Analysis of Non-Budget Revenue</u>		
Clerk		\$ 901.65
Police Reports		749.92
Police Tow Yard Fees		15,420.00
Construction Code		121.00
Tax Collector		15,046.96
Payments in Lieu of Taxes		2,000.00
Senior Citizen and Veteran Deduction 2% Administrative Fee		1,543.54
Finance Department		1,500.00
Miscellaneous		<u>30,919.03</u>
	A-2	<u>\$ 68,202.10</u>
Treasurer	A-4	\$ 53,155.14
Collector	A-5	<u>15,046.96</u>
	A-2	<u>\$ 68,202.10</u>

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 1 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
General Government					
Shared Services	\$ 950.00	\$ 950.00	\$	\$ 950.00	\$
Other Expenses	5.00	5.00	5.00		
Mayor and Township Committee					
Salaries and Wages			1,216.38	383.62	
Other Expenses	1,600.00	1,600.00			
Municipal Clerk					
Salaries and Wages	97,450.00	97,450.00	94,116.00	3,334.00	
Other Expenses	23,950.00	23,950.00	22,648.74	1,301.26	
Assessment Search Officer					
Salaries and Wages	4,068.79	4,068.79	4,066.66	2.13	
Financial Administration					
Salaries and Wages	73,200.00	73,200.00	68,271.92	4,928.08	
Other Expenses	10,000.00	9,944.00	8,769.23	1,174.77	
Audit Services	26,000.00	26,000.00	24,100.00	1,900.00	
Assessment of Taxes					
Salaries and Wages	47,700.00	47,700.00	47,680.62	19.38	
Other Expenses	5,650.00	5,650.00	4,532.85	1,117.15	
Collection of Taxes					
Salaries and Wages	59,300.00	61,735.20	60,682.53	1,052.67	
Other Expenses	9,000.00	9,000.00	8,723.08	276.92	
Tax Search Officer					
Salaries and Wages	2,435.20				
Legal Services and Costs					
Other Expenses	75,000.00	75,000.00	45,303.85	96.15	29,600.00
Engineering Services and Costs					
Other Expenses	6,500.00	6,500.00	4,810.00	1,690.00	

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Plumsted Township Main Street Program					
Salaries and Wages	\$ 9,760.00	\$ 9,760.00	\$ 9,760.00	\$	\$
Other Expenses	7,000.00	7,000.00	6,997.51	2.49	
Senior Outreach Services					
Other Expenses	750.00	750.00	504.32	245.68	
Municipal Land Use Law (N.J.S. 40:55D-1 et seq.)					
Planning Board					
Salaries and Wages	5,000.00	5,000.00	4,878.80	121.20	
Other Expenses	5,300.00	5,300.00	4,796.91	503.09	
Zoning Officer					
Salaries and Wages	8,181.76	8,181.76	8,181.16	.60	
Mobile Home Inspector					
Salaries and Wages	2,959.66	2,959.66	2,729.52	230.14	
Rental Inspections					
Salaries and Wages	12,000.00	12,000.00	9,562.50	2,437.50	
Insurance					
General Liability	56,303.15	56,303.15	55,508.14	795.01	
Workers Compensation	75,713.35	75,713.35	75,713.35		
Employee Group Health Insurance	317,000.00	317,000.00	316,632.60	367.40	
Insurance					
Vision Program	2,500.00	2,500.00	615.40	1,884.60	
Dental Program	13,000.00	13,000.00	11,063.60	1,936.40	
Health Benefit Waiver	10,000.00	10,000.00	4,483.53	5,516.47	
Other Insurance	6,000.00	6,000.00	1,442.00	4,558.00	
Public Safety Director					
Salaries and Wages	1.00	1.00	1.00		

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Public Safety					
Police					
Salaries and Wages	\$ 681,721.00	\$ 677,721.00	\$ 677,213.98	\$ 507.02	\$
Other Expenses	43,400.00	49,400.00	48,600.67	799.33	
Emergency Management Services					
Salaries and Wages	6,905.00	6,905.00	6,904.30	.70	
Other Expenses	4,050.00	4,050.00	4,038.17	11.83	
School Crossing Guards					
Salaries and Wages	100.00	100.00		100.00	
Municipal Court					
Salaries and Wages	46,500.00	46,500.00	37,750.15	8,749.85	
Other Expenses	6,365.00	6,365.00	4,675.89	1,689.11	
Public Defender (P.L. 1997, C. 256)					
Other Expenses	500.00	500.00		500.00	
Streets and Roads					
Road Repairs and Maintenance					
Other Expenses	90,000.00	90,000.00	65,714.10	4,585.90	19,700.00
Sanitation					
Recycling (Ch. 102, P.L. 1987)					
Salaries and Wages	5,000.00	5,000.00	75.17	4,924.83	
Other Expenses	1,850.00	1,850.00	306.80	1,543.20	
Sanitary Landfill					
Other Expenses	950.00	950.00	500.00	450.00	
Public Buildings and Grounds					
Salaries and Wages	11,450.00	11,450.00	9,438.29	2,011.71	
Other Expenses	20,400.00	20,400.00	19,869.96	530.04	
Demolition	900.00	900.00		900.00	

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Health and Welfare</u>					
Board of Health					
Other Expenses	\$ 5,000.00	\$ 3,000.00	\$	\$ 3,000.00	\$
Soil/Water Testing	450.00	450.00		450.00	
Environmental Commission					
Other Expenses	1,100.00	1,100.00	965.01	134.99	
Administration of Public Assistance					
Relocation Costs	350.00	350.00		350.00	
Catholic Charities - N.J.S.A. 30:14-11	410.00	410.00	410.00		
Federally Mandated Hepatitis Immunization					
Other Expenses	490.00	490.00		490.00	
<u>Recreation and Education</u>					
Recreation Department					
Other Expenses	15,940.00	15,940.00	8,513.39	7,426.61	
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	2,625.00	2,625.00	2,392.74	232.26	
Council for the Arts					
Salaries and Wages	500.00	117.00	117.00		
Other Expenses	500.00	883.00	747.89	135.11	
Public Employee Awards (N.J.S. 40A:5-31)					
Salaries and Wages	2,600.00	2,600.00		2,600.00	
Other Expenses	250.00	250.00		250.00	
Hybrid Reassessment Project					
<u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>			85,000.00		
Salaries and Wages	16,433.00	16,433.00	16,433.00		

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 5 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Unclassified</u>					
Utilities					
Street Lighting	\$ 72,000.00	\$ 72,000.00	\$ 59,820.29	\$ 179.71	\$ 12,000.00
Natural Gas	8,000.00	8,000.00	4,530.25	469.75	3,000.00
Electricity	42,000.00	42,000.00	31,469.14	30.86	10,500.00
Telephone	27,000.00	27,000.00	24,098.33	1.67	2,900.00
Water	3,500.00	4,500.00	3,895.75	604.25	
Fuel Oil	8,000.00	7,000.00	2,369.83	30.17	4,600.00
Gasoline	50,000.00	50,000.00	42,981.10	18.90	7,000.00
Contingent	2,000.00	2,000.00	2,000.00		
Total Operations within Caps	<u>2,153,516.91</u>	<u>2,238,460.91</u>	<u>2,068,628.40</u>	<u>80,532.51</u>	<u>89,300.00</u>
Detail:					
Salaries and Wages	1,093,270.41	1,088,770.41	1,057,750.60	31,019.81	
Other Expenses	<u>1,060,246.50</u>	<u>1,149,690.50</u>	<u>1,010,877.80</u>	<u>49,512.70</u>	<u>89,300.00</u>

DEFERRED CHARGES AND STATUTORY

EXPENDITURES WITHIN CAPS

Statutory Expenditures

Contribution to:

Public Employees' Retirement System of New Jersey	81,658.00	81,658.00	81,658.00		
Social Security System (O.A.S.I.)	110,000.00	110,000.00	97,452.14	1,847.86	10,700.00
Police and Firemen's Retirement System of New Jersey	133,384.00	133,384.00	133,384.00		
Unemployment Compensation Disability Insurance (N.J.S. 43:21-3 et seq.)	8,500.00	8,500.00	6,693.68	1,806.32	
Defined Contribution Retirement Program	1,400.00	1,400.00	1,216.98	183.02	
Total Deferred Charges and Statutory Expenditures within Caps	<u>334,942.00</u>	<u>334,942.00</u>	<u>320,404.80</u>	<u>3,837.20</u>	<u>10,700.00</u>
Total Appropriations within Caps	<u>2,488,458.91</u>	<u>2,573,402.91</u>	<u>2,389,033.20</u>	<u>84,369.71</u>	<u>100,000.00</u>

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
<u>Uniform Construction Code - Appropriations Offset by Increased Fee Revenues (N.J.A.C. 5:23-4.17)</u>					
Salaries and Wages	\$ 50,000.00	\$ 50,000.00	\$ 47,662.66	\$ 2,337.34	\$
Other Expenses	10,500.00	10,500.00	8,864.26	1,635.74	
<u>Interlocal Municipal Service Agreements</u>					
Plumsted Board of Education					
School Resource Officer					
Salaries and Wages	22,620.00	22,620.00	22,620.00		
Courtesy Busing	35,720.00	35,720.00	35,720.00		
<u>Public and Private Programs Offset by Revenues</u>					
Local Matching Funds for Grants	2,000.00	1,000.00		1,000.00	
Alcohol Education/Rehabilitation Program		1,187.19	1,187.19		
Body Armor Grant		1,550.79	1,550.79		
Bulletproof Vest Partnership Grant		780.00	780.00		
Clean Communities Program		13,899.84	13,899.84		
Community Development Block Grant - Welcome Center		32,500.00	32,500.00		
Drunk Driving Enforcement Fund		3,010.58	3,010.58		
Municipal Alliance on Alcohol and Drug Abuse					
Grant Portion	15,740.00	15,740.00	15,740.00		
Matching Portion	4,900.00	4,900.00	4,900.00		
N.J. Department of Transportation Municipal Aid -					
Fort Avenue and Bell Street		75,000.00	75,000.00		
Plumsted Senior Center	10,000.00	10,000.00	10,000.00		
Recycling Tonnage Grant		6,040.52	6,040.52		
Safe and Secure Communities Program					
Grant Portion	30,000.00	30,000.00	30,000.00		
Matching Portion	7,500.00	7,500.00	7,500.00		

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
	\$	\$	\$	\$	\$
Solid Waste Management Recycling		3,578.00	3,578.00		
Solid Waste Recycling Revenue		5,119.37	5,119.37		
Supplemental Fire Services Program	2,140.00	2,140.00	2,140.00		
Tourism Grant					
Grant Portion		1,000.00	1,000.00		
Matching Portion		1,000.00	1,000.00		
Total Operations excluded from Caps	<u>191,120.00</u>	<u>334,786.29</u>	<u>329,813.21</u>	<u>4,973.08</u>	
Detail:					
Salaries and Wages	72,620.00	72,620.00	70,282.66	2,337.34	
Other Expenses	118,500.00	262,166.29	259,530.55	2,635.74	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Acquisition of 4WD Police Vehicle	34,999.00	34,999.00	34,999.00		
Construction/Improvements Municipal Building/First Aid Building	10,000.00	10,000.00	10,000.00		
	<u>44,999.00</u>	<u>44,999.00</u>	<u>44,999.00</u>		
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Anticipation Note and Capital Notes Interest on Notes	251,795.00	251,795.00	251,795.00		
Total Municipal Debt Service Excluded From Caps	<u>297,759.27</u>	<u>297,815.27</u>	<u>297,815.27</u>		
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>					
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	7,400.00	7,400.00	7,400.00		
Total General Appropriations excluded from Caps	<u>541,278.27</u>	<u>685,000.56</u>	<u>680,027.48</u>	<u>4,973.08</u>	

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 8 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Subtotal General Appropriations	\$ 3,029,737.18	\$ 3,258,403.47	\$ 3,069,060.68	\$ 89,342.79	\$ 100,000.00
Reserve for Uncollected Taxes	117,749.76	117,749.76	117,749.76		
Total General Appropriations	\$ 3,147,486.94	\$ 3,376,153.23	\$ 3,186,810.44	\$ 89,342.79	\$ 100,000.00
				A	
Budget		\$ 3,147,486.94			
Appropriation by 40A:4-87		143,666.29			
Special Emergency Appropriation (40A:4-53)		85,000.00			
		\$ 3,376,153.23			
Disbursements			\$ 2,711,158.47		
Reserve for:					
Encumbrances			20,555.92		
Uncollected Tax			117,749.76		
Hybrid Reassessment Program			85,000.00		
Deferred Charges:					
Special Emergency Authorizations					
(40A:4-53)			7,400.00		
Interfunds:					
Trust Fund			30,000.00		
Grant Fund			214,946.29		
			\$ 3,186,810.44		

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

BALANCE SHEET - TRUST FUND

Exhibit B

REGULATORY BASIS

DECEMBER 31, 2012 AND 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>3,509.02</u>	\$ <u>5,986.21</u>
Trust Other Fund:			
Cash	B-1	484,429.91	457,104.48
Interfund - Current Fund	B-4	<u>30,000.00</u>	<u>457,104.48</u>
		<u>514,429.91</u>	<u>457,104.48</u>
		\$ <u>517,938.93</u>	\$ <u>463,090.69</u>
<u>Liabilities and Reserves</u>			
Animal Control Trust Fund:			
Reserve for:			
Animal Control Trust Fund Expenditures	B-3	\$ 3,417.02	\$ 5,802.21
Encumbrances	B-3	<u>92.00</u>	<u>184.00</u>
		<u>3,509.02</u>	<u>5,986.21</u>
Trust Other Fund:			
Reserve for Encumbrances	B-4	37,074.05	8,263.00
Miscellaneous Reserves	B-4	<u>477,355.86</u>	<u>448,841.48</u>
		<u>514,429.91</u>	<u>457,104.48</u>
		\$ <u>517,938.93</u>	\$ <u>463,090.69</u>

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

BALANCE SHEET - GENERAL CAPITAL FUND

Exhibit C

REGULATORY BASIS

DECEMBER 31, 2012 AND 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Cash	C-2	\$ 27,685.26	\$ 487,032.21
Grants Receivable		300,000.00	300,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	174,123.28	193,568.69
Funded for Loan	C-5	488,294.76	
Unfunded	C-6	<u>2,197,211.09</u>	<u>2,586,326.09</u>
		<u>\$ 3,187,314.39</u>	<u>\$ 3,566,926.99</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes Payable	C-7	\$ 482,768.00	\$ 1,021,563.00
Refunding Bond Anticipation Notes Payable	C-8	427,000.00	218,000.00
Green Trust Loans Payable	C-9	174,123.28	193,568.69
Downtown Business Improvement Zone Loan Payable	C-10	488,294.76	
Improvement Authorizations:			
Funded	C-11	1,348.05	1,204.35
Unfunded	C-11	1,455,568.72	1,654,015.59
Reserve for Encumbrances	C-11,12	100,109.25	120,987.28
Miscellaneous Reserves	C-12	54,876.40	54,430.41
Interfund - Current Fund	C-13	23.26	
Capital Improvement Fund		<u>2,731.39</u>	<u>2,731.39</u>
		<u>3,186,843.11</u>	<u>3,266,500.71</u>
Reserve for Federal and State Grants and Aid Receivable			300,000.00
Fund Balance	C-1	<u>471.28</u>	<u>426.28</u>
		<u>\$ 3,187,314.39</u>	<u>\$ 3,566,926.99</u>

There were bonds and notes authorized but not issued on December 31, 2012 and 2011 of \$1,287,443 and \$1,046,763 respectively (Schedule C-14).

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 426.28
Increased by Receipts:		
Refunding Bond Anticipation Notes Premium	C-2	<u>45.00</u>
Balance December 31, 2012	C	<u>\$ 471.28</u>

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit H

REGULATORY BASIS

DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
General Fixed Assets:		
Land	\$ 1,352,704.30	\$ 1,352,704.30
Machinery and Equipment	1,114,227.79	1,036,135.44
Improvements	<u>4,254,376.80</u>	<u>4,254,376.80</u>
	<u>\$ 6,721,308.89</u>	<u>\$ 6,643,216.54</u>
Investment in General Fixed Assets	<u>\$ 6,721,308.89</u>	<u>\$ 6,643,216.54</u>

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

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Plumsted, County of Ocean, New Jersey (the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The financial statements of the following units are reported separately:

Plumsted Township Municipal Utilities Authority
Plumsted Township Redevelopment Agency

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

Current Fund - revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Trust Fund - dog license revenues and expenditures.

Trust Other Fund - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Descriptions of Funds (Continued)

General Capital Fund - resources, including Federal and State grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

General Fixed Assets Account Group - used to account for fixed assets used in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2012 is set forth in Note 9.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation. The compensated absence liability at December 31, 2012 is set forth in Note 4.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

Sale of Municipal Assets - cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year-end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Interfunds - advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. The status of interfunds is set forth in Note 15.

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

General Fixed Assets - in accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

Fixed assets used in governmental operations (general fixed assets) are required to be 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.

GAAP does not require utilization of a general fixed asset account group.

Except for land and buildings, all fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be recorded in the Capital Fund 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.

During 2012 and 2011 the following changes occurred in the fixed assets of the Township:

	<u>Balance</u> <u>Jan. 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
General Fixed Assets Account Group:				
Land	\$ 1,352,704	\$	\$	\$ 1,352,704
Machinery and Equipment	1,071,184		35,048	1,036,136
Improvements	<u>4,254,377</u>			<u>4,254,377</u>
	<u>\$ 6,678,265</u>	<u>\$</u>	<u>\$ 35,048</u>	<u>\$ 6,643,217</u>
	<u>Balance</u> <u>Jan. 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
General Fixed Assets Account Group:				
Land	\$ 1,352,704	\$	\$	\$ 1,352,704
Machinery and Equipment	1,036,136	78,146	54	1,114,228
Improvements	<u>4,254,377</u>			<u>4,254,377</u>
	<u>\$ 6,643,217</u>	<u>\$ 78,146</u>	<u>\$ 54</u>	<u>\$ 6,721,309</u>

General fixed assets, as shown in Exhibit H, are presented as recorded in the Township records with offsetting reserves on the balance sheet of the Township’s General Fixed Assets Account Group.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Township presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with applicable statutes.

NOTE 2. CASH AND CASH EQUIVALENTS

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

The Township considers certain short-term investments permitted by statute to be cash equivalents if they mature within three months or may be withdrawn in cash upon notice from a pool of eligible investments in a participation arrangement with a bank that meets the insurance and collateral requirements of the statute.

At year-end, the carrying amount of the Township's deposits was \$2,353,255 and the bank balance amount was \$2,470,611. Of this amount \$409,447 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered the remaining \$1,901,844. An amount of \$159,320 was on deposit in the name of various developers for escrow and is insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the escrow depository.

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Township had no investments in qualified securities at December 31, 2012.

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

D. Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

	<u>Bank Balance</u>	
	<u>2012</u>	<u>2011</u>
<u>Depository Account</u>		
Insured:		
FDIC	\$ 409,447	\$ 391,258
GUDPA	1,901,844	2,378,757
Escrow Deposits	<u>159,320</u>	<u>141,258</u>
	\$ <u>2,470,611</u>	\$ <u>2,911,273</u>

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 Township does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

NOTE 3. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

At December 31, 2012 the Township's long-term debt outstanding was as follows:

Green Trust Loan Program

The Township has three low interest loans (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The \$100,000 for the Recreation Complex Improvement was finalized on or about December 20, 2010. Loans in the amounts of \$99,999 for the Recreation Park Project and \$149,999 for the Oakford Lake Park Development Project were both finalized on November 19, 1999. The Township must repay the latter two loans in semi-annual installments over seventeen and one half years and the Recreation Complex Loan must be repaid in semi-annual installments over nineteen and one half years. The balance as of December 31, 2012 was \$174,123 and loan payments are due through 2030.

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 19,836	\$ 3,384
2014	20,236	2,985
2015	20,642	2,578
2016	21,057	2,163
2017	21,480	1,741
2018-30	<u>70,872</u>	<u>9,964</u>
	\$ <u>174,123</u>	\$ <u>22,815</u>

NOTE 3. DEBT (CONTINUED)

B. Short-Term Debt

Bond Anticipation Notes

On December 31, 2012 the Township's outstanding Bond Anticipation Notes were as follows:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
	General Capital Fund:		
08-11	Various Capital Improvements	\$ 132,768	4.00%
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	<u>350,000</u>	4.00%
		<u>\$ 482,768</u>	

On December 31, 2012 the Township's outstanding Refunding Bond Anticipation Notes were as follows:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
	General Capital Fund:		
11-08	Payment of Amounts Owing to Others for Taxes Levied	\$ 145,000	1.17%
12-15	Payment of Amounts Owing to Others for Taxes Levied	<u>282,000</u>	1.17%
		<u>\$ 427,000</u>	

C. Bonds and Notes Authorized but not Issued

At December 31, 2012 and 2011 the Township had authorized but not issued notes in the amount of \$1,287,443 and \$1,046,763, respectively.

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements plus the assessed valuation of Class II railroad property. The Township's statutory net debt at December 31, 2012 was .24%. The Township's remaining borrowing power is 3.26%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

NOTE 3. DEBT (CONTINUED)

E. Summary of Annual Debt Service

During 2012 and 2011 the following changes occurred in the outstanding municipal debt of the Township:

	<u>Balance</u> <u>Jan. 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
General Debt:				
Bond Anticipation Notes	\$ 1,021,563	\$	\$ 538,795	\$ 482,768
Refunding Bond Anticipation Notes	218,000	282,000	73,000	427,000
Green Trust Loans	193,569		19,445	174,124
	<u>\$ 1,433,132</u>	<u>\$ 282,000</u>	<u>\$ 631,240</u>	<u>\$ 1,083,892</u>

	<u>Balance</u> <u>Jan. 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
General Debt:				
Bond Anticipation Notes	\$ 1,165,000	\$	\$ 143,437	\$ 1,021,563
Refunding Bond Anticipation Notes		218,000		218,000
Green Trust Loans	210,543		16,974	193,569
	<u>\$ 1,375,543</u>	<u>\$ 218,000</u>	<u>\$ 160,411</u>	<u>\$ 1,433,132</u>

F. Special Emergency Note

A special emergency note for \$85,000 was issued September 28, 2012 for a period of one year as permitted by statute.

NOTE 4. COMPENSATED ABSENCES

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to compensated absences. The Township's policy with respect to compensated absences is as follows:

Vacation Leave

Any unused vacation leave may be carried forward into the next succeeding year only. In the event an employee is unable to utilize during the first six (6) months of the succeeding year any unused vacation time, the Township Committee may consider approval by resolution, an employee's request with Department Head approval, to utilize the aforementioned unused vacation time during the last six (6) months of the succeeding year. Unused vacation time from the previous year shall not be utilized so that a vacation will exceed the total for the previous year.

NOTE 4. COMPENSATED ABSENCES (CONTINUED)

Sick Leave

Sick leave will be recorded in thirty (30) minute increments.

Sick leave can be accumulated without limit during each employee's length of service for a period of up to thirty (30) days.

In the first calendar year of employment, full-time permanent employees shall be entitled to two thirds (2/3) a day of sick leave for each month or fractional part thereof calculated from date of employment.

Thereafter, full-time permanent employees shall be entitled to either eight (8) days of sick leave each year which shall be credited to their account of the beginning of the year.

Any amount of sick leave used which exceeds the amount accrued to an employee's account at time of separation from the Township will be deducted from the final salary payment. Upon termination for any reason accumulated sick time will be forfeited.

Temporary and seasonal employees shall not be eligible for sick leave with pay.

If an employee is unable to report for work due to illness, this fact shall be reported to the department not later than one (1) hour after the start of the normal work day.

An employee on sick leave and receiving his normal compensation who, in addition, qualifies for payments under workers' compensation weekly benefits shall, during the period he is receiving such weekly benefits, be entitled only to that portion of his regular salary which with the workers' compensation payments, equals his normal salary.

NOTE 5. FUND BALANCES APPROPRIATED

The Current Fund balance at December 31, 2012 which was appropriated and included as anticipated revenue for the year ending December 31, 2013 is \$464,585.

NOTE 6. TAXES COLLECTED IN ADVANCE

Taxes collected in advance set forth as a cash liability in the financial statement is as follows:

	<u>Balance December 31</u>	
	<u>2012</u>	<u>2011</u>
Prepaid Taxes	\$ 154,049	\$ 104,969

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the “Board”) by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, Fire District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the “Collector”) on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to “Tax Sale” which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

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

NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency	\$ 85,000	\$ 28,334	\$ 56,666

The appropriation in the 2012 budget is not less than that required by statute.

NOTE 10. PENSION PLANS

Substantially all of the Township's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits ("the Division"): the Police and Firemen's Retirement System ("the PFRS"), the Public Employees' Retirement System ("the PERS") or the Defined Contribution Retirement Program ("the DCRP"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Public Employees' Retirement System (PERS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Police and Firemen's Retirement System (PFRS)

The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

NOTE 10. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP)

The DCRP was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Division. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. Plan members are required to contribute 5.5% of their annual covered salary and the Township is required to contribute 3% of the annual salary. The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were two Township employees enrolled in the DCRP for the year ended December 31, 2012 and none enrolled for the years ended December 31, 2011 and 2010.

Other Information

The Township's contributions, equal to the required contribution for each fiscal year, were as follows:

	2012			2011		2010	
	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>
Normal Contribution	\$ 25,589	\$ 60,539	\$ 902	\$ 35,609	\$ 56,032	\$ 32,417	\$ 55,284
Accrued Liability	51,178	68,132		56,741	44,928	41,652	39,386
Total Regular Pension Contribution	<u>76,767</u>	<u>128,671</u>	<u>902</u>	<u>92,350</u>	<u>100,960</u>	<u>74,069</u>	<u>94,670</u>
Non-Contributory Group Life Insurance	<u>4,891</u>	<u>4,713</u>	<u>315</u>	<u>7,014</u>	<u>4,391</u>	<u>10,272</u>	<u>4,813</u>
Total Due	<u>\$ 81,658</u>	<u>\$ 133,384</u>	<u>\$ 1,217</u>	<u>\$ 99,364</u>	<u>\$ 105,351</u>	<u>\$ 84,341</u>	<u>\$ 99,483</u>

The Division does not invest in securities issued by the Township.

NOTE 11. SCHOOL TAXES

Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

NOTE 11. SCHOOL TAXES (CONTINUED)

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	Local District School Tax	
	Balance December 31	
	<u>2012</u>	<u>2011</u>
Balance of Tax	\$ 5,571,438	\$ 5,403,494
Deferred	<u>4,658,699</u>	<u>4,431,518</u>
Tax Payable	\$ <u>912,739</u>	\$ <u>971,976</u>

NOTE 12. DEFERRED SCHOOL TAX

As at December 31, 2011 the balance of deferred school tax was \$4,431,518. Subsequent to the issuance of the prior year audit report dated June 25, 2012 the Township deferred school tax in the amount of \$59,530 and included this amount in the fund balance anticipated in the 2012 amended budget.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 10, the Township's policy with respect to certain other postemployment retirement benefits is as follows:

Any employee who experiences a voluntary separation from the service of the Township, upon obtaining retirement age or after twenty-five (25) continuous years of service with the Township, shall be entitled to continue his or her insurance coverage through the Township, provided that the employee assume and pay for the entire cost of their insurance premiums for that former employee. If possible, such insurance premiums shall be paid directly to the insurance carrier.

NOTE 14. RISK MANAGEMENT

The Township 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. The Township is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 15. CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2012, the Township estimates that no material liabilities will result from such audits.

Pending Litigation

There are actions which have been instituted against the Township which are in the discovery phase. The final outcome cannot be determined at the present time. The suit has no contingency booked in the accounting records. The probability and the amount of any potential loss is not known.

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds, notes or other obligations.

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2012:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 23	\$ 106,832
Grant Fund	76,832	
Trust Fund	30,000	
General Capital Fund	<u> </u>	<u>23</u>
	<u>\$ 106,855</u>	<u>\$ 106,855</u>

TOWNSHIP OF PLUMSTED

COUNTY OF OCEAN

PART II

SUPPLEMENTARY DATA

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2012

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ <u>1.653</u>	\$ <u>1.565</u>	\$ <u>1.536</u>
Apportionment of Tax Rate			
Municipal Purpose Tax	.151	.131	.110
Municipal Open Space	.020	.020	.020
County	.304	.302	.303
Local School District	1.055	1.006	1.003
Fire District	.123	.106	.100
Assessed Valuation			
2012	\$ 1,055,257,351		
2011		\$ 1,074,038,334	
2010			\$ 1,082,485,058

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2012	\$ 17,443,405	\$ 16,961,434	97.23%
2011	16,832,284	16,496,597	98.00%
2010	16,722,633	16,558,582	99.01%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$ 12,661	\$ 5,975	\$ 18,636	.11%
2011	18,143	60	18,203	.11%
2010	15,051	3,579	18,630	.11%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

One property was acquired in 2012 by foreclosure as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31 on the basis of the last assessed valuation of such properties in the year of acquisition is summarized as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 196,900
2011	196,900
2010	36,400

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>
<u>Current Fund</u>		
2012	\$ 483,317	\$ 464,585
2011	312,954	359,194
2010	750,367	735,000
2009	924,585	860,000
2008	1,353,457	1,215,068

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Issued</u>			
General Bonds, Notes and Loans	\$ 1,083,892	\$ 1,433,132	\$ 1,375,543
Less:			
Amounts Applicable Only to the Payment of Debt:			
Open Space Trust (40A:2-44h)	<u>174,123</u>	<u>193,569</u>	<u>210,543</u>
Net Debt Issued	<u>909,769</u>	<u>1,239,563</u>	<u>1,165,000</u>
 <u>Authorized but not Issued</u>			
General Bonds, Notes and Loans	<u>1,287,443</u>	<u>1,046,763</u>	<u>1,064,763</u>
 Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 2,197,212</u>	<u>\$ 2,286,326</u>	<u>\$ 2,229,763</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 .24%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 18,705,000	\$ 18,705,000	\$ -0-
General Debt	<u>2,859,632</u>	<u>664,250</u>	<u>2,195,382</u>
	\$ <u>21,564,632</u>	\$ <u>19,369,250</u>	\$ <u>2,195,382</u>

Net Debt \$2,195,382 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$915,472,901 = .24%.

BORROWING POWER UNDER N.J.S.A. 40A:2-6

3.5% of Equalized Valuation Basis	\$ 32,041,552
Net Debt	<u>2,195,382</u>
Remaining Borrowing Power	\$ <u>29,846,170</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2012:

<u>Name</u>	<u>Position</u>
David J. Leutwyler	Mayor
Eric A. Sorchik	Deputy Mayor
Herb Marinari	Committeeman
Jack Trotta	Committeeman
Michael Wysong	Committeeman
Ronald S. Dancer	Administrator
Dorothy J. Hendrickson	Township Clerk, Assessment Search Officer
June D. Madden	Chief Financial Officer
Danielle Doyle-Peacock	Tax Collector, Tax Search Officer
Kelly Creighton	Deputy Tax Collector
Damian Murray, Esq.	Magistrate
Christine Ward	Court Administrator

Forgery, Theft and Public Employee Dishonesty coverage in the amount of \$50,000 was provided by the Ocean County Municipal Joint Insurance Fund. Additional coverage in the amount of \$950,000 was provided by the Municipal Excess Liability Joint Insurance Fund.

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

Balance December 31, 2011		\$ 1,394,388.46
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 53,155.14	
Collector	17,102,570.03	
Revenue Accounts Receivable	1,084,360.57	
Prepaid State Aid	5,099.00	
Due State of New Jersey:		
Chapter 20, P.L. 1971	75,677.39	
Fees Collected	8,026.00	
Payroll Liabilities	1,557,269.83	
Special Emergency Note Payable	85,000.00	
Reimburse Fund Balance Tax Appeal Notes Issued	272,000.00	
Due from Police Association	816.49	
Interfund - Grant Fund	274,797.90	
		<u>20,518,772.35</u>
		<u>21,913,160.81</u>
Decreased by Disbursements:		
2012 Budget Appropriations	2,711,158.47	
Fire District Taxes Payable	1,287,700.00	
Municipal Open Space Taxes Payable	211,052.00	
2011 Appropriation Reserves	57,024.70	
Outside Liens	178,147.00	
Due State of New Jersey - Fees Collected	8,001.00	
Payroll Liabilities	1,553,342.39	
Prepaid Taxes	447.55	
Tax Overpayments	500.00	
Local District School Taxes Payable	10,974,939.98	
County Taxes Payable	3,198,514.12	
Reserve for Hybrid Reassessment Program	45,113.55	
Due to Plumsted Municipal Utilities Authority	3,608.84	
Interfund - Grant Fund	253,564.95	
		<u>20,483,114.55</u>
Balance December 31, 2012		\$ <u><u>1,430,046.26</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-5

SCHEDULE OF CASH - COLLECTOR

Balance December 31, 2011		\$	336,305.69
Increased by Receipts:			
Taxes Receivable	\$ 16,778,557.12		
Tax Title Liens	6,973.07		
Interest and Costs on Taxes	25,544.91		
Outside Liens	178,147.00		
Tax Overpayments	3,272.78		
Prepaid Taxes	154,496.61		
Due to Plumsted Municipal Utilities Authority	3,608.84		
Miscellaneous Revenue Not Anticipated	15,046.96		
			<u>17,165,647.29</u>
			<u>17,501,952.98</u>
Decreased by Disbursements:			
Turnovers to Treasurer			<u>17,102,570.03</u>
Balance December 31, 2012		\$	<u><u>399,382.95</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-6

SCHEDULE OF DUE FROM STATE OF NEW JERSEY

(CHAPTER 20, P.L. 1971)

Balance December 31, 2011		\$ (2,500.00)
Increased by:		
2012 Senior Citizens and Veterans Exemptions per Tax Duplicate	\$ 78,250.00	
2012 Deductions Disallowed by Tax Collector	(3,092.47)	
2012 Deductions Allowed by Tax Collector	2,000.00	
2011 Deductions Allowed by Tax Collector	<u>750.00</u>	
		<u>77,907.53</u>
		<u>75,407.53</u>
Decreased by:		
Receipts		<u>75,677.39</u>
Balance December 31, 2012		\$ <u><u>(269.86)</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2012 Levy	Collected		Net Amount Due from State of New Jersey	Transfer to Tax Title Liens	Cancelled	Balance Dec. 31, 2012
	Dec. 31, 2011		2012	2011				
Prior 2011	\$ 60.00							\$ 60.00
2012		17,443,405.32	(750.00)	104,969.00	750.00	1,363.61	474,692.81	5,915.25
	\$ 60.00	\$ 17,443,405.32	\$ 16,778,557.12	\$ 104,969.00	\$ 77,907.53	\$ 1,363.61	\$ 474,692.81	\$ 5,975.25

Analysis of 2012 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 16,105,292.55
Special District Taxes	1,338,112.77
	<u>\$ 17,443,405.32</u>

Tax Levy:	
Local District School Tax (Abstract)	\$ 11,142,884.00
County Taxes:	
County Tax (Abstract)	\$ 2,674,042.49
County Library Tax (Abstract)	303,124.24
County Health Tax (Abstract)	109,657.10
County Open Space Preservation (Abstract)	107,128.43
Total County Taxes	<u>3,193,952.26</u>
Fire District Taxes	1,287,700.00
Municipal Open Space Tax	211,052.00
Local Tax for Municipal Purposes Levied	1,597,066.12
Add: Additional Tax Levied	<u>10,750.94</u>
	<u>\$ 17,443,405.32</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-8

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2011		\$ 18,142.68
Increased by:		
Transfers from Taxes Receivable	\$ 1,363.61	
Interest and Costs Accrued by Sale of December 18, 2012	<u>127.53</u>	<u>1,491.14</u>
		19,633.82
Decreased by:		
Collection		<u>6,973.07</u>
Balance December 31, 2012		\$ <u><u>12,660.75</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u>	<u>Accrued</u>	<u>Collected by</u>	<u>Balance</u>
	<u>Dec. 31, 2011</u>	<u>in 2012</u>	<u>Treasurer</u>	<u>Dec. 31, 2012</u>
			<u>Collector</u>	
Licenses	\$	\$	\$	\$
Alcoholic Beverages		10,300.00		
Other		6,344.00		
Fees and Permits		84,235.00		
Fines and Costs				
Municipal Court	4,867.91	69,831.39	71,543.10	3,156.20
Interest and Costs on Taxes		25,544.91		
Interest on Investments and Deposits		8,161.40	8,161.40	
Cable Television Franchise Fee		23,870.07	23,870.07	
Energy Receipts Tax		447,223.00	447,223.00	
Transitional Aid		300,000.00	300,000.00	
Garden State Trust Fund		5,099.00	5,099.00	
Rental/Smoke Detector Inspections		13,925.00	13,925.00	
Uniform Construction Code Fees		96,139.00	96,139.00	
Plumsted Board of Education		22,620.00	22,620.00	
	\$	\$	\$	\$
	<u>4,867.91</u>	<u>1,113,292.77</u>	<u>1,089,459.57</u>	<u>3,156.20</u>
Receipts		\$		
Prepaid State Aid		<u>1,084,360.57</u>		
		<u>5,099.00</u>		
		\$	<u>1,089,459.57</u>	

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF DEFERRED CHARGES

SPECIAL EMERGENCY AUTHORIZATIONS (N.J.S. 40A:4-53)

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2011</u>	<u>Increased in 2012</u>	<u>Reduced in 2012</u>	<u>Balance Dec. 31, 2012</u>
8/01/2012	Hybrid Reassessment Project	\$ 85,000.00	\$ 17,000.00	\$ 7,400.00	\$ 85,000.00	\$ 7,400.00	\$ 85,000.00
9/05/2007	Re-examination of Master Plan	37,000.00	7,400.00				
				\$ 7,400.00	\$ 85,000.00	\$ 7,400.00	\$ 85,000.00

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 5

OPERATIONS WITHIN CAPS

	<u>Balance</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2011</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
		<u>Transfers</u>		
Shared Services	\$ 950.00	\$ 950.00		\$ 950.00
Other Expenses				
Business Administrator's Office				
Salaries and Wages	.23	.23		.23
Other Expenses	.71	.71		.71
Mayor and Township Committee				
Other Expenses	396.94	396.94		396.94
Municipal Clerk				
Salaries and Wages	3,456.56	3,456.56		3,456.56
Other Expenses	7,344.37	7,344.37	4,193.24	3,151.13
Assessment Search Officer				
Salaries and Wages	132.06	132.06		132.06
Financial Administration				
Salaries and Wages	5,745.56	5,745.56		5,745.56
Other Expenses	2,008.65	2,008.65	71.62	1,937.03
Audit Services	1,215.00	1,215.00		1,215.00
Assessment of Taxes				
Salaries and Wages	19.38	19.38		19.38
Other Expenses	2,862.23	2,862.23	530.00	2,332.23
Collection of Taxes				
Salaries and Wages	495.49	495.49		495.49
Other Expenses	357.55	357.55	44.10	313.45
Legal Services and Costs				
Other Expenses	39,205.40	39,205.40	2,753.21	36,452.19
Engineering Services and Costs				
Other Expenses	827.50	827.50	250.25	577.25

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 5

	<u>Balance Dec. 31, 2011</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Plumsted Township Main Street Program				
Salaries and Wages	\$ 276.44	\$ 276.44		\$ 276.44
Other Expenses	4,910.26	4,910.26	351.88	4,558.38
Senior Outreach Services				
Other Expenses	249.20	249.20	233.19	16.01
Municipal Land Use Law (N.J.S. 40:55D-1 et seq.)				
Planning Board				
Salaries and Wages	202.96	202.96		202.96
Other Expenses	1,926.37	1,926.37	15.34	1,911.03
Zoning Officer				
Salaries and Wages	.60	.60		.60
Mobile Home Inspector				
Salaries and Wages	2.68	2.68		2.68
Rental Inspections				
Salaries and Wages	1,760.00	1,760.00		1,760.00
Insurance				
Employee Group Health Insurance	27,950.58	27,950.58		27,950.58
Vision Program	2,060.00	2,060.00	28.00	2,032.00
Dental Program	1,060.58	1,060.58		1,060.58
Opt-Out Program	2,000.00	2,000.00	2,000.00	
Other Insurance	3,398.67	3,398.67		3,398.67
Police				
Salaries and Wages	10,335.07	10,335.07		10,335.07
Other Expenses	6,355.35	6,355.35	6,292.89	62.46
Emergency Management Services				
Salaries and Wages	.70	.70		.70
Other Expenses	1,547.56	1,547.56	528.32	1,019.24

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 5

	<u>Balance Dec. 31, 2011</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
School Crossing Guards	\$ 100.00	\$ 100.00		\$ 100.00
Salaries and Wages				
Municipal Court	1,500.16	1,500.16	588.00	912.16
Salaries and Wages				
Other Expenses	3,032.53	3,032.53	222.17	2,810.36
Public Defender				
Other Expenses	500.00	500.00		500.00
Road Repairs and Maintenance				
Other Expenses	14,770.28	14,770.28	1,042.00	13,728.28
Trash Removal				
Other Expenses	11,775.47	11,775.47		11,775.47
Recycling (Ch. 102, P.L. 1987)				
Salaries and Wages	7,000.00	7,000.00		7,000.00
Other Expenses	3,822.17	3,822.17		3,822.17
Sanitary Landfill				
Other Expenses	950.00	950.00		950.00
Public Buildings and Grounds				
Salaries and Wages	7,127.30	7,127.30		7,127.30
Other Expenses	1,842.63	1,842.63	829.30	1,013.33
Demolition	900.00	900.00		900.00
Board of Health				
Other Expenses	3,000.00	3,000.00		3,000.00
Soil/Water Testing	450.00	450.00		450.00
Environmental Commission				
Other Expenses	381.75	381.75	350.00	31.75
Administration of Public Assistance				
Relocation Costs	350.00	350.00		350.00

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF APPROPRIATION RESERVES

Sheet 4 of 5

	<u>Balance Dec. 31, 2011</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Federally Mandated Hepatitis Immunization	\$ 490.00	\$ 490.00		\$ 490.00
Other Expenses				
Recreation Department				
Other Expenses	5,020.01	5,020.01		5,020.01
Celebration of Public Event, Anniversary or Holiday				
Other Expenses	380.83	380.83		380.83
Council for the Arts				
Salaries and Wages	138.50	138.50		138.50
Public Employee Awards (N.J.S. 40A:5-31)				
Salaries and Wages	2,600.00	2,600.00	655.94	1,944.06
Other Expenses	250.00	250.00		250.00
Utilities				
Street Lighting	3,055.35	3,055.35	41.28	3,014.07
Natural Gas	3,652.20	3,652.20		3,652.20
Electricity	4,390.08	4,390.08		4,390.08
Water	2,800.40	2,800.40	227.33	2,573.07
Fuel Oil	3,148.22	3,148.22		3,148.22
Gasoline	12,623.84	12,623.84		12,623.84
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	9,539.79	9,539.79		9,539.79
Unemployment Compensation/Disability Insurance (N.J.S. 43:21-3 et seq.)	1,090.07	1,090.07		1,090.07
Total General Appropriations for Municipal Purposes within Caps	<u>235,736.23</u>	<u>235,736.23</u>	<u>21,248.06</u>	<u>214,488.17</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF APPROPRIATION RESERVES

Sheet 5 of 5

OPERATIONS EXCLUDED FROM CAPS

	<u>Balance Dec. 31, 2011</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Recycling Tax	\$ 975.05	\$ 975.05		\$ 975.05
Other Expenses				
Uniform Construction Code - Appropriations Offset by Increased Fee Revenues (N.J.A.C. 5:23-4.17)				
Salaries and Wages	6,677.04	6,677.04		6,677.04
Other Expenses	5,710.88	5,710.88	777.29	4,933.59
Local Matching Funds for Grants	1,000.00	1,000.00		1,000.00
Acquisition of 4WD Police Vehicles	34,999.35	34,999.35	34,999.35	
Total Appropriations excluded from Caps	<u>49,362.32</u>	<u>49,362.32</u>	<u>35,776.64</u>	<u>13,585.68</u>
	\$ 285,098.55	\$ 285,098.55	\$ 57,024.70	\$ 228,073.85
Appropriation Reserves - December 31, 2011	\$ 236,324.54			
Reserve for Encumbrances	<u>48,774.01</u>			
	\$ 285,098.55			

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-12

SCHEDULE OF RESERVE FOR HYBRID

REASSESSMENT PROGRAM

Increased by:			
Budget Appropriations			\$ 85,000.00
Decreased by:			
Disbursements	\$ 45,113.55		
Encumbrances	12,500.00		
		<u>57,613.55</u>	
Balance December 31, 2012			\$ <u><u>27,386.45</u></u>

SCHEDULE OF PAYROLL LIABILITIES

Exhibit A-13

Balance December 31, 2011			\$ 10,513.57
Increased by:			
Receipts			<u>1,557,269.83</u>
			1,567,783.40
Decreased by:			
Disbursements			<u>1,553,342.39</u>
Balance December 31, 2012			\$ <u><u>14,441.01</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-14

SCHEDULE OF TAX OVERPAYMENTS

Balance December 31, 2011		\$	763.42
Increased by:			
Receipts			<u>3,272.78</u>
			4,036.20
Decreased by:			
Refunds	\$	500.00	
Cancelled by Resolution		<u>263.42</u>	
			<u>763.42</u>
Balance December 31, 2012		\$	<u><u>3,272.78</u></u>

SCHEDULE OF PREPAID TAXES

Exhibit A-15

Balance December 31, 2011		\$	104,969.00
Increased by:			
Receipts			<u>154,496.61</u>
			259,465.61
Decreased by:			
Applied to 2012 Taxes	\$	104,969.00	
Refunds		<u>447.55</u>	
			<u>105,416.55</u>
Balance December 31, 2012		\$	<u><u>154,049.06</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-16

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance December 31, 2011:		
School Tax Payable	\$ 971,976.38	
School Tax Deferred	<u>4,431,517.86</u>	\$ 5,403,494.24
Increased by:		
Levy School Year July 1, 2012 - June 30, 2013		<u>11,142,884.00</u>
		16,546,378.24
Decreased by:		
Payments		<u>10,974,939.98</u>
Balance December 31, 2012:		
School Tax Payable	912,738.65	
School Tax Deferred	<u>4,658,699.61</u>	\$ <u>5,571,438.26</u>
2012 Liability for Local District School Tax:		
Tax Paid		\$ 10,974,939.98
Tax Payable December 31, 2012		<u>912,738.65</u>
		11,887,678.63
Less: Tax Payable December 31, 2011		<u>971,976.38</u>
Amount Charged to 2012 Operations		\$ <u>10,915,702.25</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-17

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2011		\$	4,561.86
Increased by:			
County Tax	\$ 2,674,042.49		
County Library Tax	303,124.24		
County Health Tax	109,657.10		
County Open Space Tax	<u>107,128.43</u>		
			<u>3,193,952.26</u>
			<u>3,198,514.12</u>
Decreased by:			
Payments		\$	<u><u>3,198,514.12</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-18

SCHEDULE OF INTERFUND

GRANT FUND

Balance December 31, 2011 - Due From			\$ 40,058.79
Increased by:			
Grant Fund Receivables Deposited in Current Fund	\$ 274,143.15		
Refunds	<u>654.75</u>		
		\$ 274,797.90	
Grant Fund Receivables Cancelled		31,667.22	
2012 Budget Appropriations		<u>214,946.29</u>	
Total Increases			<u>521,411.41</u>
Total Increases and Balances			<u>561,470.20</u>
Decreased by:			
Grant Fund Expenditures Paid by Current Fund:			
Appropriated Reserves		253,564.95	
2012 Anticipated Revenues		199,406.29	
Appropriated Reserves Cancelled		<u>31,667.22</u>	
Total Decreases			<u>484,638.46</u>
Balance December 31, 2012 - Due From			<u>\$ 76,831.74</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-19

SCHEDULE OF GRANTS RECEIVABLE

GRANT FUND

<u>Purpose</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Revenue Realized</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2012</u>
2012 Grant Awards:					
Alcohol Education/Rehabilitation Program	\$ 1,187.19	\$ 1,187.19	\$ 1,187.19		\$
Body Armor Grant	1,550.79	1,550.79	1,550.79		
Bulletproof Vest Partnership Grant	780.00	780.00			780.00
Clean Communities	13,899.84	13,899.84	13,899.84		
Community Development Block Grant - Welcome Center	32,500.00	32,500.00	2,000.00		30,500.00
Drunk Driving Enforcement Fund	3,010.58	3,010.58	3,010.58		
Municipal Alliance on Alcoholism and Drug Abuse	15,740.00	15,740.00			15,740.00
NJ Department of Transportation Municipal Aid - Fort Avenue and Bell Street	75,000.00	75,000.00	51,675.00		23,325.00
Plumsted Senior Center	10,000.00	10,000.00	10,000.00		
Recycling Tonnage Grant	6,040.52	6,040.52	6,040.52		
Safe and Secure Communities Program	30,000.00	30,000.00	30,000.00		
Solid Waste Management Recycling	3,578.00	3,578.00	3,578.00		
Solid Waste Recycling Revenue	5,119.37	5,119.37	5,119.37		
Tourism Grant	1,000.00	1,000.00	1,000.00		
2011 Grant Awards:					
Municipal Alliance on Alcoholism and Drug Abuse	13,126.41		13,019.60	106.81	
NJ Transportation Trust Fund Authority Act - Helen Street and Locust Lane	57,000.00		51,072.13	5,927.87	1,000.00
Ocean County Tourism Grant	1,000.00				
2010 Grant Awards:					
Community Development Block Grant - Volunteer Park	42,500.00		42,500.00		
Cops in Shops	1,853.54		1,270.80	582.74	
2010 Municipal Aid Program - Applegate Lane	26,415.15		16,850.59	9,564.56	
Bulletproof Vest Partnership Grant	2,625.00		1,221.12		1,403.88
2009 Grant Awards:					
NJ Transportation Trust Fund Authority Act - Helen Street	4,042.28		4,042.28		
Bulletproof Vest Partnership Grant	351.00		351.00		
2008 Grant Awards:					
Smart Growth Planning Program	30,019.20		14,533.96	15,485.24	
Bulletproof Vest Partnership Grant	220.38		220.38		
	<u>\$ 179,152.96</u>	<u>\$ 199,406.29</u>	<u>\$ 274,143.15</u>	<u>\$ 31,667.22</u>	<u>\$ 72,748.88</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-20

SCHEDULE OF APPROPRIATED RESERVES

Sheet 1 of 3

GRANT FUND

Grant	Balance Dec. 31, 2011	2012 Budget Appropriations	Reserve for Encumbrances	Paid or Charged	Cancelled	Balance Dec. 31, 2012
Alcohol Education/Rehabilitation Program						
2012 Grant Award	\$ 1,456.24	\$ 1,187.19				\$ 1,187.19
2011 Grant Award	754.10					1,456.24
2010 Grant Award	1,392.29					754.10
2009 Grant Award	2,893.39			1,329.99		1,392.29
2008 Grant Award						1,563.40
Area Plan Grant - Plumsted Senior Center						
2010 Grant Award			5,203.33	5,203.33		
Body Armor Replacement Fund						
2012 Grant Award	618.62	1,550.79		284.92		1,550.79
2011 Grant Award	1,094.08		989.08	1,094.08		1,322.78
2010 Grant Award						
Bulletproof Vest Partnership Grant						
2012 Grant Award		780.00				780.00
2010 Grant Award	709.84			2,054.00		786.76
Clean Communities Program						
2012 Grant Award		13,899.84		13,841.73		58.11
2011 Grant Award	13,306.95			13,306.95		
Community Development Block Grant						
Senior Meeting Room						
2006 Grant Award	537.06					537.06
Community Development Block Grant						
Volunteer Park						
2010 Grant Award			11,847.25	11,847.25		
Community Development Block Grant						
Welcome Center						
2012 Grant Award		32,500.00		2,000.00		30,500.00
Cops in Shops						
2010 Grant Award	868.82			286.08	582.74	
Council for the Arts						
2010 Grant Award	500.00					500.00

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATED RESERVES

Exhibit A-20

Sheet 2 of 3

<u>Grant</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Appropriations</u>	<u>Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2012</u>
Drunk Driving Enforcement Fund						
2012 Grant Award	\$ 4,783.97	\$ 3,010.58	\$	\$ 1,123.96	\$	\$ 3,010.58
2011 Grant Award	3,241.07			3,241.07		3,660.01
2009 Grant Award						
Lombardi Canine Unit						
2005 Grant Award	2,390.67			1,226.57		1,164.10
Municipal Alliance on Alcoholism and Drug Abuse						
2012 Grant Portion		15,740.00		15,636.97		103.03
2012 Matching Portion		4,900.00		4,900.00	6.81	
2011 Grant Portion	6.81					
2011 Matching Portion	734.98			634.98	100.00	
NJ Transportation Trust Fund						
Helen Street and Locust Lane						
2011 Grant Award	49,900.00		7,100.00	51,072.13	5,927.87	
NJ Department of Transportation Municipal Aid						
Fort Avenue and Bell Street						
2012 Grant Award		75,000.00		75,000.00		
Plumsted Senior Center						
2012 Grant Award		10,000.00		10,000.00		
Recycling Revenue Sharing						
2011 Grant Award	9,760.83			3,563.15		6,197.68
Recycling Tonnage Grant						
2012 Grant Award		6,040.52		1.00		6,039.52
2011 Grant Award	4,784.03			4,784.03		
2010 Grant Award	4,898.47			4,898.47		
Safe and Secure Communities Program						
2012 Grant Portion		30,000.00		30,000.00		
2012 Matching Portion		7,500.00		7,500.00		
Smart Growth Planning Program						
2008 Grant Award	3,775.34		74,377.28	62,667.38	15,485.24	
Solid Waste Management Recycling						
2012 Grant Award		3,578.00				3,578.00
Solid Waste Recycling Revenue						
2012 Grant Award		5,119.37				5,119.37

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

FEDERAL AND STATE GRANT FUND

Exhibit A-20

Sheet 3 of 3

SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012 Budget</u> <u>Appropriations</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Grant						
Supplemental Fire Services Program						
2012 Grant Award	\$ 246.52	\$ 2,140.00	\$	\$ 2,140.00	\$	\$ 246.52
2010 Grant Award						
Tourism Grant						
2012 Grant Portion		1,000.00		1,000.00		
2012 Matching Portion		1,000.00		1,000.00		
2010 Municipal Aid Program - Applegate Lane						
2010 Grant Award	<u>8,909.81</u>			<u>(654.75)</u>	<u>9,564.56</u>	
	<u>\$ 117,563.89</u>	<u>\$ 214,946.29</u>	<u>\$ 101,647.86</u>	<u>\$ 330,983.29</u>	<u>\$ 31,667.22</u>	<u>\$ 71,507.53</u>
Reserve for Encumbrances				\$ 78,073.09		
Interfunds:						
Current Fund Receipts				(654.75)		
Current Fund Disbursements				<u>253,564.95</u>		
				<u>\$ 330,983.29</u>		

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH

	<u>Dog License Fund</u>	<u>Trust Other Fund</u>
Balance December 31, 2011	\$ <u>5,986.21</u>	\$ <u>457,104.48</u>
Increased by Receipts:		
Due State of New Jersey	1,798.80	
Reserve for Animal Control Trust Fund Expenditures	11,085.40	
Miscellaneous Reserves		351,034.88
Total Receipts	<u>12,884.20</u>	<u>351,034.88</u>
Total Receipts and Balances	<u>18,870.41</u>	<u>808,139.36</u>
Decreased by Disbursements:		
Due State of New Jersey	1,798.80	
Reserve for Animal Control Trust Fund Expenditures	13,562.59	
Miscellaneous Reserves		323,709.45
Total Disbursements	<u>15,361.39</u>	<u>323,709.45</u>
Balance December 31, 2012	\$ <u><u>3,509.02</u></u>	\$ <u><u>484,429.91</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

TRUST FUND

Exhibit B-2

SCHEDULE OF DUE STATE OF NEW JERSEY

ANIMAL CONTROL TRUST FUND

Increased by:		
Receipts - State Registration Fees		\$ 1,798.80
Decreased by:		
Disbursements - State Registration Fees		\$ <u>1,798.80</u>
ow165		

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

Exhibit B-3

Balance December 31, 2011			\$ 5,802.21
Increased by:			
Dog License Fees Collected	\$ 9,635.40		
Kennel License	50.00		
Restitution	<u>1,400.00</u>		
		\$ 11,085.40	
Encumbrances		<u>184.00</u>	
			<u>11,269.40</u>
			<u>17,071.61</u>
Decreased by:			
Expenditures under R.S. 4:19-15.11		13,562.59	
Reserve for Encumbrances		<u>92.00</u>	
			<u>13,654.59</u>
Balance December 31, 2012			\$ <u>3,417.02</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ <u>10,367.80</u>
2010	<u>10,878.80</u>
	\$ <u>21,246.60</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

TRUST FUND

Exhibit B-4

SCHEDULE OF MISCELLANEOUS RESERVES

	Balance Dec. 31, 2011	Increases	Decreases	Balance Dec. 31, 2012
Tax Sale Premiums	\$ 103,800.00	\$ 19,700.00	\$ 57,200.00	\$ 66,300.00
Performance Bonds	140,966.06	20,174.76	1,820.47	159,320.35
Planning Board Escrow	134,596.56	58,921.70	43,790.00	149,728.26
Curb and Sidewalk Deposits	10,718.83	4,440.00	1,250.00	13,908.83
Lot Grading	4,694.00			4,694.00
Recreation Improvement Contributions	5,500.00	8,174.26	7,495.00	6,179.26
Soil Removal	2,777.75			2,777.75
Parking Offense Adjudication Act	77.00	6.00		83.00
Law Enforcement Trust	859.51	2.66	775.00	87.17
Public Defender	2,114.17	1,885.00	3,500.00	499.17
Green Technology	1,600.00		109.94	1,490.06
Municipal Open Space	24,571.30	212,320.00	208,932.50	27,958.80
Council on the Arts	3,086.40	191.00	300.00	2,977.40
Outside Employment of Off Duty Municipal Police	5,155.41	17,200.00	20,232.50	2,122.91
PT Environmental Commission Donation		760.00	26.79	733.21
September 11, 2001 World Trade Center	1,067.85			1,067.85
Snow Removal		30,000.00		30,000.00
Land Use Education	1,462.00	150.00	104.00	1,508.00
Main Street Program	4,397.55	13,177.50	14,796.13	2,778.92
Municipal Alliance on Alcoholism and Drug Abuse	1,397.09	2,195.00	451.17	3,140.92
	\$ 448,841.48	\$ 389,297.88	\$ 360,783.50	\$ 477,355.86
Receipts				
Disbursements		\$ 351,034.88	\$ 323,709.45	
Interfund - Current Fund		30,000.00		
Reserve for Encumbrances		8,263.00	37,074.05	
		\$ 389,297.88	\$ 360,783.50	

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF GENERAL CAPITAL CASH

Balance December 31, 2011		\$ 487,032.21
Increased by Receipts:		
Fund Balance	\$ 45.00	
Interfund - Current Fund	10,000.00	
Miscellaneous Reserves	8,575.00	
Deferred Charges to Future Taxation Unfunded	<u>40,000.00</u>	
		<u>58,620.00</u>
Decreased by Disbursements:		
Bond Anticipation Notes	400,000.00	
Improvement Authorizations	107,765.31	
Miscellaneous Reserves	<u>10,201.64</u>	
		<u>517,966.95</u>
Balance December 31, 2012		\$ <u><u>27,685.26</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO

FUTURE TAXATION - FUNDED

Balance December 31, 2011	\$ 193,568.69
Decreased by:	
Green Trust Loans Paid by Open Space Trust Fund	<u>19,445.41</u>
Balance December 31, 2012	<u>\$ 174,123.28</u>

SCHEDULE OF DEFERRED CHARGES TO

FUTURE TAXATION - FUNDED FOR LOAN

Exhibit C-5

Increased by:	
Downtown Business Loan Issued	\$ 528,294.76
Decreased by:	
2012 Budget Appropriation to Pay Downtown Business Loan	<u>40,000.00</u>
Balance December 31, 2012	<u>\$ 488,294.76</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

Exhibit C-6

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Date	Improvement Description	Analysis of Balance Dec. 31, 2012							
			Balance Dec. 31, 2011	2012 Authorizations	Decreases	Balance Dec. 31, 2012	Bond Anticipation Notes	Refunding Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
02-02	1/28/2002	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	\$ 830,127.09 766,199.00	\$	\$ 340,000.00 258,115.00	\$ 490,127.09 508,084.00	\$	\$	\$	\$ 490,127.09 361,632.11
08-11 09-07	8/06/2008 4/01/2009	Various Capital Improvements Preliminary Expenses in Connection with the Redevelopment Plans	750,000.00			750,000.00	350,000.00			400,000.00
11-08	11/23/2011	Payments of Amounts Owning to Others for Taxes Levied	240,000.00		73,000.00	167,000.00		145,000.00		22,000.00
12-15	10/03/2012	Payments of Amounts Owning to Others for Taxes Levied		282,000.00		282,000.00		282,000.00		
			<u>\$ 2,586,326.09</u>	<u>\$ 282,000.00</u>	<u>\$ 671,115.00</u>	<u>\$ 2,197,211.09</u>	<u>\$ 482,768.00</u>	<u>\$ 427,000.00</u>	<u>\$ 13,683.89</u>	<u>\$ 1,273,759.20</u>

Improvement Authorizations - Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes:

Ordinance Number	Improvement Description	Amount
12-15	Payments of Amounts Owning to Others for Taxes Levied	\$ 211,795.00
		40,000.00
		119,320.00
		<u>300,000.00</u>
		<u>\$ 671,115.00</u>

Notes Paid by Budget Appropriation
Funded by Open Space Trust Fund
Improvement Authorizations Funded
Prior Year Adjustment

10,000.00
\$ 1,273,759.20

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

Exhibit C-7

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
08-11	Various Capital Improvements Preliminary Expenses in Connection with the Redevelopment Plans	\$ 444,925.00	9/30/2008	9/28/2012	9/27/2013	4.00%	\$ 271,563.00	\$ 138,795.00	\$ 132,768.00
09-07		750,000.00	1/26/2010	9/28/2012	9/27/2013	4.00%	750,000.00	400,000.00	350,000.00
							<u>\$ 1,021,563.00</u>	<u>\$ 538,795.00</u>	<u>\$ 482,768.00</u>
	Note not Renewed							\$ 400,000.00	
	Paid by Budget Appropriation							<u>138,795.00</u>	
								<u>\$ 538,795.00</u>	

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-8

SCHEDULE OF REFUNDING BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
11-08	Payments of Amounts Owing to Others for Taxes Levied	\$ 218,000.00	12/29/2011	12/28/2012	12/27/2013	1.17%	\$ 218,000.00	\$	\$ 73,000.00	\$ 145,000.00
12-15	Payments of Amounts Owing to Others for Taxes Levied	282,000.00	12/27/2012	12/28/2012	12/27/2013	1.17%		282,000.00		282,000.00
							\$ 218,000.00	\$ 282,000.00	\$ 73,000.00	\$ 427,000.00

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Exhibit C-9

Sheet 1 of 4

	Balance Dec. 31, 2011	Decreased	Balance Dec. 31, 2012
Recreation Complex Improvement	\$ 97,890.84	\$ 4,281.80	\$ 93,609.04
Recreation Park Development 2	38,271.04	6,065.43	32,205.61
Oakford Lake Park Development	<u>57,406.81</u>	<u>9,098.18</u>	<u>48,308.63</u>
	\$ <u>193,568.69</u>	\$ <u>19,445.41</u>	\$ <u>174,123.28</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Exhibit C-9

Sheet 2 of 4

Recreation Complex Improvement

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>
4	4/25/2013	\$ 2,173.07	\$ 936.09
5	10/25/2013	2,194.80	914.36
6	4/25/2014	2,216.75	892.41
7	10/25/2014	2,238.92	870.24
8	4/25/2015	2,261.30	847.86
9	10/25/2015	2,283.92	825.24
10	4/25/2016	2,306.76	802.40
11	10/25/2016	2,329.82	779.34
12	4/25/2017	2,353.12	756.04
13	10/25/2017	2,376.65	732.51
14	4/25/2018	2,400.42	708.74
15	10/25/2018	2,424.42	684.74
16	4/25/2019	2,448.67	660.49
17	10/25/2019	2,473.16	636.00
18	4/25/2020	2,497.89	611.27
19	10/25/2020	2,522.87	586.29
20	4/25/2021	2,548.09	561.07
21	10/25/2021	2,573.58	535.58
22	4/25/2022	2,599.31	509.85
23	10/25/2022	2,625.30	483.86
24	4/25/2023	2,651.56	457.60
25	10/25/2023	2,678.07	431.09
26	4/25/2024	2,704.85	404.31
27	10/25/2024	2,731.90	377.26
28	4/25/2025	2,759.22	349.94
29	10/25/2025	2,786.81	322.35
30	4/25/2026	2,814.68	294.48
31	10/25/2026	2,842.83	266.33
32	4/25/2027	2,871.26	237.90
33	10/25/2027	2,899.97	209.19
34	4/25/2028	2,928.97	180.19
35	10/25/2028	2,958.26	150.90
36	4/25/2029	2,987.84	121.32
37	10/25/2029	3,017.72	91.44
38	4/25/2030	3,047.90	61.26
39	10/25/2030	3,078.38	30.78
Total		\$ <u>93,609.04</u>	\$ <u>18,320.72</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Exhibit C-9

Sheet 3 of 4

Recreation Park Development 2

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>
26	2/19/2013	\$ 3,078.28	\$ 322.06
27	8/19/2013	3,109.06	291.27
28	2/19/2014	3,140.15	260.18
29	8/19/2014	3,171.56	228.78
30	2/19/2015	3,203.27	197.07
31	8/19/2015	3,235.30	165.03
32	2/19/2016	3,267.66	132.68
33	8/19/2016	3,300.33	100.00
34	2/19/2017	3,333.34	67.00
35	8/19/2017	3,366.67	33.67
		<u>32,205.62</u>	<u>1,797.74</u>
Rounding		<u>(.01)</u>	<u>.01</u>
Total		\$ <u><u>32,205.61</u></u>	\$ <u><u>1,797.75</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Exhibit C-9

Sheet 4 of 4

Oakford Lake Park Improvements

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>
26	2/19/2013	\$ 4,617.44	\$ 483.09
27	8/19/2013	4,663.61	436.91
28	2/19/2014	4,710.25	390.28
29	8/19/2014	4,757.35	343.17
30	2/19/2015	4,804.93	295.60
31	8/19/2015	4,852.98	247.55
32	2/19/2016	4,901.51	199.02
33	8/19/2016	4,950.52	150.01
34	2/19/2017	5,000.03	100.50
35	8/19/2017	5,050.03	50.50
		<u>48,308.65</u>	<u>2,696.63</u>
Rounding		<u>(.02)</u>	<u>.02</u>
Total		<u>\$ 48,308.63</u>	<u>\$ 2,696.65</u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

Exhibit C-10

GENERAL CAPITAL FUND

SCHEDULE OF LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loan Outstanding Dec. 31, 2012		Increased	Paid by Budget Appropriation	Balance Dec. 31, 2012
			Date	Amount			
Downtown New Egypt Improvements	12/15/2011	\$ 528,294.76	12/15/2013-25	\$ 35,219.65	\$ 528,294.76	\$ 40,000.00	\$ 488,294.76
			12/15/2026	35,219.66			
					\$ 528,294.76	\$ 40,000.00	\$ 488,294.76

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2011		Reserve for Encumbrances	Paid or Charged	Cancelled	Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
91-11	Acquisition/Construction of Municipal Complex	6/24/1991	\$ 2,810,000.00	\$ 1,204.35	\$	\$ 93,036.98	\$ 92,893.28	\$	\$ 1,348.05	\$
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	1/28/2002	2,500,000.00	661,936.61		13,468.00	15,413.32	119,320.00	171,809.52	490,127.09
08-11	Various Capital Improvements	8/06/2008	977,170.00	482,897.43						361,632.11
09-07	Preliminary Expenses in Connection With the Redevelopment Plans	4/01/2009	750,000.00	477,181.55		7,730.81	84,912.36			400,000.00
11-08	Payments of Amounts Owing to Others for Taxes Levied	11/23/2011	240,000.00	32,000.00			10,000.00			22,000.00
12-15	Payments of Amounts Owing to Others for Taxes Levied	10/03/2012	282,000.00		282,000.00		272,000.00			10,000.00
				\$ 1,204.35	\$ 1,654,015.59	\$ 114,235.79	\$ 475,218.96	\$ 119,320.00	\$ 173,157.57	\$ 1,283,759.20
	Reserve for Encumbrances						\$ 95,453.65			
	Interfund - Current Fund						272,000.00			
	Disbursements						107,765.31			
							\$ 475,218.96			

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF MISCELLANEOUS RESERVES

<u>Description</u>	<u>Balance Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
Curbs and Sidewalks	\$ 41,771.76			\$ 41,771.76
Recreation Facility	.89	343.00	343.00	.89
Acquisition of Public Works Equipment	23.26		23.26	
Various Road Improvements	7,384.50	3,915.24	11,299.74	
Natural Lands Trust	250.00			250.00
Oak Lake Park Dam		253.75		253.75
Acquisition of and Improvements to Parking Lots		2,239.50	2,239.50	7,600.00
Improvements to Municipal Building		8,575.00	975.00	5,000.00
Emergency Management Van	5,000.00			
	<u>\$ 54,430.41</u>	<u>\$ 15,326.49</u>	<u>\$ 14,880.50</u>	<u>\$ 54,876.40</u>
Receipts		\$ 8,575.00		
Disbursements			10,201.64	
Reserve for Encumbrances		6,751.49	4,655.60	
Cancelled			<u>23.26</u>	
		<u>\$ 15,326.49</u>	<u>\$ 14,880.50</u>	

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-13

SCHEDULE OF INTERFUND - CURRENT FUND

Increased by:		
Tax Appeal Notes Issued		\$ 282,000.00
Decreased by:		
Receipts	\$ 10,000.00	
Charge Improvement Authorization for Tax		
Appeal Notes	272,000.00	
Cancel Miscellaneous Reserve	<u>23.26</u>	
		<u>282,023.26</u>
Balance December 31, 2012		\$ <u><u>(23.26)</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-14

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Balance Dec. 31, 2012</u>
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic Farmland Preservation and Other Related Expenses	\$ 490,127.09 375,316.00
08-11	Various Capital Improvements	
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	400,000.00
11-08	Payments of Amounts Owing to Others for Taxes Levied	<u>22,000.00</u>
		<u>\$ 1,287,443.09</u>

TOWNSHIP OF PLUMSTED

COUNTY OF OCEAN

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2012

William E. Antonides and Company
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM E. ANTONIDES, C.P.A., R.M.A., P.S.A.
WILLIAM E. ANTONIDES, JR., C.P.A., R.M.A., P.S.A.

EDWARD J. SIMONE, C.P.A., R.M.A., P.S.A.

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

Honorable Mayor and Members
of the Township Committee
Township of Plumsted
County of Ocean
New Egypt, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - regulatory basis of the Township of Plumsted, (the "Township"), in the County of Ocean, State of New Jersey, as of and for the years ended December 31, 2012 and 2011, as listed in the table of contents, and the related notes to the financial statements, which collectively comprise the Township's financial statements, and have issued our report thereon dated July 12, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters that we reported in the comments and recommendations section of this report and in a separate letter to management of the Township dated July 12, 2013.

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.

William E. Antonides and Company

Independent Auditors

Wall Township, New Jersey
July 12, 2013

TOWNSHIP OF PLUMSTED

COUNTY OF OCEAN

PART IV

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

An audit of the financial accounts and transactions of the Township of Plumsted, in the County of Ocean, for the year ended December 31, 2012 has recently been completed. The results of the audit are herewith set forth.

SCOPE OF AUDIT

The audit covered the financial transactions of the Chief Financial Officer, Tax Collector, the activities of the Mayor and Township Committee, and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statement of Revenues and Schedule of Revenue Accounts Receivable are presented as recorded in the Township records.

All material items of revenue and receipts were established and verified as to source and amount where practical.

GENERAL COMMENTS

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

N.J.S. 40A:11-4a 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 amount set forth pursuant to the above statute was \$17,500 for municipalities without a qualified purchasing agent (QPA) and \$36,000 with a qualified purchasing agent. In 2012, it was noted that the Division of Local Government Services adopted a temporary rule that permits municipalities to increase their bid threshold to \$26,000 for a person meeting certain eligibility requirements for the future anticipated QPA certification exam. The Township's bid threshold was \$36,000 for the year under audit.

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

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

Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4a (Continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures revealed one contract in excess of the statutory limit where bids had not been previously sought by public advertisement and where a resolution had not been previously adopted under the provisions of N.J.S.A. 40A:11-4.

Contracts or Agreements not Required to be Advertised per N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount... the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable."

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

Our review of expenditures did not reveal any compliance exceptions pertaining bids and/or quotes.

Collection of Interest on Delinquent Taxes

N.J.S. 54:4-67, as amended, provides 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 on January 3, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of Plumsted, County of Ocean, State of New Jersey as follows:

1. The Tax collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes or unpaid assessments becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date, subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is or unpaid assessments in excess of \$10,000.00 and remains in arrears beyond December 31st of the tax year, an additional penalty of 6% shall be charged against the delinquency.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 18, 2012 and was complete except for those properties in bankruptcy.

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

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

<u>Year</u>	<u>Number of Liens</u>
2012	10
2011	11
2010	5

Miscellaneous

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Chief Financial Officer, as well as with independent lists made part of this audit.

A report summarizing collections of Dog License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

Individual payments to the Local School District Tax by the municipality were confirmed as received by the Secretary of the Board of Education for the year 2012.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary of synopsis of this report was prepared for publication and filed with the Township Clerk.

FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards our procedures included a review of all prior year findings. Findings 2011-01, 2011-02 and 2011-05 were not corrected in 2011 and appear as Findings 2012-01, 2012-02 and 2012-04 for the period under audit. Finding 2011-03 regarding Construction Code Fees and Finding 2011-04 regarding the Foreclosed Property Register were addressed in 2012.

FINDINGS/RECOMMENDATIONS

Purchasing System

12-01 Finding - A compliance review of expenditures revealed that funds were disbursed in excess of the statutory bid limit for the purchase of gasoline where bids had not been previously sought by public advertisement.

Criteria - N.J.S. 40A:11-4 states, every contract awarded, the cost of which in the aggregate exceeds the bid threshold shall be awarded to the lowest responsible bidder after public advertising for bids.

Recommendation - That the Township strengthen the internal controls for purchasing procedures.

Municipal Court

12-02 Finding - There were forty-three tickets assigned to an officer that were not issued within six months.

Criteria - In accordance with the Administrative Office of the Courts, all tickets assigned over six months should be recalled.

Recommendation - That all tickets assigned and not issued within six months be recalled.

12-03 Finding - There were five warrants with a 2011 court date listed on the Eligible for Warrant (Moving) Report.

Criteria - In accordance with the Administrative Office of the Courts, these cases should be promptly processed to complete ticket processing follow-up procedures.

Recommendation - That procedures be implemented to insure that moving tickets and criminal complaints be processed promptly.

Cash Deficits

12-04 Finding - The General Capital Fund Analysis of Cash reflects a cash deficit over five years old for ordinance 02-02.

Criteria - Capital ordinances over five years old should have enough cash to fund the specific project in accordance with the amount authorized by the adopted ordinance.

Recommendation - That adequate cash funding be obtained either through the issuance of debt or the raising of said deficit in the budget to provide for capital expenditures.

Storage and Towing Fees

12-05 Finding - Deposits were not made within the required forty-eight (48) hours in all instances. Towing fees were collected for the months of February, March and April. No towing fees were deposited during these months.

Criteria - N.J.S.A. 40A-5-15 requires that funds collected be deposited within forty-eight (48) hours.

Recommendation - That all funds received by the Township be deposited within forty-eight (48) hours.

12-06 Finding - Storage fees were not charged in accordance with the ordinance adopted by the Township. Some storage fees were charged at a rate of twenty-five dollars (\$25.00) per day.

Criteria - In accordance with Ordinance No. 2011-06 the storage fee for the impound area will be on hundred dollars (\$100.00) per day.

Recommendation - That all storage fees be charged in accordance with the ordinance.

12-07 Finding - Storage fees were collected by the Township and turned over to a third party.

Criteria - All funds received by the Township should be deposited to the credit of the Township.

Recommendation - That all funds received by the Township be deposited to the credit of the Township.

ACKNOWLEDGMENT

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the audit.

The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please contact us at your earliest opportunity.

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