

**TOWNSHIP OF PLUMSTED**

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2013**



**TOWNSHIP OF PLUMSTED  
COUNTY OF OCEAN**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the  
Township Committee  
Township of Plumsted  
County of Ocean  
New Egypt, New Jersey 08224

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

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Plumsted, County of Ocean, State of New Jersey as of December 31, 2013, and the related comparative statements of operations and changes in fund balance--regulatory basis for the year then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2013.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As discussed in Note 1 to the financial statements, the Township of Plumsted prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

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

### **Unmodified Opinion on Regulatory Basis of Accounting**

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

### **Other Matters**

#### **Report on Supplementary Information**

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **Prior Period Financial Statements**

The financial statements as of December 31, 2012, were audited by other auditors whose report dated July 12, 2013 expressed an adverse opinion on generally accepted accounting principles and a unmodified opinion on the regulatory basis of accounting.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, on our consideration of the Township of Plumsted's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Plumsted's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #435

June 27, 2014  
Medford, New Jersey

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

The Honorable Mayor and Members of the  
Township Committee  
Township of Plumsted  
County of Ocean  
New Egypt, New Jersey 08224

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Plumsted (herein referred to as “the Township”), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements, and have issued our report thereon dated [redacted] in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding's 2013-01.

## **Response to Findings**

Township of Plumsted's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. Township of Plumsted's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #435

June 27, 2014  
Medford, New Jersey

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**Exhibit A  
Sheet 1 of 2**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2013 AND 2012**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Current Fund:			
Cash	A-4	\$ 1,893,983.68	\$ 1,829,429.21
Change Fund		600.00	600.00
		<u>1,894,583.68</u>	<u>1,830,029.21</u>
Receivables with Full Reserves:			
Foreclosed Property		196,900.00	196,900.00
Interfunds:			
Trust Fund	A-4	9,850.00	
General Capital Fund	A-4		23.26
Property Taxes Receivable	A-5		5,975.25
Tax Title Liens Receivable	A-6	4,487.69	12,660.75
Revenue Accounts Receivable	A-7	2,659.38	3,156.20
		<u>213,897.07</u>	<u>218,715.46</u>
Deferred Charges:			
Special Emergency Authorizations (N.J.S. 40A:4-53)	A-8	56,666.00	85,000.00
Due From State of New Jersey: Chapter 20, P.L. 1971		230.14	
		<u>56,896.14</u>	<u>85,000.00</u>
		<u>2,165,376.89</u>	<u>2,133,744.67</u>
Grant Fund:			
Interfund - Current Fund	A-13	62,068.33	76,831.74
Grants Receivable	A-14	177,718.72	72,748.88
		<u>239,787.05</u>	<u>149,580.62</u>
		\$ <u>2,405,163.94</u>	\$ <u>2,283,325.29</u>

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

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**Exhibit A  
Sheet 2 of 2**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2013 AND 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Current Fund:			
Appropriation Reserves	A-3	\$ 191,301.05	\$ 89,342.79
Reserve for Encumbrances	A-3	48,449.06	33,055.92
Due State of New Jersey:			
Chapter 20, P.L. 1971			269.86
Fees Collected	A-4	6,730.00	225.00
Payroll Liabilities	A-4	1,136.27	14,441.01
Tax Overpayments	A-4, 5	1,527.00	3,272.78
Prepaid Taxes	A-1,4,5	94,684.74	154,049.06
Reserve For SRO PFRS Pension Liability	A-4	2,055.46	
Prepaid State Aid	A-7		5,099.00
Special Emergency Note Payable	A-8	56,666.00	85,000.00
Reserve for Hybrid Reassessment Program	A-10	10,626.70	27,386.45
Local District School Tax Payable	A-11	636,278.65	912,738.65
County Taxes Payable	A-12	2,718.67	
Interfunds:			
General Capital Fund	A-3	8,000.00	
Trust Fund	A-4		30,000.00
Grant Fund	A-13	62,068.33	76,831.74
		<u>1,122,241.93</u>	<u>1,431,712.26</u>
Reserve for Receivables		213,897.07	218,715.46
Fund Balance	A-1	829,237.89	483,316.95
		<u>2,165,376.89</u>	<u>2,133,744.67</u>
Grant Fund:			
Reserve for Encumbrances	A-15	124,310.56	78,073.09
Appropriated Reserves	A-15	113,378.18	71,507.53
Unappropriated Reserves	A-16	2,098.31	
		<u>239,787.05</u>	<u>149,580.62</u>
		\$ <u>2,405,163.94</u>	\$ <u>2,283,325.29</u>

There were deferred school taxes on December 31, 2013 and 2012 of \$5,133,699.61 and \$4,658,699.61, respectively (Schedule A-11).

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

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-1**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE**

**Sheet 1 of 2**

**IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 464,585.00	\$ 359,193.75
Miscellaneous Revenue Anticipated	A-2	1,291,703.98	1,314,410.77
Receipts from Current Taxes	A-2	18,061,454.26	16,961,433.65
Non-Budget Revenues	A-2	112,398.46	75,175.17
Other Credits to Income:			
Reimburse Fund Balance Tax Appeal Notes Issued			272,000.00
Unexpended Balance of Appropriation Reserves	A-9	76,392.94	228,073.85
Cancel Reserve for Due from Police Association			816.49
Cancel General Capital Reserve Balance	A		23.26
Cancelled Tax Overpayments			263.42
Canceled Prepaid Taxes		15.65	
Cancelled Federal and State Grant Appropriated Reserves	A-13	1,037.06	31,667.22
Total Income		<u>20,007,587.35</u>	<u>19,243,057.58</u>
<b><u>Expenditures</u></b>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		1,115,666.41	1,088,770.41
Other Expenses		1,068,262.04	1,060,390.50
Deferred Charges and Statutory Expenditures		334,256.00	324,242.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		55,500.00	72,620.00
Other Expenses		323,144.93	262,166.29
Capital Improvements		69,999.00	44,999.00
Municipal Debt Service		369,686.97	297,815.27
Deferred Charges		28,334.00	7,400.00
	A-3	<u>3,364,849.35</u>	<u>3,158,403.47</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**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE**

**Sheet 2 of 2**

**IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Fire District Taxes	A-4	\$ 1,441,545.00	\$ 1,287,700.00
Municipal Open Space Taxes	A-4	157,181.99	211,052.00
Local District School Taxes	A-11	11,064,957.00	10,915,702.25
County Taxes	A-12	3,158,721.33	3,193,952.26
Cancelled Federal and State Grant Receivable			31,667.22
Interfund Loans			23.26
Interfund Advances		9,826.74	
Total Expenditures		<u>19,197,081.41</u>	<u>18,798,500.46</u>
Excess in Revenue		810,505.94	444,557.12
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>810,505.94</u>	<u>529,557.12</u>
Fund Balance January 1	A	<u>483,316.95</u>	<u>312,953.58</u>
		1,293,822.89	842,510.70
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>464,585.00</u>	<u>359,193.75</u>
Fund Balance December 31	A	<u>\$ 829,237.89</u>	<u>\$ 483,316.95</u>

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

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

Exhibit A-2  
Sheet 1 of 3

		Anticipated			
Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)	\$
A-1	\$ 464,585.00	\$	\$ 464,585.00	\$	\$
Fund Balance Anticipated					
<b>Miscellaneous Revenues</b>					
Licenses					
Alcoholic Beverages	10,300.00		10,150.00	(150.00)	
Other	6,150.00		7,487.00	1,337.00	
Fees and Permits	84,049.90		86,792.80	2,742.90	
Fines and Costs					
Municipal Court	71,500.00		57,202.16	(14,297.84)	
Interest and Costs on Taxes	35,000.00		39,720.80	4,720.80	
Interest on Investments and Deposits	8,000.00		3,164.97	(4,835.03)	
Cable Television Franchise Fee	23,586.32		23,586.32		
Police Towing Fees	15,000.00		34,202.00	19,202.00	
Energy Receipts Tax	447,223.00		447,223.00		
Transitional Aid	140,000.00		140,000.00		
Garden State Trust Fund	5,099.00		5,099.00		
Rental/Smoke Detector Inspections	13,000.00		17,925.00	4,925.00	
Uniform Construction Code Fees	96,000.00		113,230.00	17,230.00	
Alcohol Education/Rehabilitation Program		1,055.49	1,055.49		
Bulletproof Vest Partnership Program		1,157.64	1,157.64		
Clean Communities Program		16,319.53	16,319.53		
Ocean County JIF Police Accreditation Program		20,000.00	20,000.00		
Drunk Driving Enforcement Fund		2,888.50	2,888.50		
Municipal Alliance on Alcoholism and Drug Abuse	15,740.00		15,740.00		
NJ DOT 2013 Mount Holly Drive		160,000.00	160,000.00		
Plumsted Senior Center	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**

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

**Exhibit A-2  
Sheet 2 of 3**

	<u>Anticipated</u>		<u>Special</u>	<u>Realized</u>	<u>Excess or</u>
	<u>Budget</u>	<u>40A:4-87</u>	<u>N.J.S.</u>		<u>(Deficit)</u>
<u>Ref.</u>					
Ocean County Recycling Revenue Share		\$	4,927.65	4,927.65	\$
Recycling Tonnage Grant			17,332.12	17,332.12	
Safe and Secure Communities Program	30,000.00			30,000.00	
Ocean County Tourism Grant	1,000.00			1,000.00	
Ocean County Cultural and Heritage	500.00			500.00	
General Capital Fund Balance	25,000.00			25,000.00	
Total Miscellaneous Revenues	<u>1,037,148.22</u>		<u>223,680.93</u>	<u>1,291,703.98</u>	<u>30,874.83</u>
Subtotal General Revenue	1,501,733.22		223,680.93	1,756,288.98	30,874.83
Amount to be Raised by Taxes for Support of Municipal Budget	1,756,448.00			1,881,008.09	124,560.09
Budget Totals	<u>3,258,181.22</u>		<u>223,680.93</u>	<u>3,637,297.07</u>	<u>155,434.92</u>
Non-Budget Revenues				112,398.46	112,398.46
	\$	\$	\$	\$	\$
	<u>3,258,181.22</u>	<u>223,680.93</u>	<u>223,680.93</u>	<u>3,749,695.53</u>	<u>267,833.38</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**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

Exhibit A-2

Sheet 3 of 3

	<b><u>Ref.</u></b>	<b><u>Realized</u></b>
<b><u>Analysis of Realized Revenues</u></b>		
<b><u>Allocation of Current Collections</u></b>		
Revenue from Collections	A-1,5	\$ 18,061,454.26
Less: Allocated to School, County, Fire and Municipal Open Space District	A-5	16,297,405.32
Balance for Support of Municipal Budget Appropriations		<u>1,764,048.94</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	116,959.15
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>\$ 1,881,008.09</u>
 <b><u>Analysis of Non-Budget Revenue</u></b>		
Clerk		\$ 1,260.40
Police Reports		934.97
Recycling		4,473.46
Construction Code		3,100.00
FEMA Reimbursements		41,531.01
Pinelands Codification		5,000.00
JIF Dividend		6,513.07
Premiums Escheated		1,300.00
Proceeds from Sale of Municipal Assets		11,500.00
Payment in Lieu of Taxes		1,260.00
Senior Citizen and Veteran Deduction Admin. Fees		1,468.27
Reimbursements Finance Department		6,082.96
		<u>11,299.90</u>
	A-4	95,724.04
Delinquent Taxes:		
2012 Taxes	A-5	\$ 3,587.83
Tax Title Liens	A-6	<u>13,086.59</u>
		<u>16,674.42</u>
	A-2	<u>\$ 112,398.46</u>

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

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

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

Exhibit A-3  
Sheet 1 of 8

	<u>Appropriated</u>		<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>			<u>Paid or Charged</u>	<u>Reserved</u>	
<b><u>General Government</u></b>						
Shared Services	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	\$	\$
Other Expenses						
Mayor and Township Committee						
Salaries and Wages	5.00	5.00	5.00	5.00		
Other Expenses	1,600.00	1,600.00	1,600.00	1,504.95	95.05	
Municipal Clerk						
Salaries and Wages	97,450.00	97,450.00	97,450.00	91,736.79	5,713.21	
Other Expenses	27,950.00	27,950.00	27,950.00	23,916.45	4,033.55	
Assessment Search Officer						
Salaries and Wages	4,068.79	4,068.79	4,068.79	4,066.66	2.13	
Financial Administration						
Salaries and Wages	73,200.00	73,950.00	73,950.00	73,935.83	14.17	
Other Expenses	9,250.00	9,250.00	9,250.00	9,247.36	2.64	
Audit Services	26,000.00	26,000.00	26,000.00	23,695.00	2,305.00	
Assessment of Taxes						
Salaries and Wages	47,700.00	47,700.00	47,700.00	47,680.62	19.38	
Other Expenses	5,125.00	5,125.00	5,125.00	5,117.75	7.25	
Collection of Taxes						
Salaries and Wages	59,300.00	59,600.00	59,600.00	59,578.26	21.74	
Other Expenses	9,325.00	9,325.00	9,325.00	9,235.49	89.51	
Tax Search Officer						
Salaries and Wages	2,435.20	2,435.20	2,435.20	2,435.20		
Legal Services and Costs						
Other Expenses	65,000.00	65,000.00	65,000.00	38,743.78	26,256.22	
Engineering Services and Costs						
Other Expenses	6,500.00	6,500.00	6,500.00	2,872.00	3,628.00	

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

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

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

Exhibit A-3  
 Sheet 2 of 8

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Downtown Economic Development	\$	9,760.00	\$	9,760.00	\$	70.26
Salaries and Wages				9,689.74		
Other Expenses		6,000.00		4,543.61		1,456.39
Senior Outreach Services						
Other Expenses		100.00		95.35		4.65
Municipal Land Use Law (N.J.S. 40:55D-1 et seq.)						
Planning Board						
Salaries and Wages		5,000.00		4,600.00		400.00
Other Expenses		5,650.00		2,175.02		3,474.98
Zoning Officer						
Salaries and Wages		8,181.76		8,181.16		.60
Mobile Home Inspector						
Salaries and Wages		2,959.66		2,956.98		2.68
Rental Inspections						
Salaries and Wages		12,000.00		10,533.75		1,466.25
Insurance						
General Liability		66,626.00		66,331.00		295.00
Workers Compensation		68,940.04		68,940.04		
Employee Group Health Insurance		334,116.00		304,762.19		19,703.81
Insurance						
Vision Program		2,500.00		1,367.83		1,132.17
Dental Program		13,000.00		12,599.88		400.12
Health Benefit Waiver		10,000.00		10,596.85		3.15
Other Insurance		6,000.00		1,442.00		4,558.00
Public Safety Director						
Salaries and Wages		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**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

Exhibit A-3  
 Sheet 3 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Charged</u>	<u>Balance</u>
		<u>Modification</u>	<u>Reserved</u>		<u>Cancelled</u>
<b><u>Public Safety</u></b>					
Police					
Salaries and Wages	\$ 736,750.00	\$ 736,750.00	\$ 716,297.50	\$ 20,452.50	\$
Other Expenses	49,586.00	56,586.00	56,580.05	5.95	
Emergency Management Services					
Salaries and Wages	6,905.00	6,905.00	6,904.30	.70	
Other Expenses	3,150.00	3,150.00	1,850.92	1,299.08	
School Crossing Guards					
Salaries and Wages	100.00	100.00		100.00	
Municipal Court					
Salaries and Wages	39,300.00	32,350.00	27,100.00	5,250.00	
Other Expenses	11,775.00	15,575.00	13,170.72	2,404.28	
Public Defender (P.L. 1997, C. 256)					
Other Expenses	500.00	1,150.00	1,125.59	24.41	
<b><u>Streets and Roads</u></b>					
Road Repairs and Maintenance					
Other Expenses	20,000.00	20,000.00	14,295.57	5,704.43	
Snow Removal					
Other Expenses	40,000.00	40,000.00	35,139.52	4,860.48	
<b><u>Sanitation</u></b>					
Recycling (Ch. 102, P.L. 1987)					
Salaries and Wages	5,000.00	5,000.00		5,000.00	
Other Expenses	1,400.00	1,400.00	9.77	1,390.23	
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	4,431.37	7,018.63	
Other Expenses	30,100.00	33,100.00	32,773.41	326.59	
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**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

Exhibit A-3  
 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>	
<b><u>Health and Welfare</u></b>					
Board of Health					
Other Expenses	\$ 5,000.00	\$ 5,000.00	\$	\$ 5,000.00	\$
Soil/Water Testing	450.00	450.00		450.00	
Environmental Commission					
Other Expenses	1,295.00	1,295.00	790.00	505.00	
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	
<b><u>Recreation and Education</u></b>					
Recreation Department					
Other Expenses	15,440.00	15,440.00	15,028.71	411.29	
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	2,625.00	2,625.00	742.45	1,882.55	
Council for the Arts					
Other Expenses	1,000.00	1,000.00	520.84	479.16	
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	
<b><u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u></b>					
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**

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

Exhibit A-3

Sheet 5 of 8

	<u>Appropriated</u>		<u>Expended</u>	<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		
<b><u>Unclassified</u></b>				
Utilities				
Street Lighting	\$ 60,000.00	\$ 60,000.00	\$ 59,997.40	\$ 2.60
Natural Gas	8,000.00	8,000.00	5,937.01	2,062.99
Electricity	32,000.00	32,000.00	24,347.88	7,652.12
Telephone	29,026.00	29,026.00	28,737.31	288.69
Water	4,000.00	4,500.00	4,059.32	440.68
Fuel Oil	8,000.00	8,000.00	3,710.56	4,289.44
Gasoline	50,000.00	50,000.00	41,978.34	8,021.66
Contingent	2,000.00	2,000.00	2,000.00	2,000.00
Total Operations within Caps	<u>2,183,928.45</u>	<u>2,183,928.45</u>	<u>2,015,459.08</u>	<u>168,469.37</u>
Detail:				
Salaries and Wages	1,121,566.41	1,115,666.41	1,070,134.16	45,532.25
Other Expenses	1,062,362.04	1,068,262.04	945,324.92	122,937.12
<b><u>STATUTORY EXPENDITURES WITHIN CAPS</u></b>				
Contribution to:				
Public Employees' Retirement System of New Jersey	68,822.00	68,822.00	68,822.00	
Social Security System (O.A.S.I.)	110,000.00	110,000.00	95,424.98	14,575.02
Police and Firemen's Retirement System of New Jersey	145,134.00	145,134.00	145,134.00	
Unemployment Compensation Disability Insurance (N.J.S. 43:21-3 et seq.)	8,500.00	8,500.00	6,732.65	1,767.35
Defined Contribution Retirement Program	1,800.00	1,800.00	1,294.91	505.09
Total Deferred Charges and Statutory Expenditures within Caps	<u>334,256.00</u>	<u>334,256.00</u>	<u>317,408.54</u>	<u>16,847.46</u>
Total Appropriations within Caps	<u>2,518,184.45</u>	<u>2,518,184.45</u>	<u>2,332,867.62</u>	<u>185,316.83</u>

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

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

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

Exhibit A-3

Sheet 6 of 8

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>						
Employee Group Health	\$ 16,484.00	\$	16,484.00	\$	16,484.00	\$
<b><u>Uniform Construction Code - Appropriations Offset</u></b>						
<b><u>by Increased Fee Revenues (N.J.A.C. 5:23-4.17)</u></b>						
Salaries and Wages	55,500.00		55,500.00		51,672.54	3,827.46
Other Expenses	9,700.00		9,700.00		7,543.24	2,156.76
<b><u>Public and Private Programs Offset by Revenues</u></b>						
Alcohol Education/Rehabilitation Program	1,055.49		1,055.49		1,055.49	
Bulletproof Vest Partnership Grant	1,157.64		1,157.64		1,157.64	
Clean Communities Program	16,319.53		16,319.53		16,319.53	
Drunk Driving Enforcement Fund	2,888.50		2,888.50		2,888.50	
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 - Holly Hills Drive	160,000.00		160,000.00		160,000.00	
Ocean County Tourism:						
Grant Portion	1,000.00		1,000.00		1,000.00	
Matching Portion	1,000.00		1,000.00		1,000.00	
Ocean County Recycling Revenue Grant	4,927.65		4,927.65		4,927.65	
Plumsted Senior Center	10,000.00		10,000.00		10,000.00	
Recycling Tonnage Grant	17,332.12		17,332.12		17,332.12	
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	
Ocean County Cultural and Heritage Grant						
Grant Portion	500.00		500.00		500.00	
Matching Portion	500.00		500.00		500.00	

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

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

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

Exhibit A-3

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>
	\$	\$	\$	\$	\$
Ocean County JIF Police Accreditation Grant	20,000.00	20,000.00	20,000.00		
Supplemental Fire Services Program	2,140.00	2,140.00	2,140.00		
Total Operations excluded from Caps	<u>378,644.93</u>	<u>378,644.93</u>	<u>372,660.71</u>	<u>5,984.22</u>	
Detail:					
Salaries and Wages	55,500.00	55,500.00	51,672.54	3,827.46	
Other Expenses	323,144.93	323,144.93	320,988.17	2,156.76	

**CAPITAL IMPROVEMENTS EXCLUDED FROM  
CAPS**

Acquisition of 4WD Police Vehicle	34,999.00	34,999.00	34,999.00		
Computer Equipment	10,000.00	10,000.00	10,000.00		
Improvements to Municipal Building	5,000.00	5,000.00	5,000.00		
Recreation Equipment	20,000.00	20,000.00	20,000.00		
	<u>69,999.00</u>	<u>69,999.00</u>	<u>69,999.00</u>		

**MUNICIPAL DEBT SERVICE EXCLUDED FROM  
CAPS**

Payment of Bond Anticipation Note and Capital Notes	342,884.00	342,884.00	342,884.00		
Interest on Notes	26,856.62	26,856.62	26,802.97	53.65	
Total Municipal Debt Service Excluded From Caps	<u>369,740.62</u>	<u>369,740.62</u>	<u>369,686.97</u>	<u>53.65</u>	

**DEFERRED CHARGES EXCLUDED FROM CAPS**

Special Emergency Authorizations - 3 Years (N.J.S.A. 40A:4-55.1 & 40A:4-55.13)	28,334.00	28,334.00	28,334.00		
Total General Appropriations excluded from Caps	<u>846,718.55</u>	<u>846,718.55</u>	<u>840,680.68</u>	<u>5,984.22</u>	<u>53.65</u>

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

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

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

Exhibit A-3

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	\$ 3,364,903.00	\$ 3,364,903.00	\$ 3,173,548.30	\$ 191,301.05	\$ 53.65
Reserve for Uncollected Taxes	116,959.15	116,959.15	116,959.15		
Total General Appropriations	\$ 3,481,862.15	\$ 3,481,862.15	\$ 3,290,507.45	\$ 191,301.05	\$ 53.65
<b><u>Ref.</u></b>		A-1		A	A-1
Budget		\$ 3,258,181.22			
Appropriation by 40A:4-87		223,680.93			
		\$ 3,481,862.15			
Disbursements			\$ 2,791,804.31		
Reserve for:					
Encumbrances			48,449.06		
Uncollected Tax			116,959.15		
Deferred Charges:					
Special Emergency Authorizations					
(40A:4-53)			28,334.00		
Interfunds:					
Capital Fund			8,000.00		
Grant Fund			296,960.93		
			\$ 3,290,507.45		

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

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**TRUST FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2013 AND 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>Assets</u></b>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>2,638.30</u>	\$ <u>3,509.02</u>
Trust Other Fund:			
Cash	B-1	511,765.33	484,429.91
Interfund - Current Fund	B-1	<u>30,000.00</u>	<u>30,000.00</u>
		<u>511,765.33</u>	<u>514,429.91</u>
		\$ <u>514,403.63</u>	\$ <u>517,938.93</u>
<b><u>Liabilities and Reserves</u></b>			
Animal Control Trust Fund:			
Reserve for:			
Animal Control Trust Fund Expenditures	B-3	\$ 2,467.30	\$ 3,417.02
Encumbrances	B-3	171.00	92.00
		<u>2,638.30</u>	<u>3,509.02</u>
Trust Other Fund:			
Interfund - Current Fund	B-4	9,850.00	
Reserve for Encumbrances	B-4	15,453.73	37,074.05
Miscellaneous Reserves	B-4	<u>486,461.60</u>	<u>477,355.86</u>
		<u>511,765.33</u>	<u>514,429.91</u>
		\$ <u>514,403.63</u>	\$ <u>517,938.93</u>

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

**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2013 AND 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>Assets</u></b>			
Cash	C-2	\$ 186,616.67	\$ 27,685.26
Grants Receivable	C-3		300,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	602,581.78	174,123.28
Funded for Loan	C-4		488,294.76
Unfunded	C-5	1,432,326.45	2,197,211.09
Interfund - Current Fund	C-12	<u>8,000.00</u>	
		<u>\$ 2,229,524.90</u>	<u>\$ 3,187,314.39</u>
 <b><u>Liabilities, Reserves and Fund Balance</u></b>			
Bond Anticipation Notes Payable	C-6	\$ 573,232.00	\$ 482,768.00
Refunding Bond Anticipation Notes Payable	C-7	260,500.00	427,000.00
Green Trust Loans Payable	C-8	154,287.02	174,123.28
Downtown Business Improvement Zone			
Loan Payable	C-9	448,294.76	488,294.76
Improvement Authorizations:			
Funded	C-10	43,489.72	1,348.05
Unfunded	C-10	630,046.15	1,455,568.72
Reserve for Encumbrances	C-10,11	116,472.58	100,109.25
Miscellaneous Reserves	C-11		54,876.40
Interfund - Current Fund	C-12		23.26
Capital Improvement Fund		<u>2,731.39</u>	<u>2,731.39</u>
		<u>2,229,053.62</u>	<u>3,186,843.11</u>
 Fund Balance	 C-1	 <u>471.28</u>	 <u>471.28</u>
		<u>\$ 2,229,524.90</u>	<u>\$ 3,187,314.39</u>

There were bonds and notes authorized but not issued on December 31, 2013 and 2012 of \$598,594.45 and \$1,287,443.09, respectively (Schedule C-13).

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, 2012	<u>C</u>	\$ 471.28
Increased by:		
Miscellaneous Reserves Cancelled	C-11	<u>25,000.00</u>
		25,471.28
Decreased by:		
Utilized as Current Fund Revenue	C-2	<u>25,000.00</u>
Balance December 31, 2013	C	<u><u>\$ 471.28</u></u>

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

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**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS**  
**AND FUND BALANCE - REGULATORY BASIS**

**Exhibit E**

**DECEMBER 31, 2013 AND 2012**

	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>Assets</u></b>		
Land	\$ 1,261,203.00	\$ 1,352,704.00
Machinery and Equipment	631,172.00	1,114,228.00
Improvements	<u>3,982,877.00</u>	<u>4,254,377.00</u>
Total	<u>\$ 5,875,252.00</u>	<u>\$ 6,721,309.00</u>
<b><u>Investment in Fixed Assets</u></b>		
Investment in Fixed Assets	<u>\$ 5,875,252.00</u>	<u>\$ 6,721,309.00</u>

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

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**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2013**

**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, 2013 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, 2013 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 2013 and 2012 the following changes occurred in the fixed assets of the Township:

	<b>Balance</b>				<b>Balance</b>
	<b>Jan. 1, 2013</b>	<b>Additions</b>	<b>Retirements</b>		<b>Dec. 31, 2013</b>
General Fixed Assets Account Group:					
Land	\$ 1,352,704	\$	\$ (91,501)	\$	1,261,203
Machinery and Equipment	1,114,228	35,927	(518,983)		631,172
Improvements	<u>4,254,377</u>	<u>                    </u>	<u>(271,500)</u>		<u>3,982,877</u>
	<u>\$ 6,721,309</u>	<u>\$ 35,927</u>	<u>\$ (881,984)</u>	<u>\$</u>	<u>5,875,252</u>
	<b>Balance</b>				<b>Balance</b>
	<b>Jan. 1, 2012</b>	<b>Additions</b>	<b>Retirements</b>		<b>Dec. 31, 2012</b>
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>                    </u>	<u>                    </u>		<u>4,254,377</u>
	<u>\$ 6,643,217</u>	<u>\$ 78,146</u>	<u>\$ 54</u>	<u>\$</u>	<u>6,721,309</u>

General fixed assets, as shown in Exhibit E, 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 \$2,612,740 and the bank balance amount was \$2,760,953. Of this amount \$250,000 was covered by federal depository insurance and a collateral pool under New Jersey’s Governmental Unit Deposit Protection Act covered \$2,352,186. An amount of \$158,767 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, 2013.

**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>Depository Account</u>	<u>Bank Balance</u>	
	<u>2013</u>	<u>2012</u>
Insured:		
FDIC	\$ 250,000	\$ 409,447
GUDPA	2,352,186	1,901,844
Escrow Deposits	<u>158,767</u>	<u>159,320</u>
	\$ <u>2,760,953</u>	\$ <u>2,470,611</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, 2013 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, 2013 was \$154,287 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>
2014	\$ 20,235	\$ 2,985
2015	20,642	2,578
2016	21,057	2,163
2017	21,480	1,740
2018	4,825	4,355
2019-23	25,619	5,473
2024-28	28,299	2,793
2029-30	<u>12,130</u>	<u>305</u>
	\$ <u>154,287</u>	\$ <u>22,392</u>

**NOTE 3. DEBT (CONTINUED)**

**B. Short-Term Debt**

**Bond Anticipation Notes**

On December 31, 2013 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:		
02-02	Acquisition and Development of Lands for Open Space	\$ 87,722	1.265%
08-11	Various Capital Improvements	66,384	1.265%
08-11	Various Capital Improvements	139,126	1.320%
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	<u>280,000</u>	1.265%
		<u>\$ 573,232</u>	

On December 31, 2013 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	\$ 72,500	1.410%
12-15	Payment of Amounts Owing to Others for Taxes Levied	<u>188,000</u>	1.410%
		<u>\$ 260,500</u>	

**C. Bonds and Notes Authorized but not Issued**

At December 31, 2013 and 2012 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, 2013 was .24%. The Township's remaining borrowing power is 3.26%.

**NOTE 3. DEBT (CONTINUED)**

**E. Summary of Annual Debt Service**

During 2013 and 2012 the following changes occurred in the outstanding municipal debt of the Township:

	<b>Balance</b>			<b>Balance</b>
	<b>Jan. 1, 2013</b>	<b>Issued</b>	<b>Retired</b>	<b>Dec. 31, 2013</b>
General Debt:				
Bond Anticipation Notes	\$ 482,768	\$ 226,848	\$ 136,384	\$ 573,232
Refunding Bond Anticipation Notes	427,000		166,500	260,500
Downtown Business Improvement Zone Loan	488,295		40,000	448,295
Green Trust Loans	174,123		19,836	154,287
	<u>\$ 1,572,186</u>	<u>\$ 226,848</u>	<u>\$ 362,720</u>	<u>\$ 1,436,314</u>
	<b>Balance</b>			<b>Balance</b>
	<b>Jan. 1, 2012</b>	<b>Issued</b>	<b>Retired</b>	<b>Dec. 31, 2012</b>
General Debt:				
Bond Anticipation Notes	\$ 1,021,563		\$ 538,795	\$ 482,768
Refunding Bond Anticipation Notes	218,000	282,000	73,000	427,000
Downtown Business Improvement Zone Loan		528,295	40,000	488,295
Green Trust Loans	193,569		19,446	174,123
	<u>\$ 1,433,132</u>	<u>\$ 810,295</u>	<u>\$ 671,241</u>	<u>\$ 1,572,186</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. The balance as of December 31, 2013 was \$56,666.

**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, 2013 which was appropriated and included as anticipated revenue for the year ending December 31, 2014 is pending adoption of the 2014 budget.

**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>2013</u>	<u>2012</u>
Prepaid Taxes	\$ 94,685	\$ 154,049

**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, 2013, the following deferred charges are shown on the balance sheet of the Current Fund:

	<b><u>Balance Dec. 31, 2013</u></b>	<b><u>2014 Budget Appropriation</u></b>	<b><u>Balance to Succeeding Budgets</u></b>
Current Fund:			
Special Emergency	\$ 56,666	*	*

\* Pending adoption of the 2014 budget.

**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 years ended December 31, 2013 and 2012 and none enrolled for the year ended December 31, 2011.

**Other Information**

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

	2013			2012			2011	
	PERS	PFRS	DCRP	PERS	PFRS	DCRP	PERS	PFRS
Normal Contribution	\$ 19,155	\$ 59,990	\$ 953	\$ 25,589	\$ 60,539	\$ 902	\$ 35,609	\$ 56,032
Accrued Liability	45,801	79,388		51,178	68,132		56,741	44,928
Total Regular Pension Contribution	64,956	139,378	953	76,767	128,671	902	92,350	100,960
Non-Contributory Group Life Insurance	3,866	5,756	342	4,891	4,713	315	7,014	4,391
Total Due	\$ 68,822	\$ 145,134	\$ 1,295	\$ 81,658	\$ 133,384	\$ 1,217	\$ 99,364	\$ 105,351

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.

	<b>Local District School Tax</b>	
	<b>Balance December 31</b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
Balance of Tax	\$ 5,769,978	\$ 5,571,438
Deferred	<u>5,133,700</u>	<u>4,658,699</u>
Tax Payable	\$ <u>636,278</u>	\$ <u>912,739</u>

**NOTE 12. 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 13. 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 14. 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, 2013, the Township estimates that no material liabilities will result from such audits.

**NOTE 14. CONTINGENT LIABILITIES (CONTINUED)**

**Pending Litigation**

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 15. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheets at December 31, 2013:

	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
Current Fund	\$ 9,850	\$ 70,068
Grant Fund	62,068	
Trust Fund		9,850
General Capital Fund	<u>8,000</u>	<u>          </u>
	\$ <u>79,918</u>	\$ <u>79,918</u>

The purpose of these interfunds is short-term borrowing.

**TOWNSHIP OF PLUMSTED**

**COUNTY OF OCEAN**

**PART II**

**SUPPLEMENTARY DATA**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2013**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	2013	2012	2011
Total Tax Rate	<u>\$2.299</u>	<u>\$1.653</u>	<u>\$1.565</u>
Apportionment of Tax Rate:			
Municipal Purpose Tax	0.223	0.151	0.131
Municipal Open Space	0.020	0.020	0.020
County	0.403	0.304	0.302
Local School District	1.469	1.055	1.006
Fire District	0.184	0.123	0.106

**Assessed Valuation**

2013	<u>\$ 785,909,959.00</u>		
2012		<u>\$ 1,055,257,351.00</u>	
2011			<u>\$ 1,074,038,334.00</u>

**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.

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2013	\$ 18,083,561.01	\$ 18,059,410.33	99.86%
2012	17,443,405.00	16,961,434.00	97.24%
2011	16,832,284.00	16,496,597.00	98.01%

**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.

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2013	\$ 4,487.69	\$ -	\$ 4,487.69	0.02%
2012	12,660.75	5,975.25	18,636.00	0.11%
2011	18,143.00	60.00	18,203.00	0.11%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

YEAR	AMOUNT
2013	\$ 196,900.00
2012	196,900.00
2011	196,900.00

**COMPARATIVE SCHEDULE OF FUND BALANCES**

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
<b>CURRENT FUND:</b>			
2013	\$ 829,237.89	\$ 623,772.00 *	75.22%
2012	483,316.95	464,585.00	96.12%
2011	312,953.58	359,193.75	114.78%

\*As Introduced

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**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-4**

**SCHEDULE OF CASH**

Balance December 31, 2012		\$ 1,829,429.21
Increased by Receipts:		
Taxes Receivable	\$ 17,833,822.20	
Tax Title Liens Receivable	13,086.59	
Revenue Accounts Receivable	1,005,684.05	
Miscellaneous Revenue not Anticipated	95,724.04	
Prepaid Taxes	94,684.74	
Tax Overpayments	19,520.80	
Due State of New Jersey:		
Chapter 20, P.L. 1971	73,413.70	
Fees Collected	12,845.00	
Payroll Liabilities	1,674,614.87	
Reserve For SRO PFRS Pension Liability	2,055.46	
Interfunds:		
General Capital Fund	23.26	
Grant Fund	177,946.37	
	<u>21,003,421.08</u>	
		<u>22,832,850.29</u>
Decreased by Disbursements:		
2013 Budget Appropriations	2,791,804.31	
Fire District Taxes Payable	1,441,545.00	
Municipal Open Space Taxes Payable	157,181.99	
2012 Appropriation Reserves	33,505.77	
Due State of New Jersey - Fees Collected	6,340.00	
Payroll Liabilities	1,687,919.61	
Tax Overpayments	17,993.80	
Special Emergency Note Payable	28,334.00	
Local District School Taxes Payable	11,341,417.00	
County Taxes Payable	3,156,002.66	
Reserve for Hybrid Reassessment Program	29,259.75	
Interfunds:		
Other Trust Fund	39,850.00	
Grant Fund	207,712.72	
	<u>20,938,866.61</u>	
Balance December 31, 2013		<u>\$ 1,893,983.68</u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-5

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

<u>Year</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Levy</u>	<u>Collected</u>		<u>Net Amount Due from State of New Jersey</u>	<u>Transfer to Tax Title Liens</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2013</u>
	\$	\$	2013	2012	\$	\$	\$	\$
Prior	60.00						60.00	
2012	5,915.25		315.05	3,272.78		2,327.42		
	5,975.25		315.05	3,272.78		2,327.42		
2013		18,083,561.01	17,833,507.15	154,033.41	73,913.70	2,163.26	19,943.49	
	5,975.25	18,083,561.01	17,833,822.20	157,306.19	73,913.70	4,490.68	20,003.49	

**Analysis of 2013 Property Tax Levy**

Tax Yield:	
General Purpose Tax	\$ 16,622,003.13
Special District Taxes	1,446,048.81
Added and Omitted Taxes	15,509.07
	<u>\$ 18,083,561.01</u>

Tax Levy:	
Local District School Tax (Abstract)	\$ 11,539,957.00
County Taxes:	
County Tax (Abstract)	\$ 2,645,172.41
County Library Tax (Abstract)	303,607.35
County Health Tax (Abstract)	109,761.75
County Open Space Preservation (Abstract)	97,461.15
Due County Added and Omitted Taxes	<u>2,718.67</u>
Total County Taxes	3,158,721.33
Fire District Taxes	1,441,545.00
Municipal Open Space Tax	157,181.99
Local Tax for Municipal Purposes Levied	1,756,488.00
Add: Additional Tax Levied	<u>29,667.69</u>
	<u>\$ 18,083,561.01</u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-6**

**SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2012		\$ 12,660.75
Increased by:		
Transfers from Taxes Receivable	\$ 4,490.68	
Tax Sale - Interest and Costs	<u>422.85</u>	
		<u>4,913.53</u>
		<u>17,574.28</u>
Decreased by:		
Collection		<u>13,086.59</u>
Balance December 31, 2013		<u><u>\$ 4,487.69</u></u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-7**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	<b><u>Balance Dec. 31, 2012</u></b>	<b><u>Accrued in 2013</u></b>	<b><u>Realized</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
Licenses	\$			\$
Alcoholic Beverages		\$ 10,150.00	\$ 10,150.00	
Other		7,487.00	7,487.00	
Fees and Permits		86,792.80	86,792.80	
Fines and Costs				
Municipal Court	3,156.20			2,659.38
Interest and Costs on Taxes		56,705.34	57,202.16	
Interest on Investments and Deposits		39,720.80	39,720.80	
Cable Television Franchise Fee		3,164.97	3,164.97	
Police Towing Fees		23,586.32	23,586.32	
Energy Receipts Tax		34,202.00	34,202.00	
Transitional Aid		447,223.00	447,223.00	
Garden State Trust Fund		140,000.00	140,000.00	
Rental/Smoke Detector Inspections		5,099.00	5,099.00	
Uniform Construction Code Fees		17,925.00	17,925.00	
General Capital Fund Balance		113,230.00	113,230.00	
		<u>25,000.00</u>	<u>25,000.00</u>	
	\$ <u>3,156.20</u>	\$ <u>1,010,286.23</u>	\$ <u>1,010,783.05</u>	\$ <u>2,659.38</u>
Receipts				
Revenue Reserve Realized			\$ 1,005,684.05	
			<u>5,099.00</u>	
			\$ <u>1,010,783.05</u>	

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF DEFERRED CHARGES**

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

<b><u>Date Authorized</u></b>	<b><u>Purpose</u></b>	<b><u>Net Amount Authorized</u></b>	<b><u>1/5 of</u></b>	<b><u>Net Amount Authorized</u></b>	<b><u>Balance Dec. 31, 2012</u></b>	<b><u>Reduced in 2013</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
<u>8/01/2012</u>	Hybrid Reassessment Project	\$ <u>85,000.00</u>		\$ <u>17,000.00</u>	\$ <u>85,000.00</u>	\$ <u>28,334.00</u>	\$ <u>56,666.00</u>
					\$ <u>85,000.00</u>	\$ <u>28,334.00</u>	\$ <u>56,666.00</u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 1 of 4

**OPERATIONS WITHIN CAPS**

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Shared Services	\$ 950.00	\$	\$ 950.00	\$	\$ 950.00
Other Expenses	383.62		383.62		383.62
Mayor and Township Committee					
Other Expenses	3,334.00		3,334.00		3,334.00
Municipal Clerk	1,301.26	4,651.50	5,952.76	3,855.95	2,096.81
Salaries and Wages					
Other Expenses	2.13		2.13		2.13
Assessment Search Officer					
Salaries and Wages	4,928.08		4,928.08		4,928.08
Financial Administration	1,174.77	518.34	1,478.11	297.41	1,180.70
Salaries and Wages	1,900.00		1,900.00	1,900.00	
Other Expenses					
Audit Services					
Assessment of Taxes	19.38		19.38		19.38
Salaries and Wages	1,117.15	1,714.18	2,831.33	1,727.03	1,104.30
Other Expenses					
Collection of Taxes					
Salaries and Wages	1,052.67	550.33	1,052.67	1,037.63	1,052.67
Other Expenses	276.92		1,042.25		4.62
Legal Services and Costs					
Other Expenses	96.15	269.32	365.47	269.32	96.15
Engineering Services and Costs					
Other Expenses	1,690.00		1,690.00	165.00	1,525.00
Plumsted Township Main Street Program					
Other Expenses	2.49	77.59	80.08	77.59	2.49
Senior Outreach Services					
Other Expenses	245.68	364.82	610.50	364.82	245.68

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 2 of 4

Municipal Land Use Law (N.J.S. 40:55D-1 et seq.)

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Planning Board	\$ 121.20		\$ 121.20		\$ 121.20
Salaries and Wages	503.09	23.57	526.66	391.57	135.09
Other Expenses					
Zoning Officer	.60		.60		.60
Salaries and Wages					
Mobile Home Inspector	230.14		230.14		230.14
Salaries and Wages					
Rental Inspections					
Salaries and Wages	2,437.50		2,437.50		2,437.50
Insurance					
General Liability	795.01		795.01		795.01
Employee Group Health Insurance	367.40		367.40		367.40
Vision Program	1,884.60	199.00	2,083.60	199.00	1,884.60
Dental Program	1,936.40		1,936.40		1,936.40
Health Benefit Waiver	5,516.47		5,516.47		5,516.47
Other Insurance	4,558.00		4,558.00	4,483.54	74.46
Police					
Salaries and Wages	507.02		507.02		507.02
Other Expenses	799.33	3,705.14	4,504.47	3,808.84	695.63
Emergency Management Services					
Salaries and Wages	.70		.70		.70
Other Expenses	11.83	23.33	35.16	23.33	11.83
School Crossing Guards					
Salaries and Wages	100.00		100.00		100.00
Municipal Court					
Salaries and Wages	8,749.85		8,749.85		8,749.85
Other Expenses	1,689.11	23.33	1,712.44	23.33	1,689.11
Public Defender					
Other Expenses	500.00		500.00		500.00

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 4

	<u>Balance Dec. 31, 2012</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Road Repairs and Maintenance	\$ 4,585.90	\$	\$ 4,585.90	\$ 4,574.36	\$ 11.54
Other Expenses	4,924.83		4,924.83		4,924.83
Recycling (Ch. 102, P.L. 1987)	1,543.20	3.59	1,546.79	18.59	1,528.20
Salaries and Wages					
Other Expenses					
Sanitary Landfill	450.00		450.00		450.00
Other Expenses					
Public Buildings and Grounds	2,011.71		2,011.71		2,011.71
Salaries and Wages	530.04	1,163.82	1,693.86	786.05	907.81
Other Expenses	900.00		900.00		900.00
Demolition					
Board of Health	3,000.00		3,000.00		3,000.00
Other Expenses	450.00		450.00		450.00
Soil/Water Testing					
Environmental Commission	134.99		134.99	50.00	84.99
Other Expenses					
Administration of Public Assistance	350.00		350.00		350.00
Relocation Costs					
Federally Mandated Hepatitis Immunization	490.00		490.00		490.00
Other Expenses					
Recreation Department	7,426.61		9,751.61	2,325.00	7,426.61
Other Expenses	232.26		232.26		232.26
Celebration of Public Event, Anniversary or Holiday	135.11	210.00	345.11	67.50	277.61
Other Expenses					
Council for the Arts	2,600.00		2,600.00	1,416.85	1,183.15
Other Expenses	250.00		250.00		250.00
Public Employee Awards (N.J.S. 40A:5-31)					
Salaries and Wages					
Other Expenses					

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 4 of 4

	<u>Balance Dec. 31, 2012</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Utilities	\$ 179.71	\$	\$ 179.71	\$	\$ 179.71
Street Lighting	469.75		469.75		469.75
Natural Gas	30.86		30.86		30.86
Electricity	1.67		1.67		1.67
Telephone	604.25		604.25		604.25
Water	30.17		30.17		30.17
Fuel Oil	18.90		18.90		18.90
Gasoline					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	1,847.86		1,847.86		1,847.86
Unemployment Compensation/Disability Insurance (N.J.S. 43:21-3 et seq.)	1,806.32		1,806.32		1,806.32
Defined Contribution Retirement Program	183.02	53.68	236.70	53.68	183.02
Total General Appropriations for Municipal Purposes within Caps	<u>84,369.71</u>	<u>15,876.54</u>	<u>100,246.25</u>	<u>27,916.39</u>	<u>72,329.86</u>
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>					
Uniform Construction Code - Appropriations Offset by Increased Fee Revenues (N.J.A.C. 5:23-4.17)					
Salaries and Wages	2,337.34		2,337.34		2,337.34
Other Expenses	1,635.74	1,729.38	3,365.12	2,639.38	725.74
Local Matching Funds for Grants	1,000.00		1,000.00		1,000.00
Construction/Improvements Municipal Building/First Aid Building	<u>4,973.08</u>	<u>2,950.00</u>	<u>2,950.00</u>	<u>2,950.00</u>	<u>4,063.08</u>
Total Appropriations excluded from Caps	\$ <u>89,342.79</u>	<u>20,555.92</u>	\$ <u>109,898.71</u>	\$ <u>33,505.77</u>	\$ <u>76,392.94</u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-10**

**SCHEDULE OF RESERVE FOR HYBRID**

**REASSESSMENT PROGRAM**

Balance December 31, 2012	\$ 27,386.45
Increased by:	
Prior-Year Encumbrance	<u>12,500.00</u>
	39,886.45
Decreased by:	
Disbursements	<u>29,259.75</u>
Balance December 31, 2013	<u><u>\$ 10,626.70</u></u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-11**

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE**

Balance December 31, 2012:		
School Tax Payable	\$ 912,738.65	
School Tax Deferred	<u>4,658,699.61</u>	
		\$ 5,571,438.26
Increased by:		
Levy School Year July 1, 2013 - June 30, 2014		<u>11,539,957.00</u>
		<u>17,111,395.26</u>
Decreased by:		
Payments		<u>11,341,417.00</u>
Balance December 31, 2013:		
School Tax Payable	636,278.65	
School Tax Deferred	<u>5,133,699.61</u>	
		\$ <u><u>5,769,978.26</u></u>
2013 Liability for Local District School Tax:		
Tax Paid		\$ 11,341,417.00
Tax Payable December 31, 2013		<u>636,278.65</u>
		<u>11,977,695.65</u>
Less: Tax Payable December 31, 2012		<u>912,738.65</u>
Amount Charged to 2013 Operations		\$ <u><u>11,064,957.00</u></u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-12**

**SCHEDULE OF COUNTY TAXES PAYABLE**

Increased by:		
County Tax	\$ 2,645,172.41	
County Library Tax	303,607.35	
County Health Tax	109,761.75	
County Open Space Tax	97,461.15	
Added Taxes	<u>2,718.67</u>	
		\$ 3,158,721.33
Decreased by:		
Payments		<u>3,156,002.66</u>
Balance December 31, 2013		\$ <u><u>2,718.67</u></u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-13**

**SCHEDULE OF INTERFUND**

**GRANT FUND**

Balance December 31, 2012 - Due To		\$ 76,831.74
Increased by:		
Deposited in Current Fund:		
Grants Receivable	\$ 175,848.06	
Unappropriated Reserves	2,098.31	
2013 Budget Appropriations	<u>296,960.93</u>	
		<u>474,907.30</u>
		551,739.04
Decreased by:		
Appropriated Reserve Expenditures:		
Disbursements	207,712.72	
Appropriated Reserves Cancelled	1,037.06	
2013 Revenue Anticipated	<u>280,920.93</u>	
		<u>489,670.71</u>
Balance December 31, 2013 - Due To		\$ <u><u>62,068.33</u></u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-14

**SCHEDULE OF GRANTS RECEIVABLE**

**GRANT FUND**

<u>Purpose</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Revenue Realized</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2013</u>
2013 Grant Awards:					
Alcohol Education/Rehabilitation Program	\$	1,055.49	\$ 1,055.49	\$	\$
Bulletproof Vest Partnership Grant		1,157.64			1,157.64
Clean Communities Program		16,319.53	16,319.53		
Drunk Driving Enforcement Fund		2,888.50	2,888.50		
Municipal Alliance on Alcohol and Drug Abuse		15,740.00	1,888.80		13,851.20
NJ Department of Transportation Municipal Aid - Holly Hills Drive		160,000.00			160,000.00
Ocean County Cultural and Heritage Grant		500.00	375.00		125.00
Ocean County JIF Police Accreditation Grant		20,000.00	20,000.00		
Ocean County Recycling Revenue Grant		4,927.65	4,927.65		
Ocean County Tourism		1,000.00	1,000.00		
Plumsted Senior Center		10,000.00	10,000.00		
Recycling Tonnage Grant		17,332.12	17,332.12		
Safe and Secure Communities Program		30,000.00	30,000.00		
2012 Grant Awards:					
Bulletproof Vest Partnership Grant	780.00		599.00		181.00
Community Development Block Grant - Welcome Center	30,500.00		30,500.00		
Municipal Alliance on Alcoholism and Drug Abuse	15,740.00		15,636.97	103.03	
NJ Department of Transportation Municipal Aid - Fort Avenue and Bell Street	23,325.00		23,325.00		
2011 Grant Awards:					
Ocean County Tourism Grant	1,000.00				1,000.00
2010 Grant Awards:					
Bulletproof Vest Partnership Grant	1,403.88				1,403.88
	<u>\$ 72,748.88</u>	<u>\$ 280,920.93</u>	<u>\$ 175,848.06</u>	<u>\$ 103.03</u>	<u>\$ 177,718.72</u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-15

**SCHEDULE OF APPROPRIATED RESERVES**

**GRANT FUND**

<b>Grant</b>	<b>Balance Dec. 31, 2012</b>	<b>2013 Budget Appropriations</b>	<b>Reserve for Encumbrances</b>	<b>Paid or Charged</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2013</b>
	\$	\$	\$	\$	\$	\$
Alcohol Education/Rehabilitation Program	6,353.22	1,055.49		1,200.00		6,208.71
Body Armor Replacement Fund	2,873.57					2,873.57
Bulletproof Vest Partnership Grant	1,566.76	1,157.64				2,724.40
Clean Communities Program	58.11	16,319.53	2,244.00	13,881.47		4,740.17
Community Development Block Grant						
Senior Meeting Room	537.06				537.06	
Restoration of 31 Main Street	30,500.00			30,500.00		
Council for the Arts	500.00				500.00	
Drunk Driving Enforcement Fund	6,670.59	2,888.50		4,041.12		5,517.97
Lombardi Canine Unit	1,164.10					1,164.10
Municipal Alliance on Alcoholism and Drug Abuse						
2013 Grant Portion		15,740.00		15,740.00		
2013 Matching Portion		4,900.00		4,399.24		500.76
2012 Grant Portion	103.03					
2012 Matching Portion			828.09	828.09	103.03	
NJ Department of Transportation Municipal Aid						
Fort Avenue and Bell Street			75,000.00	75,000.00		
Holy Drive		160,000.00		119,273.13		40,726.87
Ocean County Cultural and Heritage Grant						
2013 Grant Portion		500.00				500.00
2013 Matching Portion		500.00				500.00
Ocean County JIF Police Accreditation Grant		20,000.00		7,783.43		12,216.57
Plumsted Senior Center		10,000.00		10,000.00		
Recycling Revenue Sharing	6,197.68	4,927.65		1,790.46		9,334.87
Recycling Tonnage Grant	6,039.52	17,332.12	1.00	5,946.34		17,426.30
Safe and Secure Communities Program						
2013 Grant Portion		30,000.00		30,000.00		
2013 Matching Portion		7,500.00		7,500.00		
Solid Waste Management Recycling	3,578.00					3,578.00
Solid Waste Recycling Revenue	5,119.37					5,119.37
Supplemental Fire Services Program	246.52	2,140.00		2,140.00		246.52

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-15

SCHEDULE OF APPROPRIATED RESERVES

GRANT FUND

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Appropriations</u>	<u>Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2013</u>
Tourism Grant						
2013 Grant Portion	\$	\$ 1,000.00	\$	\$ 1,000.00	\$	\$
2013 Matching Portion		1,000.00		1,000.00		
	\$	\$ 296,960.93	\$	\$ 332,023.28	\$	\$ 113,378.18
Reserve for Encumbrances				\$ 124,310.56		
Current Fund Disbursements				207,712.72		
				\$ 332,023.28		

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-16**

**SCHEDULE OF UNAPPROPRIATED RESERVES**

**GRANT FUND**

<b><u>Purpose</u></b>	<b><u>Received</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
Body Armor Grant	\$ <u><u>2,098.31</u></u>	\$ <u><u>2,098.31</u></u>

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**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**TRUST FUND**

**Exhibit B-1**

**SCHEDULE OF CASH**

	<b><u>Dog License Fund</u></b>	<b><u>Trust Other Fund</u></b>
Balance December 31, 2012	\$ <u>3,509.02</u>	\$ <u>484,429.91</u>
Increased by Receipts:		
Interfund - Current Fund		30,143.20
Due State of New Jersey	1,938.00	
Reserve for Animal Control Trust Fund Expenditures	10,481.20	
Miscellaneous Reserves		388,233.13
Total Receipts	<u>12,419.20</u>	<u>418,376.33</u>
Total Receipts and Balances	<u>15,928.22</u>	<u>902,806.24</u>
Decreased by Disbursements:		
Interfund - Current Fund		143.20
Due State of New Jersey	1,938.00	
Reserve for Animal Control Trust Fund Expenditures	11,351.92	
Miscellaneous Reserves		390,897.71
Total Disbursements	<u>13,289.92</u>	<u>391,040.91</u>
Balance December 31, 2013	\$ <u>2,638.30</u>	\$ <u>511,765.33</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		\$ 1,938.00
Decreased by:		
Disbursements - State Registration Fees		\$ <u>1,938.00</u>

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL**

**TRUST FUND EXPENDITURES**

**Exhibit B-3**

Balance December 31, 2012		\$ 3,417.02
Increased by:		
Animal License Fees	\$ 10,481.20	
Encumbrances	<u>92.00</u>	
		<u>10,573.20</u>
Decreased by:		
Expenditures under R.S. 4:19-15.11	11,351.92	
Reserve for Encumbrances	<u>171.00</u>	
		<u>11,522.92</u>
Balance December 31, 2013		\$ <u>2,467.30</u>

**License Fees Collected**

<u>Year</u>	<u>Amount</u>
2012	\$ <u>13,562.59</u>
2011	<u>10,367.80</u>
	\$ <u>23,930.39</u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**TRUST FUND**

**Exhibit B-4**

**SCHEDULE OF MISCELLANEOUS RESERVES**

	<b>Balance Dec. 31, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec. 31, 2013</b>
Tax Sale Premiums	\$ 66,300.00	\$ 128,300.00	\$ 61,900.00	\$ 132,700.00
Performance Bonds	159,320.35	177.97	1,812.55	157,685.77
Planning Board Escrow	149,728.26	50,219.97	49,439.41	150,508.82
Curb and Sidewalk Deposits	13,908.83			13,908.83
Lot Grading	4,694.00			4,694.00
Recreation Improvement Contributions	6,179.26	8,493.48	12,513.00	2,159.74
Soil Removal	2,777.75			2,777.75
Parking Offense Adjudication Act	83.00	6.00		89.00
Law Enforcement Trust	87.17	97.15	97.05	87.27
Public Defender	499.17	875.24	1,374.41	
Green Technology	1,490.06			1,490.06
Municipal Open Space	27,958.80	186,018.45	207,882.99	6,094.26
Council on the Arts	2,977.40	65.00	200.00	2,842.40
Outside Employment of Off Duty Municipal Police	2,122.91	33,055.67	33,486.08	1,692.50
PT Environmental Commission Donation	733.21	432.63	510.91	654.93
September 11, 2001 World Trade Center	1,067.85		80.00	987.85
Snow Removal	30,000.00		26,623.50	3,376.50
Land Use Education	1,508.00	100.00	976.00	632.00
Main Street Program	2,778.92	15,025.50	15,321.54	2,482.88
Municipal Alliance on Alcoholism and Drug Abuse	3,140.92	2,440.12	3,984.00	1,597.04
	<b>\$ 477,355.86</b>	<b>\$ 425,307.18</b>	<b>\$ 416,201.44</b>	<b>\$ 486,461.60</b>
Receipts				
Disbursements		\$ 388,233.13	\$ 390,897.71	
Interfund - Current Fund			9,850.00	
Reserve for Encumbrances		37,074.05	15,453.73	
		<b>\$ 425,307.18</b>	<b>\$ 416,201.44</b>	

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**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-2**

**SCHEDULE OF GENERAL CAPITAL CASH**

Balance December 31, 2012		\$ 27,685.26
Increased by Receipts:		
Bond Anticipation Notes Issued	\$ 226,848.00	
Deferred Charges to Future Taxation - Unfunded	40,000.64	
Interfund - Current Fund	<u>14,716.00</u>	
		<u>281,564.64</u>
Decreased by Disbursements:		<u>309,249.90</u>
Improvement Authorizations	97,016.24	
Interfund - Current Fund	23.26	
Miscellaneous Reserves	593.73	
Fund Balance	<u>25,000.00</u>	
		<u>122,633.23</u>
Balance December 31, 2013		\$ <u><u>186,616.67</u></u>

TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-3

ANALYSIS OF CASH

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes</u>	<u>Receipts</u> <u>Miscellaneous</u>	<u>Disbursements</u> <u>Improvement</u> <u>Authorizations</u>	<u>Miscellaneous</u>	<u>To</u>	<u>From</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
	\$	\$	\$	\$	\$	\$	\$	\$
Fund Balance	471.28					25,000.00		471.28
Interfund - Current Fund	23.26		14,716.00		23.26	12,284.00	35,000.00	(8,000.00)
Miscellaneous Reserves	54,876.40				593.73	4,655.60	58,938.27	
Capital Improvement Fund	2,731.39					116,472.58	100,109.25	2,731.39
Reserve for Encumbrances	100,109.25					300,000.00		116,472.58
Grants Receivable	(300,000.00)							
Improvement Authorizations:								
<b>Ordinance</b>								
<u>Number</u>								
91-11	1,348.05					92,762.58	92,762.58	1,348.05
02-02								
08-11	171,809.52	87,722.00	40,000.64	79,918.58			300,000.00	(467.84)
09-07	(13,683.89)	139,126.00					15,710.00	29,813.53
12-15				2,691.07		2,691.07		
13-12	10,000.00			7,893.99				2,106.01
				6,512.60		68,938.27	20,284.00	42,141.67
	\$ 27,685.26	\$ 226,848.00	\$ 54,716.64	\$ 97,016.24	\$ 25,616.99	\$ 622,804.10	\$ 622,804.10	\$ 186,616.67

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-4**

**SCHEDULE OF DEFERRED CHARGES TO**

**FUTURE TAXATION - FUNDED**

Balance December 31, 2012		\$ 174,123.28
Increased by:		
Beginning Balance - Deferred Charges to Future Taxation - Funded Loans		<u>488,294.76</u>
		662,418.04
Decreased by:		
2013 Budget Appropriations:		
Green Trust Loan	\$ 19,836.26	
Downtown Business Improvement Zone Loan	<u>40,000.00</u>	
Total Decreases		<u>59,836.26</u>
Balance December 31, 2013		<u><u>\$ 602,581.78</u></u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-5**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Number	Date	Improvement Description	Analysis of Balance Dec. 31, 2013						
			Balance Dec. 31, 2012	Decreases	Balance Dec. 31, 2013	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	\$ 490,127.09	\$ 40,000.64	\$ 450,126.45	\$ 87,722.00	\$	\$ 467.84	\$ 361,936.61
08-11	8/06/2008	Various Capital Improvements	508,084.00	66,384.00	441,700.00	205,510.00			236,190.00
09-07	4/01/2009	Preliminary Expenses in Connection with the Redevelopment Plans	750,000.00	470,000.00	280,000.00	280,000.00			
11-08	11/23/2011	Payments of Amounts Owing to Others for Taxes Levied	167,000.00	94,500.00	72,500.00		72,500.00		
12-15	10/03/2012	Payments of Amounts Owing to Others for Taxes Levied	282,000.00	94,000.00	188,000.00		188,000.00		
			<u>\$ 2,197,211.09</u>	<u>\$ 764,884.64</u>	<u>\$ 1,432,326.45</u>	<u>\$ 573,232.00</u>	<u>\$ 260,500.00</u>	<u>\$ 467.84</u>	<u>\$ 598,126.61</u>
									<u>\$ 630,046.15</u>

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

Ordinance Number	Improvement Description	Amounts Owing to Others for Taxes Levied	Various Capital Improvements
12-15	Payments of Amounts Owing to Others for Taxes Levied	\$ 2,106.01	
08-11	Various Capital Improvements	29,813.53	
		<u>\$ 31,919.54</u>	
			<u>\$ 598,126.61</u>

Notes Paid by Budget Appropriation  
Bond Anticipation Notes  
Tax Appeal Refunding Notes  
Unfunded Improvement Authorizations Cancelled  
Receipts - Open Space Trust Fund

\$ 136,384.00
166,500.00
422,000.00
<u>40,000.64</u>
<u>\$ 764,884.64</u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-6

**SCHEDULE OF BOND ANTICIPATION NOTES**

<b>Ordinance Number</b>	<b>Purpose</b>	<b>Original Amount Issued</b>	<b>Original Date of Issue</b>	<b>Date of Issue</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2012</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2013</b>
08-11	Various Capital Improvements	\$ 444,925.00	9/30/2008	9/26/2013	9/26/2014	1.265%	\$ 132,768.00	\$ 139,126.00	\$ 66,384.00	\$ 66,384.00
08-11	Various Capital Improvements	139,126.00	9/26/2013	9/26/2013	9/26/2014	1.320%				139,126.00
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	750,000.00	1/26/2010	9/26/2013	9/26/2014	1.265%	350,000.00		70,000.00	280,000.00
02-02	Acquisition and Development of Lands for Open Space.	87,722.00	9/26/2013	9/26/2013	9/26/2014	1.265%		87,722.00		87,722.00
							\$ 482,768.00	\$ 226,848.00	\$ 136,384.00	\$ 573,232.00

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-7

**SCHEDULE OF TAX APPEAL REFUNDING NOTES**

<b><u>Ordinance Number</u></b>	<b><u>Purpose</u></b>	<b><u>Original Amount Issued</u></b>	<b><u>Original Date of Issue</u></b>	<b><u>Date of Issue</u></b>	<b><u>Maturity Date</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2012</u></b>	<b><u>Paid by Budget Appropriation</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
11-08	Payments of Amounts Owing to Others for Taxes Levied	\$ 218,000.00	12/29/2011	12/23/2013	9/26/2014	1.41%	\$ 145,000.00	\$ 72,500.00	\$ 72,500.00
12-15	Payments of Amounts Owing to Others for Taxes Levied	282,000.00	12/27/2012	12/23/2013	9/26/2014	1.41%	282,000.00	94,000.00	188,000.00
							\$ 427,000.00	\$ 166,500.00	\$ 260,500.00

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-8**

**SCHEDULE OF GREEN TRUST LOANS PAYABLE**

**Sheet 1 of 4**

	<b>Balance Dec. 31, 2012</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2013</b>
Recreation Complex Improvement	\$ <u>93,609.04</u>	\$ <u>4,367.87</u>	\$ <u>89,241.17</u>
Recreation Park Development 2	32,205.61	6,187.34	26,018.27
Oakford Lake Park Development	<u>48,308.63</u>	<u>9,281.05</u>	<u>39,027.58</u>
	\$ <u><u>174,123.28</u></u>	\$ <u><u>19,836.26</u></u>	\$ <u><u>154,287.02</u></u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-8**

**SCHEDULE OF GREEN TRUST LOANS PAYABLE**

**Sheet 2 of 4**

**Recreation Complex Improvement**

<b><u>Payment Number</u></b>	<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
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>\$ 89,241.17</u>	<u>\$ 16,470.27</u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**SCHEDULE OF GREEN TRUST LOANS PAYABLE**

**Exhibit C-8**

**Sheet 3 of 4**

**Recreation Park Development 2**

<b><u>Payment Number</u></b>	<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
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	<u>3,366.66</u>	<u>33.68</u>
Total		\$ <u>26,018.27</u>	\$ <u>1,184.42</u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**SCHEDULE OF GREEN TRUST LOANS PAYABLE**

**Exhibit C-8**

**Sheet 4 of 4**

**Oakford Lake Park Improvements**

<b><u>Payment Number</u></b>	<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
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	5,050.01	50.52
Total		<b><u>\$ 39,027.58</u></b>	<b><u>\$ 1,776.65</u></b>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-9

**SCHEDULE OF DOWNTOWN BUSINESS IMPROVEMENT ZONE LOAN PAYABLE**

<b>Purpose</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Maturities of Loan</b>		<b>Balance Dec. 31, 2012</b>	<b>Paid by Budget Appropriation</b>	<b>Balance Dec. 31, 2013</b>
			<b>Outstanding Date</b>	<b>Amount</b>			
Downtown New Egypt Improvements	12/15/2011	\$ 528,294.76	12/15/2014-25	\$ 34,484.22	\$ 488,294.76	\$ 40,000.00	\$ 448,294.76
			12/15/2026	34,484.12			
					\$ 488,294.76	\$ 40,000.00	\$ 448,294.76

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**  
**GENERAL CAPITAL FUND**

Exhibit C-10

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012		2013 Authorizations	Reserve for Encumbrances	Paid or Charged	Cancelled	Balance Dec. 31, 2013	
				Funded	Unfunded					Funded	Unfunded
91-11	Acquisition/Construction of Municipal Complex	6/24/1991	\$ 2,810,000.00	\$ 1,348.05	\$	\$	\$ 92,762.58	\$ 92,762.58	\$	\$ 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	171,809.52	490,127.09				300,000.00		361,936.61
08-11	Various Capital Improvements	8/06/2008	977,170.00	361,632.11				95,628.58			266,003.53
09-07	Preliminary Expenses in Connection With the Redevelopment Plans	4/01/2009	750,000.00	400,000.00			2,691.07	2,691.07	400,000.00		
11-08	Payments of Amounts Owing to Others for Taxes Levied	11/23/2011	240,000.00	22,000.00					22,000.00		
12-15	Payments of Amounts Owing to Others for Taxes Levied	10/03/2012	282,000.00	10,000.00				7,893.99			2,106.01
13-12	Various Capital Improvements	10/02/2013	68,938.27			68,938.27		26,796.60		42,141.67	
			\$ 173,157.57	\$ 1,283,759.20	\$	\$ 68,938.27	\$ 95,453.65	\$ 225,772.82	\$ 722,000.00	\$ 43,489.72	\$ 630,046.15
	Interfund - Current Fund		\$	\$ 35,000.00	\$	\$	\$	\$ 12,284.00	\$	\$	\$
	Miscellaneous Reserves								422,000.00		
	Deferred Charges - Unfunded								300,000.00		
	Grants Receivable							116,472.58			
	Reserve for Encumbrances							97,016.24			
	Disbursements					\$ 68,938.27	\$ 225,772.82	\$ 225,772.82	\$ 722,000.00	\$	\$

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-11**

**SCHEDULE OF MISCELLANEOUS RESERVES**

<u>Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Prior Year Reserve for Encumbrances</u>	<u>Decreased</u>	<u>Utilized Funding for Ordinance 2013-12</u>
Curbs and Sidewalks	\$ 41,771.76		\$ 20,000.00	\$ 21,771.76
Recreation Facility	.89	343.00	343.00	.89
Various Road Improvements		3,337.60		3,337.60
Natural Lands Trust	250.00			250.00
Oak Lake Park Dam	253.75		250.73	3.02
Improvements to Municipal Building	7,600.00	975.00		8,575.00
Emergency Management Van	5,000.00		5,000.00	
	<u>\$ 54,876.40</u>	<u>\$ 4,655.60</u>	<u>\$ 25,593.73</u>	<u>\$ 33,938.27</u>
Reserve for Encumbrances		\$ 4,655.60		
Disbursements			593.73	
Cancelled to Capital Fund Balance			<u>25,000.00</u>	
		<u>\$ 4,655.60</u>	<u>\$ 25,593.73</u>	

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-12**

**SCHEDULE OF INTERFUND - CURRENT FUND**

Balance December 31, 2012 - Due To		\$	23.26
Increased by:			
Receipts	\$	14,716.00	
Claims paid in Current Fund		<u>12,284.00</u>	
			<u>27,000.00</u>
			<u>27,023.26</u>
Decreased by:			
Disbursements		23.26	
Budget Appropriations Funding Capital Ordinance		<u>35,000.00</u>	
			<u>35,023.26</u>
Balance December 31, 2013 - (Due From)		\$	<u><u>(8,000.00)</u></u>

**TOWNSHIP OF PLUMSTED - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-13**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Purpose</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic Farmland Preservation and Other Related Expenses	\$ 362,404.45
08-11	Various Capital Improvements	<u>236,190.00</u>
		<u>\$ 598,594.45</u>

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The Honorable Mayor and Members of the  
Township Committee  
Township of Plumsted  
County of Ocean  
New Egypt, New Jersey 08224

We have audited the financial statements of the Township of Plumsted in the County of Ocean for the year ended December 31, 2013.

**Scope of Audit**

The audit covered the financial transactions of the Treasurer and Tax Collector, and the activities of the Mayor and Commissioners 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 not 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 Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

**GENERAL COMMENTS**

**Contracts and Agreements Required to be Advertised by (N.J.S.A.40A:11-4)**

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement. The Township employs a qualified purchasing agent.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

### **Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):**

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

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 did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

### **Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

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

*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 2, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**"BE IT RESOLVED** that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable."

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, 2013 and was complete except for those properties in bankruptcy.

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

**Delinquent Taxes and Tax Title Liens (continued):**

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2013	9
2012	10
2011	11

**Deductions From Taxes**

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

**\*Finding 2013-01:**

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.

**Recommendation:**

That the Township strengthen the internal controls for purchasing procedures.

**Managements Response:**

The Township does not own storage tanks and investigated a fuel management system as a shared service with the local school and fire company, to no avail. Gasoline is purchased at a gas station in the Township so that, for the safety of the public, the police officers are not leaving town. Management's response is that the costs outweigh the benefits. However, the Township will continue to investigate other alternatives.

**Examination of Bills**

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

**Municipal Court**

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

The 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.

**Follow-up on Prior Year Findings**

In accordance with government auditing standards, my procedures included a review of all prior year findings. Corrective action has been taken on all of the prior year findings except those marked above with an asterisk (\*).

## OFFICIALS IN OFFICE

The following officials were in office at December 31, 2013:

<b>NAME</b>	<b>TITLE</b>
David J. Leutwyler	Mayor
Eric Sorchik	Deputy Mayor
Jack Trotta	Committeeman
Michael H. Wysong	Committeeman
Herbert F. Marinari	Committeeman
June D. Madden	Chief Financial Officer
Dorothy J. Hendrickson	Municipal Clerk
Danielle Peacock	Tax Collector

## **Acknowledgment**

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #435

Medford, New Jersey