

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
YEARS ENDED DECEMBER 31, 2011 AND 2010

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
with
INDEPENDENT AUDITOR'S REPORTS
and
COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

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COUNTY OF OCEAN, NEW JERSEY

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Hutchins, Farrell, Meyer & Allison, P.A.

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Ocean, New Jersey

We have audited the accompanying regulatory-basis financial statements of the Township of Ocean, County of Ocean, New Jersey ("Township") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements listed as financial statement exhibits in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and requirements prescribed by the Division require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Township prepares its financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Township's financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund, and represent 6.52% and 5.85% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2011 and 2010.

In our opinion, because of the effects of the Township's preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2011 and 2010, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Township has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Also in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the Township as of December 31, 2011 and 2010, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the Statements of Revenues - Regulatory Basis and the Statement of Expenditures - Regulatory Basis of the various funds for the years ended December 31, 2011 and 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 13, 2012 on our consideration of the Township's internal control structure over financial reporting and 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 and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements of the Township taken as a whole. The information included in the supplementary data and supplementary Schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Township. The information has been subjected to 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 financial statements – regulatory basis taken as a whole.

Hutchins, Farrell, Meyer & Allison, P.A.
Independent Auditors


Robert W. Allison
Registered Municipal Accountant
(#483)

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBITS

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,295,181.00	\$ 1,458,800.00
Miscellaneous Revenue Anticipated	A-2	1,768,502.61	2,290,562.27
Receipts From Delinquent Taxes	A-2	312,626.17	261,920.54
Receipts From Current Taxes	A-2	21,331,176.66	20,654,637.16
Non-Budget Revenue	A-2	2,424,275.98	149,918.16
Other Credits To Income:			
Interfunds Returned	A	62,376.39	
Grant Appropriations Cancelled By Resolution	8-A	41,366.51	
Unexpended Balance of Appropriation Reserves	13-A	240,446.58	493,118.46
Cancellation of Accounts Payable	15-A	510.91	95,124.63
Adjustment to Marriage License Payable	A-1		200.00
		28,476,462.81	25,404,281.22
Total Revenues			
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	3,293,447.00	3,295,934.00
Other Expenses	A-3	3,786,165.00	3,487,470.00
Deferred Charges and Statutory Expenditures	A-3	817,345.25	681,121.61
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	124,080.00	107,500.00
Other Expenses	A-3	386,800.66	250,776.56
Capital Improvements	A-3	157,000.00	257,000.00
Municipal Debt Service	A-3	802,533.89	765,488.19
County Taxes	19-A	5,012,905.52	4,841,437.86
Amount Due County for Added and Omitted Taxes	19-A	99,818.43	79,059.14
Municipal Open Space Tax	21-A	410,924.86	401,571.00
Local District School Tax	22-A	10,018,551.00	8,947,750.00
Interfunds Advanced	A		52,422.59
Grants Receivable Cancelled By Resolution	8-A	451.24	
Refund Prior Year Revenue	1-A	5,153.77	9,324.58
Prior-Year Senior Citizen Deduction Disallowed	12-A	3,603.35	2,750.00
		24,918,779.97	23,179,605.53
Total Expenditures			
Excess in Revenue		3,557,682.84	2,224,675.69
Adjustments To Income Before Surplus:			
Expenditures Included Above Which Are By Statute Deferred Charges To Budget of Succeeding Year:			
Emergency Appropriation	10-A	200,000.00	
Statutory Excess To Fund Balance		3,757,682.84	2,224,675.69

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Fund Balance, January 1	A	<u>2,472,181.94</u>	<u>1,706,306.25</u>
		6,229,864.78	3,930,981.94
Decreased By:			
Utilized as Anticipated Revenue	A-2	<u>2,295,181.00</u>	<u>1,458,800.00</u>
Fund Balance, December 31	A	<u>\$ 3,934,683.78</u>	<u>\$ 2,472,181.94</u>

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Reference	Budget as Adopted	Budget Amendments	Realized	Excess/ (Deficit)
Fund Balance Anticipated	A-1	\$ 2,295,181.00		\$ 2,295,181.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	7-A	5,000.00		7,293.32	\$ 2,293.32
Fees and Permits	7-A	70,000.00		72,886.63	2,886.63
Fines and Costs:					
Municipal Court	7-A	160,000.00		153,760.61	(6,239.39)
Interest and Costs on Taxes	7-A	40,000.00		81,298.39	41,298.39
Anticipated Utility Operating Surplus	7-A	216,288.00		216,288.00	
Sale of Beach Badges	7-A	1,000.00		1,185.00	185.00
Consolidated Municipal Property Tax Relief Act	7-A	9,381.00		9,381.00	
Energy Receipts Tax	7-A	587,131.00		587,131.00	
Pinelands Property Tax Stabilization	7-A	8,174.00		8,174.00	
Garden State Preservation Trust Fund	7-A	10,289.00		10,289.00	
Uniform Construction Code Fees	7-A	200,000.00		256,482.00	56,482.00
General Capital Fund Surplus	7-A	60,000.00		60,000.00	
PILOT Program - Coastal Development	7-A	45,000.00			(45,000.00)
Drunk Driving Enforcement Fund	8-A,24-A	7,169.73		7,169.73	
Clean Communities Program	8-A,24-A		\$ 17,292.17	17,292.17	
Body Armor Replacement Grant	8-A,24-A	1,998.09		1,998.09	
Click It or Ticket	8-A,24-A		4,000.00	4,000.00	
Over the Limit, Under Arrest	8-A,24-A		4,400.00	4,400.00	
Municipal Alcohol Education and Rehab Program	8-A,24-A		2,211.32	2,211.32	
966 Reimbursement Program	8-A,24-A		14,537.35	14,537.35	
Municipal Alliance on Alcoholism and Drug Abuse	8-A,24-A	20,000.00		20,000.00	
Ocean County Tourism Grant - Founders Day	8-A,24-A	1,125.00		1,125.00	
COPS in Shops Grant	8-A,24-A		1,600.00	1,600.00	
CDBG - Handicapped Accessibility	8-A,24-A		50,000.00	50,000.00	
CDBG	8-A,24-A		30,000.00	30,000.00	
NJ Transportation Trust Fund Authority Act	8-A,24-A	150,000.00		150,000.00	
	A-1	<u>1,592,555.82</u>	<u>124,040.84</u>	<u>1,768,502.61</u>	<u>51,905.95</u>
Receipts From Delinquent Taxes	A-1,A-2	<u>260,000.00</u>		<u>312,626.17</u>	<u>52,626.17</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2,3-A	<u>5,767,498.57</u>		<u>6,252,702.17</u>	<u>485,203.60</u>
Budget Totals		9,915,235.39	124,040.84	10,629,011.95	589,735.72
Non-Budget Revenues	A-1,A-2			<u>2,424,275.98</u>	<u>2,424,275.98</u>
Total	A-3	<u>\$ 9,915,235.39</u>	<u>\$ 124,040.84</u>	<u>\$ 13,053,287.93</u>	<u>\$ 3,014,011.70</u>

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	
<u>Analysis of Realized Revenue</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,3-A	\$ 21,331,176.66
Allocated To School and County Taxes and Open Space Taxes	3-A	<u>15,542,199.81</u>
Balance for Support of Municipal Budget Appropriations		5,788,976.85
Add:		
Reserve for Uncollected Taxes	A-3	<u>463,725.32</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 6,252,702.17</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	3-A	\$ 303,842.65
Special Charges Collections	4-A	1,509.69
Tax Title Lien Collections	5-A	<u>7,273.83</u>
Delinquent Tax Collections	A-2	<u>\$ 312,626.17</u>
<u>Analysis of Non-Budget Revenues:</u>		
Interest on Investments and Deposits		\$ 7,348.68
Reimbursement on Workers Compensation		49,749.12
Statutory Excess in Animal Control Fund		12,605.00
Police Car Outside Department		507.50
Miscellaneous Reimbursements		14,579.98
Rents From Building		14,400.00
Senior Citizens' and Veterans' Administration Fee		3,487.93
Tax Miscellaneous		2,364.96
Inspection Fines		5,159.50
State N.J. - FEMA Storm Aid		26,831.05
Refunds		7,626.44
Lot Clean Up Fees		419.48
Interlocal Agreements		22,815.13
Sale of Property		2,200,653.00
Miscellaneous		<u>55,728.21</u>
	A-2	<u>\$ 2,424,275.98</u>
Receipts:		
Treasurer	1-A	\$ 2,421,911.02
Collector	2-A	2,364.96
Various Reserves	23-A	<u>0.28</u>
		<u>\$ 2,424,276.26</u>

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
General Appropriations					
Operations - Excluded From "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 500.00		\$ 500.00		\$ 500.00
Other Expenses	72,000.00		72,000.00		5,079.33
Mayor and Committee:					
Salaries and Wages	17,225.00		17,225.00		653.48
Other Expenses	3,000.00		3,000.00		174.44
Municipal Clerk:					
Salaries and Wages	116,182.00		116,182.00		229.94
Other Expenses	42,132.00		42,132.00		546.72
Financial Administration (Treasury):					
Salaries and Wages	110,400.00		110,400.00		12,244.17
Other Expenses	36,900.00		36,900.00		460.31
Audit Services	52,000.00		52,000.00		14,237.50
Revenue Administration (Tax Collection):					
Salaries and Wages	93,400.00		93,400.00		2,830.17
Other Expenses	15,160.00		15,160.00		1,924.17
Tax Assessment Administration:					
Salaries and Wages	50,000.00		50,000.00		3,361.30
Other Expenses	8,925.00		8,925.00		29.56
Revaluation		200,000.00		200,000.00	
Legal Services (Legal Department):					
Other Expenses	145,000.00		145,000.00		21,709.88
Special Litigation	10,000.00		10,000.00		3,780.41
Engineering Services:					
Other Expenses	85,000.00		85,000.00		32,067.03
Economic Development Agencies:					
Architect	1,000.00		1,000.00		655.00
Historical Society	5,000.00		5,000.00		
LAND USE ADMINISTRATION					
Land Use Board/Planning Board:					
Salaries and Wages	26,400.00		26,400.00		820.90
Other Expenses	10,845.00		10,845.00		2,910.06
Zoning:					
Salaries and Wages	30,000.00		30,000.00		4.83
Other Expenses	5,700.00		5,700.00		26.69
Board of Adjustment:					
Salaries and Wages	13,000.00		13,000.00		11.76
Other Expenses	6,550.00		6,550.00		2,374.05
CODE ENFORCEMENT AND ADMINISTRATION					
Other Code Enforcement Functions:					
Salaries and Wages	11,050.00		11,050.00		56.02
Other Expenses	41,000.00		41,000.00		19,607.84

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS
Year ended December 31, 2011

	Original Budget	Appropriations Emergency Appropriation	Budget After Modifications	Expended		Cancelled
				Paid or Charged	Reserved	
General Appropriations Operations - Excluded From "CAPS"						
Municipal Housing Liason	12,500.00		12,500.00	12,500.00		
Salaries and Wages	14,250.00		9,250.00	4,127.50	2,122.50	3,000.00
Other Expenses						
INSURANCE						
Unemployment Insurance	17,000.00		17,000.00	15,220.41	1,779.59	
General Liability Insurance	80,000.00		72,000.00	69,710.94	1,289.06	1,000.00
Workers Compensation Insurance	140,900.00		132,900.00	131,486.19	411.81	1,000.00
Employee Group Health Insurance	957,498.00		957,498.00	905,426.04	27,069.96	25,000.00
Health Benefits Waiver	53,000.00		59,000.00	56,895.98	1,104.02	
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	2,050,000.00		1,965,000.00	1,863,439.28	21,561.72	100,000.00
Other Expenses	155,325.00		151,325.00	133,467.75	7,857.25	10,000.00
Ammunition	12,200.00		12,200.00	11,291.33	908.67	
Police Department: Police Vehicles	12,000.00		32,000.00		32,000.00	
Police Dispatch/911:						
Salaries and Wages	142,000.00		137,000.00	120,822.17	16,177.83	
Other Expenses	3,000.00		3,000.00	2,520.54	479.46	
Office of Emergency Management:						
Salaries and Wages	5,000.00		5,000.00	5,000.00		
Other Expenses	1,000.00		1,000.00	989.04	10.96	
Fire Service Program	1,500.00		1,500.00		1,500.00	
Aid To Volunteer Fire Companies	40,000.00		40,000.00	40,000.00		
First Aid Contribution	25,000.00		25,000.00	25,000.00		
Municipal Prosecutor's Office:						
Other Expenses	17,000.00		17,000.00	12,375.00	4,625.00	
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	146,600.00		146,600.00	143,162.46	3,437.54	
Other Expenses	30,550.00		33,550.00	32,748.60	801.40	
County Schedule "C" Program	7,000.00		2,000.00		2,000.00	
Solid Waste Collection:						
Salaries and Wages	500.00		500.00		500.00	
Other Expenses	450,000.00		408,000.00	369,929.53	8,070.47	30,000.00
Buildings and Grounds:						
Salaries and Wages	201,700.00		211,700.00	208,275.91	3,424.09	
Other Expenses	45,000.00		56,000.00	55,702.82	297.18	
Vehicle Maintenance (Including Police Vehicles):						
Salaries and Wages	58,000.00		58,000.00	55,026.59	973.41	2,000.00
Other Expenses	78,050.00		78,050.00	71,438.08	1,611.92	5,000.00

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
General Appropriations Operations - Excluded From "CAPS"					
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	4,000.00		4,000.00	2,500.00	1,500.00
Other Expenses	5,200.00		5,200.00	2,107.21	2,092.79
Environmental Health Services:					
Salaries and Wages	1,600.00		1,600.00	1,100.00	500.00
Other Expenses	14,250.00		9,250.00	1,530.24	2,719.76
Animal Control Services:					
Other Expenses	19,000.00		19,000.00	16,258.00	2,742.00
Vital Statistics:					
Salaries and Wages	2,000.00		2,000.00	1,000.00	1,000.00
Other Expenses	650.00		650.00	125.00	475.00
Public Assistance					
Other Expenses	1,000.00		1,000.00		1,000.00
PARKS AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	55,000.00		51,000.00	48,380.80	2,619.20
Other Expenses	19,425.00		19,425.00	8,037.35	5,387.65
Beach and Boardwalk Operations:					
Salaries and Wages	20,000.00		12,000.00	11,250.00	750.00
Other Expenses	2,300.00		1,300.00	969.86	130.14
Park Maintenance:					
Other Expenses	13,000.00		13,000.00	12,954.56	45.44
Celebration of Public Events:					
Other Expenses	25,000.00		15,000.00	5,311.03	3,688.97
Municipal Court:					
Salaries and Wages	111,690.00		111,690.00	110,808.40	881.60
Other Expenses	17,080.00		17,080.00	12,021.19	4,058.81
Public Defender (P.L. 1997, c.256):					
Other Expenses	5,000.00		5,000.00		750.00
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Uniform Construction Code Enforcement Functions:					
Salaries and Wages	190,200.00		150,200.00	146,217.94	3,982.06
Other Expenses	23,500.00		68,500.00	53,325.54	13,174.46

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

General Appropriations Operations - Excluded From "CAPS"	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
UNCLASSIFIED					
Utilities:					
Electricity	60,000.00		63,000.00	56,681.09	6,318.91
Street Lighting	130,000.00		130,000.00	122,298.22	7,701.78
Telephone (excluding equipment acquisition)	45,000.00		45,000.00	37,735.53	7,264.47
Gas (natural or propane)	16,000.00		16,000.00	11,656.49	4,343.51
Gas and Oil	80,000.00		105,000.00	102,363.71	2,636.29
Telecommunications Costs	9,000.00		9,000.00	7,046.75	1,953.25
Landfill/Solid Waste Disposal Costs	293,775.00		293,775.00	201,436.39	62,338.61
Accumulated Leave Compensation	10,000.00		34,000.00	34,000.00	
Greenbelt Reimbursement	200,000.00		200,000.00	200,000.00	
Total Operations - Within "CAPS"	7,140,812.00	200,000.00	7,345,812.00	6,673,055.90	406,056.10
Contingent	500.00		500.00		500.00
Total Operations - Within "CAPS" including Contingent	7,141,312.00	200,000.00	7,346,312.00	6,673,055.90	406,556.10
Detail:					
Salaries and Wages	3,523,947.00		3,425,947.00	3,214,322.96	79,124.04
Other Expenses	3,617,365.00	200,000.00	3,820,365.00	3,458,732.94	327,432.06
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"					
Statutory Expenditures: Contribution To:					
Public Employees' Retirement System	139,322.25		139,322.25	139,322.25	
Police and Fireman's Retirement System	401,523.00		401,523.00	401,523.00	
Social Security System (O.A.S.I.)	289,000.00		284,000.00	258,021.58	18,478.42
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	829,845.25		824,845.25	798,866.83	18,478.42
Total General Appropriations for Municipal Purposes - Within "CAPS"	7,971,157.25	200,000.00	8,171,157.25	7,471,922.73	425,034.52
					274,200.00

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
General Appropriations					
Operations - Excluded From "CAPS"					
Recycling Tax	12,000.00		12,000.00	10,000.00	2,000.00
Employee Group Health Insurance	137,242.00		137,242.00	137,242.00	
Police Dispatchers 911:					
Salaries and Wages	124,080.00		124,080.00	124,080.00	
Other Expenses	7,400.00		7,400.00	578.14	2,821.86
LOSAP	57,500.00		57,500.00	57,500.00	
Defined Contribution Retirement Program	2,000.00		2,000.00	785.72	1,214.28
Stormwater Management	100.00		100.00	100.00	
Total Other Operations - Excluded From "CAPS"	340,322.00		340,322.00	330,185.86	4,000.00
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Municipal Alliance on Alcoholism and Drug Abuse:					
Local Share	20,000.00		20,000.00	20,000.00	
State Share	6,375.00		6,375.00	6,375.00	
Clean Communities Program	17,292.17		17,292.17	17,292.17	
Community Development Block Grant - Handicapped Accessibility	50,000.00		50,000.00	50,000.00	
Alcohol Education and Rehabilitation Fund	2,211.32		2,211.32	2,211.32	
COPS in Shops	1,600.00		1,600.00	1,600.00	
Body Armor Replacement Fund	1,988.09		1,988.09	1,988.09	
Ocean County Tourism	1,125.00		1,125.00	1,125.00	
Ocean County Tourism - Local Share	1,125.00		1,125.00	1,125.00	
966 OEM Ocean County Reimbursement	14,537.35		14,537.35	14,537.35	
Matching Funds for Future Grants	12,725.00		12,725.00	12,725.00	
Drunk Driving Enforcement Fund	7,169.73		7,169.73	7,169.73	
Click it or Ticket	4,000.00		4,000.00	4,000.00	
Community Development Block Grant - CT-822-07	30,000.00		30,000.00	30,000.00	
Over the Limit, Under Arrest	4,400.00		4,400.00	4,400.00	
Total Public and Private Programs Offset By Revenues	174,558.66		174,558.66	161,833.66	12,725.00
Total Operations - Excluded From "CAPS"	514,880.66		514,880.66	492,019.52	4,000.00
Detail:					
Salaries and Wages	124,080.00		124,080.00	124,080.00	
Other Expenses	390,800.66		390,800.66	367,939.52	4,000.00
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	1,000.00		1,000.00	1,000.00	
NJDOT - Starboard	150,000.00		150,000.00	150,000.00	
Purchase of Safety Equipment	6,000.00		6,000.00	5,095.00	905.00
Total Capital Improvements - Excluded From "CAPS"	157,000.00		157,000.00	156,095.00	905.00

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Original Budget	Appropriations Emergency Appropriation	Budget After Modifications	Paid or Charged	Expended	Reserved	Cancelled
General Appropriations Operations - Excluded From "CAPS"							
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	542,625.00		542,625.00	456,425.00			86,200.00
Payment of Bond Anticipation Notes and Capital Notes	54,440.00		54,440.00	54,440.00			
Interest on Bonds	292,900.00		292,900.00	249,415.55			43,484.45
Interest on Notes	22,400.00		22,400.00	22,105.34			294.66
Green Trust Loan Program:							
Loan Repayments for Principal and Interest	20,148.00		20,148.00	20,148.00			
Total Municipal Debt Service - Excluded From "CAPS"	932,513.00		932,513.00	802,533.89			129,979.11
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	1,604,393.66		1,604,393.66	1,450,848.41		19,765.14	133,979.11
Subtotal General Appropriations	9,575,550.91	200,000.00	9,775,550.91	8,922,571.14		444,800.66	406,179.11
Reserve for Uncollected Taxes	463,725.32		463,725.32	463,725.32			
Total General Appropriations	\$ 10,039,276.23	\$ 200,000.00	\$ 10,239,276.23	\$ 9,386,296.46		\$ 444,800.66	\$ 406,179.11
						A	A-3
Reference	A-3						
Original Budget			\$ 9,915,235.39				
Deferred Charges:	A-2						
Special Emergency Authorizations	10-A		200,000.00				
Added by N.J.S.A. 40A:4-37	A-2		124,040.84				
			\$ 10,239,276.23				
Reserve for Uncollected Taxes	A-2			\$ 463,725.32			
Cash Disbursements	1-A			8,267,068.82			
Due To General Capital Fund	9-A			1,000.00			
Deferred Charges:							
Special Emergency	23-A			200,000.00			
Due From Federal and State Grant Fund	8-A			311,633.66			
Encumbrances Payable	14-A			142,668.66			
				\$ 9,386,296.46			

TRUST FUND

EXHIBIT

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

Assets	Reference	2011	2010	Liabilities and Reserves	Reference	2011	2010
Animal Control Fund:							
Cash	1-B	\$ 22,274.40	\$ 22,274.40				
Cash - Change Fund	B	50.00	50.00	Animal Control Fund:			
				Reserve for Animal Control Fund			
				Expenditures	5-B	\$ 22,324.40	\$ 22,324.40
				Trust - Other Fund:			
				Premiums Received at Tax Sale	6-B	23,100.00	31,200.00
Trust - Other Fund:				Due To:			
Cash	1-B	2,504,606.63	2,844,580.17	Water Utility Operating Fund	7-B	1,303.79	1,303.79
Due From Current Fund	3-B	11,518.28	10,290.51	Sewer Utility Operating Fund	8-B	3,550.01	3,550.01
				Various Reserves	9-B	2,493,024.91	2,818,816.88
						2,516,124.91	2,854,870.68
Open Space Trust Fund:				Open Space Trust Fund:			
Cash	1-B	900,781.59	634,059.47	Reserve for Open Space	4-B	900,781.59	634,059.47
Length of Service Award Program Fund ("LOSAP") - Unaudited:				Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	10-B	239,801.08	218,227.27	Miscellaneous Reserves	11-B	239,801.08	218,227.27
Total Assets		\$ 3,679,031.98	\$ 3,729,481.82	Total Liabilities and Reserves		\$ 3,679,031.98	\$ 3,729,481.82

See accompanying notes.

GENERAL CAPITAL FUND
EXHIBITS

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash				Serial Bonds Payable	5-C	\$ 8,159,375.00	\$ 8,702,000.00
Deferred Charges To Future Taxation:				Bond Anticipation Notes	6-C	1,721,310.00	1,775,750.00
Funded	1-C	\$ 1,574,143.42	\$ 1,933,872.06	Green Acres Loan Payable	13-C	639,106.83	648,000.00
Unfunded	3-C	8,798,481.83	9,350,000.00	Encumbrances Payable	7-C	1,140,292.74	442,465.15
Due From Current Fund	4-C	4,163,810.73	3,220,750.73	Improvement Authorizations:			
Green Acres Loan Receivable	10-C	1,000.00		Funded	8-C	946,043.97	1,231,257.71
	12-C	315,321.09	315,321.09	Unfunded	8-C	2,116,019.23	1,682,013.13
				Due To Current Fund	10-C		3,895.00
				Capital Improvement Fund	9-C	66,227.55	217,727.55
				Reserve for:			
				Developer Contribution	11-C	50,997.00	50,997.00
				Preliminary Expense	14-C	5,680.60	3,570.93
				Fund Balance	C-1	7,704.15	62,267.41
Total Assets		<u>\$ 14,852,757.07</u>	<u>\$ 14,819,943.88</u>			<u>\$ 14,852,757.07</u>	<u>\$ 14,819,943.88</u>

See accompanying notes.

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF CAPITAL FUND BALANCE -
 REGULATORY ACCOUNTING BASIS

Years ended December 31, 2011 and 2010

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 62,267.41
Increased By:			
Premium on Sale of Notes		\$ 2,205.00	
Cancel Stale Dated Checks		<u>3,231.74</u>	
	1-C		<u>5,436.74</u>
			67,704.15
Decreased By:			
Anticipated as Revenue	1-C		<u>60,000.00</u>
Balance, December 31, 2011	C		<u><u>\$ 7,704.15</u></u>

See accompanying notes.

WATER UTILITY FUND

EXHIBITS

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY
 WATER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

Assets	Reference	2011	2010	Liabilities, Reserves and Fund Balance	Reference	2011	2010
Operating Fund:				Operating Fund:			
Cash and Investments	1-D	\$ 1,008,214.07	\$ 1,218,295.30	Appropriation Reserves	D-3,7-D	\$ 83,435.50	\$ 147,556.95
Change Fund	D	250.00	250.00	Accounts Payable	11-D	8,047.86	8,296.20
Due From:				Encumbrances Payable	8-D	25,716.70	40,909.97
Trust Other Fund	1-D		1,303.79	Due To:			
Water Utility Capital Fund	1-D		5,872.46	Current Fund	1-D		1,306.84
Sewer Utility Operating Fund	12-D	2,181.74	22,685.49	Sewer Utility Capital Fund	D	2,441.17	2,441.17
				Water Overpayments	9-D	4,201.78	5,129.47
				Accrued Interest on Bonds and Notes	10-D	108,544.11	115,849.79
Receivables with Full Reserves:							
Consumer Accounts Receivable	3-D	154,535.11	159,567.25			232,387.12	321,492.39
Special Charges Receivable	4-D	1,863.86	1,306.65	Reserve for Receivables	D	190,036.97	196,111.90
Connection Fee Receivable	D	33,638.00	35,238.00	Fund Balance	D-1	778,258.69	926,914.65
Total Operating Fund		1,200,682.78	1,444,518.94	Total Operating Fund		1,200,682.78	1,444,518.94
				Capital Fund:			
				Encumbrances Payable	24-D	71,618.20	43,441.99
				Serial Bonds	15-D	3,726,625.00	4,147,500.00
				Bond Anticipation Notes	16-D	1,000,000.00	1,500,000.00
				Trust Loans Payable	17-D	1,312,281.29	1,451,106.44
				Improvement Authorization:			
				Funded	18-D	239,106.02	1,743,728.06
				Unfunded	18-D	2,276,120.65	359,549.29
				Capital Improvement Fund	19-D	1,087,600.00	1,077,600.00
				Due To Water Utility Operating Fund	13-D		5,872.46
				Reserve for:			
				Bond Reserve	D	744,120.00	744,120.00
				Bond Service	1-D	95,580.00	107,326.20
				Amortization	20-D	13,063,577.83	12,428,916.68
				Deferred Amortization	21-D	847,400.00	347,400.00
				Morey Place	23-D	95,000.00	95,000.00
				Debt Service - BAN	23-D		500,000.00
				Preliminary Costs	22-D	1,299.23	29,730.54
				Fund Balance	D-1(a)	4,317.70	4,317.70
				Total Capital Fund		24,564,645.92	24,585,609.36
Total Assets		\$ 25,765,328.70	\$ 26,030,128.30	Total Liabilities, Reserves and Fund Balance		\$ 25,765,328.70	\$ 26,030,128.30

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-2	\$ 780,437.00	\$ 665,340.51
Collection of Water Rents	D-2	1,385,572.56	1,422,993.02
Reserve To Pay Notes - Water Capital	D-2	500,000.00	100,021.74
Miscellaneous Revenue	D-2	363,680.21	255,953.34
Appropriation Reserves Balances Lapsed	7-D	131,200.27	107,759.37
Cancellation of Accrued Interest	10-D	7,305.68	3,018.55
Cancellation of Accounts Payable	D-1	<u> </u>	<u>25,182.75</u>
 Total Revenues		 <u>3,168,195.72</u>	 <u>2,580,269.28</u>
Expenditures:			
Operating	D-3	945,900.00	945,099.70
Capital Improvements	D-3	100,000.00	97,000.00
Debt Service	D-3	1,326,546.68	499,599.34
Deferred Charges	D-1		6,428.31
Statutory Expenditures	D-3	88,968.00	82,125.00
Surplus (General Budget)	D-3	75,000.00	218,430.00
Refund of Prior-Year Revenue	D-1	<u> </u>	<u>240.30</u>
 Total Expenditures		 <u>2,536,414.68</u>	 <u>1,848,922.65</u>
 Excess Revenue		 631,781.04	 731,346.63
 Fund Balance, January 1	D	 <u>926,914.65</u>	 <u>860,908.53</u>
		1,558,695.69	1,592,255.16
Decreased By:			
Utilized as Anticipated Revenue	D-2	<u>780,437.00</u>	<u>665,340.51</u>
 Fund Balance, December 31	D	 <u>\$ 778,258.69</u>	 <u>\$ 926,914.65</u>

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF WATER CAPITAL FUND BALANCE
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

D

\$ 4,317.70

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Fund Balance Anticipated	D-1	\$ 780,437.00	\$ 780,437.00	
Water Rents	D-1,3-D,4-D	1,100,000.00	1,385,572.56	\$ 285,572.56
Miscellaneous	D-1	255,000.00	363,680.21	108,680.21
Reserve To Pay Notes - Water Capital	D-1,1-D	<u>500,000.00</u>	<u>500,000.00</u>	
	D-3	<u>\$ 2,635,437.00</u>	<u>\$ 3,029,689.77</u>	<u>\$ 394,252.77</u>
 <u>Analysis of Miscellaneous Revenue Not Anticipated</u>				
Interest Earned on Deposits			\$ 4,941.79	
Interest Earned on Delinquent Accounts			10,709.99	
Cell Tower Revenue			171,755.08	
Meter Fees			46,427.79	
Water Connection Fees			125,237.25	
Miscellaneous			<u>4,608.31</u>	
	D-2,1-D		<u>\$ 363,680.21</u>	

See accompanying notes.

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY
 WATER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 435,000.00	\$ 435,000.00	\$ 384,625.36	\$ 20,374.64	\$ 30,000.00
Other Expenses	574,900.00	574,900.00	511,146.63	23,753.37	40,000.00
State of New Jersey Water Tax	6,000.00	6,000.00	2,805.14	3,194.86	
Total Operating	1,015,900.00	1,015,900.00	898,577.13	47,322.87	70,000.00
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Capital Outlay	100,000.00	100,000.00	64,641.50	25,358.50	10,000.00
Total Capital Improvements	110,000.00	110,000.00	74,641.50	25,358.50	10,000.00
Debt Service:					
Payment of Bond Principal	420,875.00	420,875.00	420,875.00		
Payment of Bond Anticipation Notes	500,000.00	500,000.00	500,000.00		
Interest on Bonds	229,769.00	229,769.00	217,790.19		11,978.81
Interest on Notes	21,875.00	21,875.00	18,750.00		3,125.00
NJEIT Principal	139,100.00	139,100.00	138,825.15	0.00	274.85
NJEIT Interest	33,950.00	33,950.00	30,306.34		3,643.66
Total Debt Service	1,345,569.00	1,345,569.00	1,326,546.68	0.00	19,022.32
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	46,968.00	46,968.00	46,887.75	80.25	
Social Security System (O.A.S.I.)	35,000.00	35,000.00	29,333.75	5,666.25	
Unemployment Compensation	7,000.00	7,000.00	1,992.37	5,007.63	
Total Statutory Expenditures	88,968.00	88,968.00	78,213.87	10,754.13	
Surplus (General Budget)	75,000.00	75,000.00	75,000.00		
	\$ 2,635,437.00	\$ 2,635,437.00	\$ 2,452,979.18	\$ 83,435.50	\$ 99,022.32
	D-2	D-2	D-2	D	D-3
Cash Disbursements			\$ 2,427,262.48		
Encumbrances Payable			25,716.70		
			\$ 2,452,979.18		

SEWER UTILITY FUND
EXHIBITS

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Operating Fund:							
Cash and Investments	1-E	\$ 1,102,758.00	\$ 1,216,104.85	Appropriation Reserves	E-3,6-E	\$ 88,197.32	\$ 142,473.04
Change Fund	E	250.00	250.00	Encumbrances Payable	7-E	4,106.65	25,694.05
Due From:				Accounts Payable	15-E	360.15	
Sewer Utility Capital Fund	17-E		3,280.60	Due To:			
Trust Fund	16-E		3,550.01	Current Fund	1-E		1,990.59
				Water Utility Operating Fund	12-E	2,181.74	22,685.49
				Accrued Interest on Bonds	8-E	8,850.00	9,937.50
				Sewer Overpayments	9-E	7,544.02	5,894.38
Receivables with Full Reserves:							
Consumer Accounts Receivable	3-E	208,922.07	204,075.55			111,239.88	208,675.05
Special Charges Receivable	4-E	2,838.77	1,970.26		E	234,945.84	230,730.81
Connection Fee Receivable	E	23,185.00	24,685.00		E-1	991,768.12	1,014,510.41
Total Operating Fund		1,337,953.84	1,453,916.27	Total Operating Fund		1,337,953.84	1,453,916.27
Capital Fund:							
Cash and Investments	1-E	315,047.60	309,633.20	Serial Bonds	10-E	354,000.00	397,500.00
Fixed Capital	5-E	12,303,582.88	12,226,712.81	Due To:			
Due From:				Sewer Utility Operating Fund	11-E		3,280.60
Water Utility Operating Fund	E	2,441.17	2,441.17	Water Utility Capital Fund	E	10,938.77	10,938.77
				Capital Improvement Fund	13-E	213,250.00	203,250.00
				Reserve for:			
				Amortization	14-E	11,949,582.88	11,829,212.81
				Bond Reserve	E	82,680.00	82,680.00
				Bond Service	E,1-E	10,620.00	11,925.00
Total Capital Fund		12,621,071.65	12,538,787.18	Total Capital Fund		12,621,071.65	12,538,787.18
Total Assets		\$ 13,959,025.49	\$ 13,992,703.45	Total Liabilities, Reserves and Fund Balance		\$ 13,959,025.49	\$ 13,992,703.45

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-2	\$ 900,000.00	\$ 1,033,860.00
Collection of Sewer Rents	E-2	1,774,602.91	1,750,447.94
Miscellaneous Revenue	E-2	150,221.67	124,166.96
Other Credits To Income:			
Appropriation Reserves Balances Lapsed	6-E	132,890.63	176,687.73
Cancellation of Accrued Interest	8-E	1,087.50	281.25
Cancellation of Accounts Payable	E-1	<u> </u>	<u>26,383.72</u>
 Total Revenues		 <u>2,958,802.71</u>	 <u>3,111,827.60</u>
 Expenditures:			
Operating	E-3	1,696,400.00	1,698,681.00
Capital Improvements	E-3	95,000.00	80,000.00
Debt Service	E-3	66,045.00	37,687.50
Deferred Charges and Statutory Expenditures	E-3	82,812.00	78,500.00
Surplus (General Budget)	E-3	<u>141,288.00</u>	<u>333,860.00</u>
 Total Expenditures		 <u>2,081,545.00</u>	 <u>2,228,728.50</u>
 Excess in Revenue		 877,257.71	 883,099.10
 Fund Balance, January 1	E	 <u>1,014,510.41</u>	 <u>1,165,271.31</u>
		1,891,768.12	2,048,370.41
Decreased By:			
Utilized as Anticipated Revenue	E-2	<u>900,000.00</u>	<u>1,033,860.00</u>
 Fund Balance, December 31	E	 <u>\$ 991,768.12</u>	 <u>\$ 1,014,510.41</u>

See accompanying notes.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 900,000.00	\$ 900,000.00	
Sewer Rents	E-1,1-E,3-E,4-E	1,350,000.00	1,774,602.91	\$ 424,602.91
Miscellaneous Revenue	E-1	<u>40,000.00</u>	<u>150,221.67</u>	<u>110,221.67</u>
	E-3	<u>\$ 2,290,000.00</u>	<u>\$ 2,824,824.58</u>	<u>\$ 534,824.58</u>

Analysis of Miscellaneous Revenue

Interest Earned on Deposits		\$ 1,818.33
Interest Earned on Delinquent Accounts		14,854.58
Miscellaneous		1,225.51
Sewer Connection Fees		<u>132,323.25</u>
	E-2,1-E	<u>\$ 150,221.67</u>

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP
EXHIBIT

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

Years ended December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Land	1-F	\$ 9,446,100.00	\$ 9,838,700.00				
Land Improvements	1-F	752,275.00	752,275.00				
Buildings and Improvements	1-F	1,097,590.00	1,097,590.00				
Furniture, Fixtures and Equipment	1-F	2,846,981.00	2,891,981.00	Investment in General Fixed Assets	1-F	\$ 14,142,946.00	\$ 14,580,546.00
Total Assets		\$ 14,142,946.00	\$ 14,580,546.00	Total Liabilities		\$ 14,142,946.00	\$ 14,580,546.00

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

The financial statements of the Township of Ocean, County of Ocean, New Jersey ("Township") include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The accounting policies of the Township conform to the accounting principles and practices applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and are 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:

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Township departments.

Trust Funds - are used to account for assets held by the Township in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Fund.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

Water Utility Operating and Capital Funds - are used to account for Water operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the Water Utility to the general public be financed through user fees. Operations related to the acquisition of Water capital facilities are recorded within the Water Utility Capital Fund.

Sewer Utility Operating and Capital Funds - are used to account for Sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the Sewer Utility to the general public be financed through user fees. Operations relating to the acquisition of Sewer capital facilities are recorded within the Sewer Utility Capital Fund.

General Fixed Assets Account Group - The Township has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

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

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

No depreciation is provided for in the financial statements.

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

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

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

A modified accrual basis of accounting is followed by the Township. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and federal grants for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Township's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Had the Township's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

D. 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 State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Local Unit, Local School District, County and Special Districts, the tax rate is struck by the County Tax 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 Local Unit Tax Collector on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

G. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

H. Interfund Receivables

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

I. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the costs 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 N.J.S.A. 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 that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

Substantially, all Township employees participate in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the State and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Township annually at an actuarially determinable rate for its required contribution.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$ 228,945.00	\$ 401,523.00
2010	203,721.00	296,294.00
2009	189,052.00	281,623.00

Under the provisions of Chapter 78, P.L. 2011, employee pension contribution rates increased during 2011 by the following amounts:

- For PERS members, the employee pension contribution rate increased from 5.5% to 6.5% of salary. An additional increase to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary.

For PERS Prosecutors Part members, the employee pension contribution rate increased from 8.5% to 10% of salary.

- For PFRS members, the employee pension contribution rate increased from 8.5% to 10% of salary.

For local government employees and State employees who are not paid through the State Centralized Payroll Unit or not reported on a biweekly payroll schedule, the increase was effective with the first payroll amount to be paid on or after October 1, 2011.

The second phase of the employee contribution increase from 6.5% to 7.5% applies to PERS members. This increase is to be phased in equally over a 7-year period beginning July 2012. The contribution rate will increase by 0.14% each year with the first payroll of July until the 7.5% contribution rate is reached in July, 2018.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)
- J. Pension Plans (Continued)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program ("DCRP") was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax-deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law required that 3 classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is re-elected to an elected office held prior to that date without a break in service may remain in the PERS.
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in the PERS.

Contributions made by employees for the DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

During the year 2011, there were 3 officials or employees enrolled in the DCRP.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

K. Volunteer Length of Service Award Plan

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2005.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Estimated Cost - The estimated cost of the program to the Township has been calculated to be approximately \$38,250.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments

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, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital 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 State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)
- L. Deposits and Investments (continued)

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) 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.
- (d) 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.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)
- L. Deposits and Investments (continued)
Investments (continued)

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

The Township is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Township or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1. The Township is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

M. Inventories of Supplies

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

2. Deposits and Investments

The Township considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Township's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at December 31, 2011 and 2010 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2011 and 2010, the book value of the Township's deposits was \$15,500,805.59 and \$14,564,772.56, respectively.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At December 31, 2011 and 2010, the Township's bank balances of \$17,496,314.44 and \$14,666,209.97, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2011</u>	<u>2010</u>
Insured	\$ 16,732,595.80	\$ 12,240,221.01
Uninsured and Uncollateralized	<u>763,718.64</u>	<u>2,425,985.96</u>
	<u>\$ 17,496,314.44</u>	<u>\$ 14,666,206.97</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for Custodial Risk. As of December 31, 2011 and 2010, \$239,801.08 and \$218,227.27, respectively, of the Township's investments was exposed to Custodial Credit Risk, as follows:

	<u>Fair Value (LOSAP)</u>	<u>Book Value</u>	<u>Total Reported Value</u>
<u>2011</u>			
Uninsured and Collateralized: Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 239,801.08</u>	<u>\$ 239,801.08</u>	<u>\$ 239,801.08</u>
<u>2010</u>			
Uninsured and Collateralized: Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 218,227.27</u>	<u>\$ 218,227.27</u>	<u>\$ 218,227.27</u>

Interest Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices.

The fair value of the above-listed investments were based on quoted market prices.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

3. Interfund Balances and Activity

Balances due to/(from) other Funds at December 31, 2011 consist of the following:

Due to Trust - Other Fund from Current Fund representing a cash advance	\$ 11,518.28
Due to Federal and State Grant Fund from Current Fund representing a cash advance	568,917.01
Due to General Capital Fund from Current Fund representing a cash advance	1,000.00
Due to Sewer Utility Capital Fund from Water Utility Operating Fund representing a cash advance	2,441.17
Due to Water Utility Operating Fund from Sewer Utility Operating Fund representing a cash advance	2,181.74
Due to Water Utility Capital Fund from Sewer Utility Capital Fund representing a cash advance	10,938.77

4. Taxes, Water, and Sewer Utility Receivables

Receivables at December 31, 2011 consisted of the following:

	<u>Current Fund</u>	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Property Taxes	\$ 570,446.80			\$ 570,446.80
Utility Rents		\$ 156,398.97	\$ 211,760.84	\$ 368,159.81

In 2011, the Township collected \$312,626.17 and \$363,642.80 from delinquent taxes and utility rents, which represented 51.20% and 100% of the delinquent tax and utility charges receivable at December 31, 2010.

Receivables at December 31, 2010 consisted of the following:

	<u>Current Fund</u>	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Property Taxes	\$610,540.93			\$610,540.93
Utility Rents		\$159,567.25	\$204,075.55	363,642.80

In 2010, the Township collected \$261,920.54 and \$338,719.71 from delinquent taxes and utility rents, which represented 48.00% and 93.14% of the delinquent tax and utility charges receivable at December 31, 2009.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2011 and 2010:

<u>2011</u>	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2011</u>
Land	\$ 9,838,700.00		392,600.00	\$ 9,446,100.00
Land Improvements	752,275.00			752,275.00
Buildings and Improvements	1,097,590.00			1,097,590.00
Furniture, Fixtures & Equipment	<u>2,891,981.00</u>	<u> </u>	<u>45,000.00</u>	<u>2,846,981.00</u>
Total	<u>\$ 14,580,546.00</u>	<u>\$ 0.00</u>	<u>\$ 437,600.00</u>	<u>\$ 14,142,946.00</u>
<u>2010</u>	Balance, December 31, <u>2009</u>	<u>Increases By Adjustment</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
Land		\$ 9,838,700.00		\$ 9,838,700.00
Land Improvements		752,275.00		752,275.00
Buildings and Improvements		1,097,590.00		1,097,590.00
Furniture, Fixtures & Equipment		<u>2,891,981.00</u>	<u> </u>	<u>2,891,981.00</u>
Total	<u>\$ 0.00</u>	<u>\$ 14,580,546.00</u>	<u>\$ 0.00</u>	<u>\$ 14,580,546.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt

The Township's long-term debt consisted of the following at December 31, 2011:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>
<u>General Capital Bonds</u>				
General Improvements	01/10/06	\$ 5,280,000.00	4.000-4.100%	\$ 4,100,000.00
General Improvements	08/13/10	4,280,000.00	2.000-3.375%	<u>4,059,375.00</u>
				<u>8,159,375.00</u>
<u>Green Trust Loans</u>				
Recreation Area Development Phase I	06/22/10	148,000.00	2.000%	<u>139,106.83</u>
				<u>\$ 8,298,481.83</u>
<u>Water Utility Bonds</u>				
Water Capital:				
Refunding Bonds	10/28/93	\$ 5,235,000.00	6.000%	\$ 3,186,000.00
General Improvements	08/13/10	570,000.00	2.000-3.375%	<u>540,625.00</u>
				<u>3,726,625.00</u>
NJEIT:				
Trust Loan	03/24/09	198,032.00	2.740-2.960%	76,132.00
Fund Loan	03/24/09	198,032.00	0.000%	71,116.89
Trust Loan – CW	12/02/10	167,500.00	5.000%	160,000.00
Fund Loan – CW	12/02/10	167,500.00	0.000%	161,822.04
Trust Loan – PF	12/02/10	596,646.00	5.000%	555,000.00
Fund Loan PFDW	12/02/10	596,646.00	0.000%	<u>298,210.36</u>
				<u>1,322,281.29</u>
				<u>\$ 5,048,906.29</u>
<u>Sewer Utility Bonds</u>				
Sewer Capital				
Refunding Bond	10/28/93	\$ 5,235,000.00	6.000%	<u>\$ 354,000.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Aggregate long-term debt service requirements are as follows:

<u>Year</u>	<u>General Capital</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 459,450.00	\$ 278,288.88	\$ 737,738.88
2013	478,275.00	264,499.88	742,774.88
2014	497,100.00	250,134.38	747,234.38
2015	515,925.00	235,192.38	751,117.38
2016	534,750.00	219,673.88	754,423.88
2017	553,575.00	202,255.12	755,830.12
2018	572,400.00	184,215.76	756,615.76
2019	591,225.00	164,143.76	755,368.76
2020	614,462.50	143,407.00	757,869.50
2021	628,875.00	121,873.12	750,748.12
2022	652,112.50	99,806.88	751,919.38
2023	669,762.50	76,540.86	746,303.36
2024	684,175.00	51,968.58	736,143.58
2025	<u>707,287.50</u>	<u>26,412.68</u>	<u>733,700.18</u>
	<u>\$ 8,159,375.00</u>	<u>\$ 2,318,413.16</u>	<u>\$ 10,477,788.16</u>

<u>Year</u>	<u>Green Trust Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 9,071.92	\$ 2,737.00	\$ 11,808.92
2013	9,254.27	2,554.66	11,808.93
2014	9,440.28	2,368.65	11,808.93
2015	9,630.03	2,178.89	11,808.92
2016	9,823.59	1,985.33	11,808.92
2017	10,021.05	1,787.88	11,808.93
2018	10,222.47	1,586.46	11,808.93
2019	10,427.94	1,380.98	11,808.92
2020	10,637.54	1,171.38	11,808.92
2021	10,851.36	957.57	11,808.93
2022	11,069.47	739.45	11,808.92
2023	11,291.96	516.96	11,808.92
2024	11,518.93	289.99	11,808.92
2025	<u>5,846.02</u>	<u>58.46</u>	<u>5,904.48</u>
	<u>\$ 139,106.83</u>	<u>\$ 20,313.66</u>	<u>\$ 159,420.49</u>

General Capital serial bonds are direct obligations of the Township for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

<u>Year</u>	<u>Water Utility Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 449,050.00	\$ 206,241.12	\$ 655,291.12
2013	472,725.00	180,520.12	653,245.12
2014	500,900.00	153,425.62	654,325.62
2015	529,075.00	124,687.62	653,762.62
2016	697,925.00	94,306.12	792,231.12
2017	737,250.00	53,734.88	790,984.88
2018	37,600.00	10,704.24	48,304.24
2019	38,775.00	9,576.24	48,351.24
2020	40,537.50	8,413.00	48,950.50
2021	41,125.00	7,916.88	49,041.88
2022	42,887.50	5,963.12	48,850.62
2023	45,237.50	4,622.90	49,860.40
2024	45,825.00	3,152.68	48,977.68
2025	47,712.50	1,606.08	49,318.58
	<u>\$ 3,726,625.00</u>	<u>\$ 864,870.62</u>	<u>\$ 4,591,495.62</u>

<u>Year</u>	<u>Water Utility Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 173,192.33	\$ 37,864.74	\$ 211,057.07
2013	71,428.36	34,886.48	106,314.84
2014	48,685.90	33,250.00	81,935.90
2015	48,685.90	32,000.00	80,685.90
2016	48,685.90	30,750.00	79,435.90
2017	53,685.90	29,500.00	83,185.90
2018	53,685.90	28,000.00	81,685.90
2019	58,685.90	26,500.00	85,185.90
2020	58,685.90	24,750.00	83,435.90
2021	63,685.90	23,000.00	86,685.90
2022	63,685.90	21,000.00	84,685.90
2023	63,685.90	19,000.00	82,685.90
2024	63,685.90	17,000.00	80,685.90
2025	68,685.90	15,000.00	83,685.90
2026	68,685.90	12,750.00	81,435.90
2027	73,685.90	10,500.00	84,185.90
2028	73,685.90	8,000.00	81,685.90
2029	73,685.90	5,500.00	79,185.90
2030	83,686.20	3,000.00	86,686.20
	<u>\$ 1,312,281.29</u>	<u>\$ 412,251.22</u>	<u>\$ 1,724,532.51</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

<u>Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 46,500.00	\$ 21,240.00	\$ 67,740.00
2013	49,000.00	18,450.00	67,450.00
2014	52,000.00	15,510.00	67,510.00
2015	55,000.00	12,390.00	67,390.00
2016	73,500.00	9,090.00	82,590.00
2017	<u>78,000.00</u>	<u>4,680.00</u>	<u>82,680.00</u>
	<u>\$ 354,000.00</u>	<u>\$ 81,360.00</u>	<u>\$ 435,360.00</u>

Summary of Municipal Debt (Excluding
Current and Operating Debt and Type I School Debt)

<u>Issued</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General:			
Bonds and Notes	\$ 10,519,791.83	\$ 11,125,750.00	\$ 11,684,805.00
Water Utility	6,038,906.29	7,098,606.44	5,591,020.28
Sewer Utility	<u>354,000.00</u>	<u>397,500.00</u>	<u>411,000.00</u>
Total Issued	<u>16,912,698.12</u>	<u>18,621,856.44</u>	<u>17,686,825.28</u>
Less:			
Reserve For Debt Service	\$ 630,850.00		
Excess Financing			<u>25,000.13</u>
Total Deductions	<u>630,850.00</u>	<u>0.00</u>	<u>25,000.13</u>
Net Debt Issued	<u>16,281,848.12</u>	<u>18,621,856.44</u>	<u>17,661,825.15</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	2,442,500.00	1,445,000.00	1,445,000.00
Water Utility:			
Bonds and Notes	<u>2,301,708.00</u>	<u>341,708.00</u>	<u>2,440,000.30</u>
Total Authorized But Not Issued	<u>4,744,208.00</u>	<u>1,786,708.00</u>	<u>3,885,000.30</u>
Net Bonds and Notes Issued & Authorized But Not Issued	<u>\$ 21,026,056.12</u>	<u>\$ 20,408,564.44</u>	<u>\$ 21,546,825.45</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .86%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 12,962,291.83	630,850.00	\$ 12,331,441.83
Water Utility Debt	8,340,614.29	\$ 8,340,614.29	
Sewer Utility Debt	354,000.00	354,000.00	
School Debt	<u>7,970,743.00</u>	<u>7,970,743.00</u>	<u> </u>
	<u>\$ 29,627,649.12</u>	<u>\$ 17,296,207.29</u>	<u>\$ 12,331,441.83</u>

Net Debt \$12,331,441.83 divided by Equalized Valuation per N.J.S.A. 40A:2-2 as amended, \$1,425,743,823.00 = .86%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 49,901,033.81
Less: Net Debt	<u>12,331,441.83</u>
Remaining Borrowing Power	<u>\$ 37,569,591.98</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Calculation of Self-Liquidating Purpose - Water Utility Fund per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,529,689.77
Deductions:		
Operating and Maintenance Costs	\$ 1,034,868.00	
Debt Service per Water Account	<u>1,326,546.68</u>	
Total Deductions		<u>2,361,414.68</u>
Excess Revenue		<u>\$ 168,275.09</u>

Calculation of Self-Liquidating Purpose - Sewer Utility Fund per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,824,824.58
Deductions:		
Operating and Maintenance Costs	\$ 1,696,400.00	
Debt Service per Sewer Account	<u>66,045.00</u>	
Total Deductions		<u>1,762,445.00</u>
Excess Revenue		<u>\$ 1,062,379.58</u>

7. Other Commitments

On July 27, 2006, the Township signed an agreement with the Department of Environmental Protection for a Green Acres Loan for a Recreation Area Development Project, which is recorded in the General Capital Fund, consisting of two awards that were combined into one loan as follows:

Phase I	\$ 148,000.00
Phase II	<u>500,000.00</u>
 Total Loan Payable	 <u>\$ 648,000.00</u>

The rate of interest for the loan will be 2.00% for no longer than a 30-year term. As of December 31, 2011, the Township has received the Phase I funds and drawn down \$184,678.91 of the Phase II loan. The Township expects a start date for debt service payments to begin in 2012 after they have received their final Phase II payment from Green Acres.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

8. Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various 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 ten years. 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 an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

At December 31, 2011, the Township's outstanding Bond Anticipation Notes were as follows:

<u>General Capital Fund</u>	<u>Ordinance Number</u>	<u>Interest Rate</u>	<u>Amount</u>
Acquisition of Real Property	04-27	2.625%	\$ 630,850.00
Construction of Recreational Area	06-33	2.19%	566,300.00
Dredging and Cleaning of Waretown Lake	07-21	1.25%	<u>524,160.00</u>
			<u>\$ 1,721,310.00</u>

<u>Water Capital Fund</u>	<u>Ordinance Number</u>	<u>Interest Rate</u>	<u>Amount</u>
Acquisition of Land and Related Expenses	08-25	2.25%	<u>\$ 1,000,000.00</u>

9. Bonds and Notes Authorized But Not Issued

At December 31, 2011, the Township had authorized but not issued bonds and notes of the General Capital Fund totaling \$2,442,500.00, and the Water Utility Capital Fund totaling \$2,301,708.00. There were no authorized but not issued bonds and notes in the Sewer Utility Capital Fund.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

10. Local District School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

	Local District School Tax	
	Balance December 31, 2011	Balance December 31, 2010
Balance of Tax	\$ 4,795,124.50	\$ 4,709,324.50
Deferred	4,701,567.00	4,701,567.00
Total Tax Payable	\$ 93,557.50	\$ 7,757.50

11. Fund Balances Appropriated

Current Fund

The fund balance at December 31, 2011 was \$3,934,683.78 of which \$2,839,189.00 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

Water Utility Operating Fund

The fund balance at December 31, 2011 was \$778,258.69 of which \$688,250.00 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

Sewer Utility Operating Fund

The fund balance at December 31, 2011 was \$991,768.12 of which \$928,750.00 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

12. Accrued Sick and Vacation Benefits - Unaudited

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 unused vacation and sick pay. The Township permits its employees to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. Effective for financial statements dated December 31, 1987, the State has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end. The Township estimated the current cost of such unpaid compensation to be \$459,248.00 at December 31, 2011. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

13. Post-Employment Healthcare Plan

Plan Description

The Township of Ocean provides a single-employee defined benefit healthcare plan administered by Connor Strong Insurance. The Township provides, pursuant to Committee action and as provided by resolution, certain group healthcare and dental benefits for active and certain retired employees and their covered dependents, as well as Medicare Part B reimbursement (for those retirees that receive fully-subsidized benefits). Active employees who retire from the Township and meet the eligibility criteria are eligible to receive these benefits from the Township at no cost.

The Township implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, in 2009.

Funding Policy

The Township's funding policy is pay-as-you-go.

Annual OPEB Cost and Net OPEB Obligation

The Township's annual Other Post Employment Benefits ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Township's net OPEB obligation:

December 31, 2009 Net OPEB Obligations \$ 798,143.00

The Township's annual OPEB Cost Summary is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2009	\$ 863,009	8.11%	\$ 798,143

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

13. Post-Employment Healthcare Plan (continued)

Funded Status and Funding Progress

The funded status of the Plan was as follows

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as % of Covered Payroll</u>
12/31/09	\$ 8,375,545	\$ 5,951,635	\$ 5,951,635	0%	\$ 4,457,647	133.52%

Actuarial Methods and Assumptions

The Township provides the benefits described above to fewer than 100 participants and meets all other requirements allowing it to utilize the alternative measurement as is described in GASB Statement No. 45. The Township has elected to utilize the alternative measurement method. Some of the assumptions utilized in the computations are as follows:

Age Adjustment Factor	1.55
Discount Rate	0.5%
Payroll Growth Rate	2.0%
Mortality Table	RP2000 Mortality Table for Males and Females Projected 10 years
Turnover	Standard Turnover Assumptions
Amortization Period	30 Years
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll
Average Retirement Age	60
Participant Percentage	100%

Other Post Employment Benefit Costs and Obligations

The annual non-pension post employment benefit ("OPEB") cost is actuarially-determined in accordance with the parameters of the alternative measurement method. It represents the actuarially-determined level of funding that, if paid on an ongoing basis, is projected to cover annual benefit costs and the 30-year amortization of the difference between the actuarial accrued liability and amounts previously recognized. The Township has not recognized OPEB costs in the past.

The following are the components of the 2009 annual OPEB cost:

Normal Cost	\$ 709,093
Amortization Cost	<u>159,521</u>
December 31, 2009 OPEB Obligation	<u>\$ 868,614</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

13. Post-Employment Healthcare Plan (continued)

Funding Status

The Township provides funding for the annual normal cost of OPEB benefits. The Township has not provided any funding for its unfunded accrued OPEB obligation.

14. Contingent Liabilities

State and Federal Grants

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 grant 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, 2011, the Township estimates that no material liabilities will result from such audits.

Pending Litigation

There are actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

15. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Township is a member of the Ocean County Municipal Joint Insurance Fund ("JIF"). The joint insurance pool is both an insured and self-administered group of 30 municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance program which has a contract for excess liability insurance for property. The Fund also purchased an excess Faithful Performance and Employee Dishonesty Bond.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

16. Length of Service Award Program ("LOSAP") - Unaudited

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid Squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2005.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Chief Financial Officer, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Council for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Township Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

16. Length of Service Award Program ("LOSAP") – Unaudited (continued)

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

17. Subsequent Event

On April 26, 2012, the Township adopted a bond ordinance authorizing the issuance of up to \$1,850,000.00 aggregate principal amount, General Obligation Bonds or Notes for the construction of certain clean water and drinking water projects within the Township.

On June 14, 2012, the Township adopted a bond ordinance authorizing the issuance of up to \$546,250.00 aggregate principal amount, General Obligation Bonds or Notes, for Township-Wide Storm Water improvements.

On May 3, 2012, the Township issued New Jersey Environmental Infrastructure Loans, series 2012, in the amount of \$816,061.00. The Loans are payable through 2031.

On May 17, 2012, the Township issued New Jersey Environmental Infrastructure Loans, series 2012, in the amount of \$1,294,927.00. The Loans are payable through 2031.

SUPPLEMENTARY SCHEDULES

CURRENT FUND
SCHEDULES

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 3,097,599.20
Increased By:			
Non-Budget Revenues	A-2	\$ 2,421,911.02	
Tax Collector	2-A	21,517,986.63	
Revenue Accounts Receivable	7-A	1,453,879.67	
Due To Trust - Other Fund	11-A	1,227.77	
Due From:			
Water Utility Operating Fund	A,A-1	1,308.84	
Sewer Utility Operating Fund	A,A-1	1,990.59	
Federal and State Grant Fund	8-A	942,330.67	
General Capital Fund	9-A	3,895.00	
State of New Jersey (Ch. 20, P.L. 1971)	12-A	174,396.65	
Payroll Deductions Payable	16-A	2,330,353.95	
Marriage License Fees	20-A	1,325.00	
Training Fees	20-A	19,400.00	
Various Reserves	23-A	630,850.00	
		<u>29,500,855.79</u>	
			32,598,454.99
Decreased By:			
2010 Budget Appropriations	A-3	8,267,068.82	
Due From:			
Federal and State Grant Fund	8-A	284,816.43	
2010 Appropriation Reserves	13-A	415,677.58	
Accounts Payable	15-A	3,009.10	
Payroll Deductions Payable	16-A	2,326,225.86	
Tax Overpayments	18-A	4,938.41	
County Taxes Payable	19-A	5,091,964.66	
Marriage License Fees	20-A	1,175.00	
Training Fees	20-A	17,062.00	
Municipal Open Space Tax	21-A	410,924.86	
Local School District Tax	22-A	9,932,751.00	
Various Reserves	23-A	109,841.28	
Refund Prior Year Revenue	A-1	5,153.77	
		<u>26,870,608.77</u>	
Balance, December 31, 2011	A		<u>\$ 5,727,846.22</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 457,181.44
Increased By:			
Non-Budget Revenues	A-2	\$ 2,364.96	
Taxes Receivable	3-A	21,288,380.64	
Special Charges Receivable	4-A	1,509.69	
Tax Title Liens	5-A	7,273.83	
Prepaid Taxes	17-A	218,578.19	
Tax Overpayments	18-A	<u>4,905.51</u>	
			<u>21,523,012.82</u>
			21,980,194.26
Decreased By:			
Payments To Treasurer	1-A		<u>21,517,986.63</u>
Balance, December 31, 2011	A		<u>\$ 462,207.63</u>

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY
 CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2011

Year	Balance December 31, 2010	2011 Levy	Added Taxes	Collections 2010	Collections 2011	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transfer To Tax Title Liens	Adjustments/ (Cancelled)	Balance December 31, 2011
2007	\$ 773.45				\$ 773.45				
2008	3,120.97				3,120.97				
2009	3,610.53				3,462.88				
2010	305,106.15				296,485.35	\$ (3,603.35)	\$ 3,694.86	\$ 20.00	\$ 147.65
2011		\$ 21,217,423.12	\$ 426,465.73	\$ 169,199.63	20,984,537.99	177,439.04	30,727.53	(65,330.25)	8,549.29
	\$ 312,611.10	\$ 21,217,423.12	\$ 426,465.73	\$ 169,199.63	\$ 21,288,380.64	\$ 173,835.69	\$ 34,422.39	\$ (65,310.25)	\$ 225,351.34

Reference A 3-A 17-A 2-A 5-A 12-A 3-A A

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 21,217,423.12
Added and Omitted Taxes	426,465.73
	<u>\$ 21,643,888.85</u>
3-A	
Tax Levy:	
County Taxes	5,012,905.52
19-A	
Due County for Added Tax	99,818.43
19-A	
Municipal Open Space Tax	410,924.86
21-A	
Local District School Taxes	10,018,551.00
22-A	
A-2	\$ 15,542,199.81
Local Tax for Municipal Purposes	5,767,498.57
A-2	
Add. Additional Tax Levied	334,190.47
3-A	
	<u>6,101,689.04</u>
3-A	\$ 21,643,888.85

Analysis of Current Revenue From Taxes

2010 Cash Collections of 2011 Taxes	3-A	\$ 169,199.63
2011 Cash Collections of 2011 Taxes	3-A	20,984,537.99
Senior Citizens' and Veterans' Deductions (Net)	3-A	<u>177,439.04</u>
Net Revenue	A-2	<u>\$ 21,331,176.66</u>

2011
Property Taxes

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL CHARGES (BANKRUPTCY) RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 20,791.85
Decreased By:		
Collections	2-A	<u>1,509.69</u>
Balance, December 31, 2011	A	<u>\$ 19,282.16</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 297,929.83
Increased By:			
Transfers From Taxes Receivable	3-A	\$ 34,422.39	
Interest and Costs at Sale	5-A	<u>1,180.95</u>	
			<u>35,603.34</u>
			333,533.17
Decreased By:			
Collections	2-A	7,273.83	
Adjustment	5-A	<u>446.04</u>	
			<u>7,719.87</u>
Balance, December 31, 2011	A		<u><u>\$ 325,813.30</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 2,166,800.00
Decreased By:		
Sales	6-A	<u>11,000.00</u>
Balance, December 31, 2011 and 2010	A	<u>\$ 2,155,800.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	<u>Balance</u> <u>December 31,</u> <u>2010</u>	<u>Accrued</u> <u>in</u> <u>2011</u>	<u>Collected</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$ 7,293.32	\$ 7,293.32	7,293.32	
Fees and Permits:					
Uniform Construction Code	A-2	256,482.00	256,482.00	256,482.00	
Other	A-2	72,886.63	72,886.63	72,886.63	
Municipal Court:					
Fines and Costs	A-2	\$ 8,572.87	154,332.34	153,760.61	\$ 9,144.60
Other Revenue:					
Interest and Costs on Taxes	A-2		81,298.39	81,298.39	
Anticipated Utility Operating Surplus	A-2		216,288.00	216,288.00	
Sale of Beach Badges	A-2		1,185.00	1,185.00	
Consolidated Municipal Property Tax Relief Act	A-2		9,381.00	9,381.00	
Energy Receipts Tax	A-2		587,131.00	587,131.00	
Pinelands Property Tax Stabilization	A-2		8,174.00	8,174.00	
Garden State Preservation Trust Fund	A-2		10,289.00	10,289.00	
General Capital Fund Surplus	A-2		60,000.00	60,000.00	
		<u>\$ 8,572.87</u>	<u>\$ 1,464,740.68</u>	<u>\$ 1,464,168.95</u>	<u>\$ 9,144.60</u>

Reference A 7-A

Cash Receipts	1-A	\$ 1,453,879.67
Various Reserves	23-A	10,289.00
		<u>\$ 1,464,168.67</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE (FROM) / TO FEDERAL AND STATE GRANT FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ (55,181.96)
Increased By:			
2011 Budget Appropriations	A-3	\$ 311,833.66	
Grants Receivable Cancelled By Resolution	A-1	451.24	
Cash Receipts	1-A	<u>942,330.67</u>	
			<u>1,254,615.57</u>
			1,199,433.61
Decreased By:			
Cash Disbursements	1-A	284,816.43	
2011 Anticipated Revenue	A-2	304,333.66	
Grant Appropriations Cancelled By Resolution	A-1	<u>41,366.51</u>	
			<u>630,516.60</u>
Balance, December 31, 2011	A		<u>\$ 568,917.01</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE (FROM) / TO GENERAL CAPITAL FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ (3,895.00)
Increased By:		
Capital Improvement Fund Appropriation	A-3	<u>1,000.00</u>
		(2,895.00)
Decreased By:		
Cash Receipt	1-A	<u>3,895.00</u>
Balance, December 31, 2011	A	<u><u>\$ 1,000.00</u></u>

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2011

<u>Year</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u> <u>December 31,</u> <u>2010</u>	<u>Increased</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>	
2011	Special Emergency Authorization: Revaluation	200,000.00	\$ 0.00	\$ 200,000.00	\$ 200,000.00	A
						A-3
						A

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO TRUST - OTHER FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 10,290.51
Increased By:		
Cash Receipts	1-A	<u>1,227.77</u>
Balance, December 31, 2011	A	<u>\$ 11,518.28</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM STATE - P.L. 1971, C. 20

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 5,000.51
Increased By:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$ 25,000.00	
Veterans		147,750.00	
Deductions Allowed by Collector:			
2011		<u>4,750.00</u>	
	3-A		<u>177,500.00</u>
			182,500.51
Decreased By:			
Received From State of New Jersey	1-A	174,396.65	
Deductions Disallowed by Collector:			
2011	3-A	60.96	
2010	A-1,3-A	<u>3,603.35</u>	
			<u>178,060.96</u>
Balance, December 31, 2011	A		<u>\$ 4,439.55</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Balance After Transfer	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	\$ 812.42	\$ 812.42		\$ 812.42
Other Expenses	7,094.69	39,123.68	\$ 38,513.31	610.37
Mayor and Committee:				
Other Expenses	236.01	236.01		236.01
Municipal Clerk:				
Salaries and Wages	183.07	183.07		183.07
Other Expenses	287.50	643.06	608.72	34.34
Financial Administration (Treasury):				
Salaries and Wages	579.71	579.71		579.71
Other Expenses	1,270.19	3,835.18	2,564.99	1,270.19
Audit Services	16,232.50	16,232.50	16,200.00	32.50
Revenue Administration (Tax Collection):				
Salaries and Wages	7.17	7.17		7.17
Other Expenses	3,735.84	2,784.47	1,070.58	1,713.89
Tax Assessment Administration:				
Salaries and Wages	6,177.73	3,177.73		3,177.73
Other Expenses	2,233.53	3,437.52	2,214.29	1,223.23
Legal Services (Legal Department):				
Other Expenses	8,532.73	8,427.47	8,420.49	6.98
Special Litigation	1,392.00	1,392.00		1,392.00
Engineering Services:				
Other Expenses	6,421.83	12,921.83	8,177.75	4,744.08
Economic Development Agencies:				
Architect	137.50	576.25	538.75	37.50
LAND USE ADMINISTRATION				
Land Use Board/Planning Board:				
Salaries and Wages	109.99	109.99		109.99
Other Expenses	114.17	159.97	79.78	80.19
Zoning:				
Salaries and Wages	460.81	460.81		460.81
Other Expenses	1,219.21	1,462.21	288.00	1,174.21
Board of Adjustment:				
Salaries and Wages	136.17	136.17		136.17
Other Expenses	2,695.49	1,695.49	258.82	1,436.67
CODE ENFORCEMENT AND ADMINISTRATION				
Other Code Enforcement Functions:				
Salaries and Wages	65.45	65.45		65.45
Other Expenses	1,097.38	1,097.38		1,097.38
Municipal Housing Liason:				
Salaries and Wages	1,186.86	1,186.86		1,186.86
Other Expenses	3,626.10	3,626.10	1,141.60	2,484.50
INSURANCE				
Unemployment Insurance	8,598.66	8,598.66		8,598.66
General Liability Insurance	471.94	471.94	184.17	287.77
Workers Compensation Insurance	1,000.00	1,000.00		1,000.00
Employee Group Health Insurance	1,597.16	1,597.16		1,597.16
PUBLIC SAFETY				
Police Department:				
Salaries and Wages	23,086.79	5,086.79		5,086.79
Other Expenses	9,346.82	36,823.97	35,796.85	1,027.12
Ammunition	391.71	8,432.53	8,432.53	
Police Department:				
Police Vehicles	938.20	938.20		938.20
Police Dispatch/911:				
Salaries and Wages	3,037.92	1,037.92		1,037.92
Other Expenses	59.80	1,589.80	1,485.40	104.40
Fire Service Program		1,500.00	1,500.00	
Municipal Prosecutor's Office:				
Other Expenses	500.00	500.00		500.00

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Balance After Transfer	Paid or Charged	Balance Lapsed
PUBLIC WORKS				
Streets and Road Maintenance:				
Salaries and Wages	10,263.85	5,263.85		5,263.85
Other Expenses	22,798.06	36,109.35	26,007.51	10,101.84
County Schedule "C" Program	5,536.48	5,536.48		5,536.48
Solid Waste Collection:				
Salaries and Wages	500.00	500.00		500.00
Other Expenses	8,626.72	34,585.72	31,959.00	2,626.72
Buildings and Grounds:				
Salaries and Wages	5,588.19	5,588.19		5,588.19
Other Expenses	3,454.10	8,473.35	7,870.38	602.97
Vehicle Maintenance (Including Police Vehicles):				
Salaries and Wages	3,695.36	3,695.36		3,695.36
Other Expenses	15,072.29	22,100.82	17,475.02	4,625.80
HEALTH AND HUMAN SERVICES				
Public Health Services (Board of Health):				
Salaries and Wages	2,285.00	2,285.00		2,285.00
Other Expenses	2,951.92	2,951.92	33.41	2,918.51
Environmental Health Services:				
Salaries and Wages	1,490.00	1,490.00		1,490.00
Other Expenses	1,872.84	1,872.84		1,872.84
Animal Control Services:				
Other Expenses	1,264.00	2,742.00	1,478.00	1,264.00
Vital Statistics:				
Salaries and Wages	1,500.00	1,500.00		1,500.00
Other Expenses	152.00	152.00		152.00
Public Assistance State Aid:				
Other Expenses	1,000.00	1,000.00		1,000.00
PARKS AND RECREATION				
Recreation Services and Programs:				
Salaries and Wages	27.43	27.43		27.43
Other Expenses	1,723.87	6,991.04	5,335.68	1,655.36
Beach and Boardwalk Operations:				
Salaries and Wages	369.83	369.83		369.83
Other Expenses	229.78	229.78		229.78
Park Maintenance:				
Other Expenses	9,789.84	10,747.23	813.75	9,933.48
Celebration of Public Events:				
Other Expenses	2,119.06	2,319.06		2,319.06
Municipal Court:				
Salaries and Wages	3,085.74	3,085.74		3,085.74
Other Expenses	2,789.08	3,735.08	990.24	2,744.84
Public Defender (P.L. 1997, c.256):				
Other Expenses	2,200.00	2,200.00		2,200.00
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS				
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)				
Uniform Construction Code Enforcement Functions:				
Salaries and Wages	10,958.08	5,958.08		5,958.08
Other Expenses	1,728.86	2,258.05	1,104.48	1,153.57
UNCLASSIFIED				
Utilities:				
Electricity	4,253.61	8,965.14	7,519.43	1,445.71
Street Lighting	7,773.59	14,169.42	13,395.83	773.59
Telephone (excluding equipment acquisition)	2,252.55	4,588.39	2,335.84	2,252.55
Gas (natural or propane)	350.98	350.98		350.98
Gas and Oil	1,108.34	20,108.34	10.00	20,098.34
Telecommunications Costs	42.33	2,604.44	2,562.11	42.33
Landfill/Solid Waste Disposal Costs	54,013.52	54,090.90	53,063.07	1,027.83
Accumulated Leave Compensation		117,000.00	95,000.00	22,000.00
Greenbriar Reimbursement	13.84	13.84		13.84
Contingent	500.00	500.00		500.00

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Balance After <u>Transfer</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	15,299.59	15,299.59		15,299.59
Recycling Tax	1,502.52	12,000.00		12,000.00
Police Dispatchers 911:				
Salaries and Wages	3,839.61	3,839.61		3,839.61
Other Expenses	1,367.63	2,518.03	1,150.40	1,367.63
LOSAP		57,500.00	37,772.33	19,727.67
DCRP	1,709.94	1,709.94		1,709.94
Stormwater Management	100.00	100.00		100.00
 PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES				
Matching Funds for Future Grants	12,725.00	12,725.00		12,725.00
 Green Trust Loan Program:				
Loan Repayments for Principal and Interest		7,973.48	7,973.48	
Capital Improvement Fund	1,000.00	1,000.00	1,000.00	
Purchase of Safety Equipment	<u>6,000.00</u>	<u>6,000.00</u>	<u>6,000.00</u>	
 Total General Appropriations	<u>\$ 352,000.28</u>	<u>\$ 688,772.57</u>	<u>\$ 448,325.99</u>	<u>\$ 240,446.58</u>
	<u>Reference</u>	A		A-1
2010 Appropriation Reserves	13-A	\$ 352,000.28		
Encumbrances Payable	14-A	<u>336,772.29</u>		
		<u>\$ 688,772.57</u>		
Cash Disbursed	1-A		\$ 415,677.58	
Accounts Payable	15-A		<u>32,648.41</u>	
			<u>\$ 448,325.99</u>	

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 336,772.29
Increased By:		
Transferred From Budget Appropriations	A-3	<u>142,668.66</u>
		479,440.95
Decreased By:		
Transferred To Appropriation Reserves	13-A	<u>336,772.29</u>
Balance, December 31, 2011	A	<u>\$ 142,668.66</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 74,059.53
Increased By:			
Appropriation Reserves Charged	13-A		<u>32,648.41</u>
			106,707.94
Decreased By:			
Cash Disbursements	1-A	\$ 3,009.10	
Cancellations	A-1	<u>510.91</u>	
			<u>3,520.01</u>
Balance, December 31, 2011	A		<u>\$ 103,187.93</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 31,540.64
Increased By:		
Cash Receipts	1-A	<u>2,330,353.95</u>
		2,361,894.59
Decreased By:		
Cash Disbursements	1-A	<u>2,326,225.86</u>
Balance, December 31, 2011	A	<u>\$ 35,668.73</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 169,199.63
Increased By:		
Cash Receipts	2-A	<u>218,578.19</u>
		387,777.82
Decreased By:		
Applied To Taxes Receivable	3-A	<u>169,199.63</u>
Balance, December 31, 2011	A	<u><u>\$ 218,578.19</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 4,938.41
Increased By:		
Cash Receipts	2-A	<u>4,905.51</u>
		9,843.92
Decreased By:		
Cash Disbursements	1-A	<u>4,938.41</u>
Balance, December 31, 2011	A	<u>\$ 4,905.51</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 79,059.14
Increased By:			
County Tax	A-1,3-A	\$ 4,170,403.40	
County Library Tax	A-1,3-A	483,461.26	
County Health Tax	A-1,3-A	180,959.05	
County Open Space Tax	A-1,3-A	178,081.81	
Due To County for Added and Omitted Taxes	A-1,3-A	<u>99,818.43</u>	
			<u>5,112,723.95</u>
			5,191,783.09
Decreased By:			
Payments	1-A		<u>5,091,964.66</u>
Balance, December 31, 2011	A		<u>\$ 99,818.43</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE AGENCIES

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2011</u>
State of New Jersey:				
Marriage License Fees	\$ 200.00	\$ 1,325.00	\$ 1,175.00	\$ 350.00
Training Fees	<u>971.00</u>	<u>19,400.00</u>	<u>17,062.00</u>	<u>3,309.00</u>
	<u>\$ 1,171.00</u>	<u>\$ 20,725.00</u>	<u>\$ 18,237.00</u>	<u>\$ 3,659.00</u>
<u>Reference</u>	A	1-A	1-A	A

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 0.00
Increased By:		
Municipal Open Space Tax	A-1,3-A	<u>410,924.86</u>
		410,924.86
Decreased By:		
Payments	1-A	<u>410,924.86</u>
Balance, December 31, 2011	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010:			
School Tax Payable	A	\$ 7,757.50	
School Tax Deferred	22-A	<u>4,701,567.00</u>	\$ 4,709,324.50
Increased By:			
Levy - School Year July 1, 2011 to June 30, 2012	3-A		<u>10,018,551.00</u>
			14,727,875.50
Decreased By:			
Payments	1-A		<u>9,932,751.00</u>
Balance, December 31, 2011:			
School Tax Payable	A	93,557.50	
School Tax Deferred	22-A	<u>4,701,567.00</u>	<u>\$ 4,795,124.50</u>
 <u>2011 Liability for Local School District Tax</u>			
Tax Paid	22-A	\$ 9,932,751.00	
Taxes Payable December 31, 2011	A	<u>93,557.50</u>	\$ 10,026,308.50
Less:			
Taxes Payable December 31, 2010	A		<u>7,757.50</u>
Amount Charged To 2011 Operations	A-1		<u>\$ 10,018,551.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2011</u>
Garden State Preservation Trust Fund	\$ 10,289.28		\$ 10,289.28	
Pinelands Stablization	8,174.00			\$ 8,174.00
Fire Code Violations	250.00			250.00
Debt Service/B.A.N.		\$ 630,850.00		630,850.00
Reserve for Revaluation	<u>2,972.00</u>	<u>200,000.00</u>	<u>109,841.28</u>	<u>93,130.72</u>
	<u>\$ 21,685.28</u>	<u>\$ 830,850.00</u>	<u>\$ 120,130.56</u>	<u>\$ 732,404.72</u>
	<u>Reference</u>	A		A
Budget Appropriation	A-3	\$ 200,000.00		
Cash Receipts	1-A	<u>630,850.00</u>		
		<u>\$ 830,850.00</u>		
Anticipated As Revenue	7-A		\$ 10,289.00	
Miscellaneous Revenue Not Anticipated	A-2		0.28	
Cash Disbursements	1-A		<u>109,841.28</u>	
			<u>\$ 120,130.56</u>	

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2011

Grant	Balance December 31, 2010	2011 Anticipated Revenue	Cash Received	Transferred From Unappropriated Grant	Cancelled	Balance December 31, 2011
Community Development Block Grant - CT-744-05	\$ 853.00	\$ 50,000.00				\$ 853.00
CDBG- Handicapped Accessibility		30,000.00	\$ 2,906.00			50,000.00
CDBG						27,092.00
N.J. Department of Public Safety	267.80					267.80
N.J. TDR Program Planning Assistance Grant	20,000.00					20,000.00
N.J. Shore To Grow, Shore To Preserve TDR Program	60,000.00					60,000.00
N.J. DOT I-Boat	183,853.00		183,853.00			150,000.00
N.J. DOT Pedestrian Project	150,000.00					150,000.00
Ocean County Tourism Grant - 2009	143.85				\$ 143.85	
Ocean County Tourism Grant		1,125.00	1,125.00			
N.J. DOT Poplar Street - 2007	24,908.62					24,808.62
N.J. DOT Poplar Street - 2008	145,000.00					58,809.00
Dunk Driving Enforcement Fund		7,169.73	85,191.00			
Clean Communities Program		17,292.17	17,292.17			
Municipal Alliance on Alcoholism and Drug Abuse - 2010	3,648.47		3,648.47			
Municipal Alliance on Alcoholism and Drug Abuse - 2011		20,000.00	11,236.26			8,763.74
Municipal Alliance Special Project	5,500.00		5,500.00			
Body Armor Replacement Program		1,998.09		\$ 1,998.09		
COPS in Shops Grant - 2009	459.69				459.69	
COPS in Shops Grant - 2011		1,600.00				1,600.00
Community Development Block Grant - CT-782-06	7,130.00		7,120.00			10.00
Community Development Block Grant - Main Street	14,626.70				14,626.70	
NJDEP Stormwater Management Grant	2,117.00					2,117.00
Barnegat Bay National Estuary Program	10,000.00		10,000.00			
Tennis Block Party Grant - 2008	250.00				250.00	
OEM - 966 Reimbursement Program - 2008	33.12				33.12	
OEM - 966 Reimbursement Program - 2010	7,838.00		7,800.99			37.01
OEM - 966 Reimbursement Program - 2011		14,537.35				14,537.35
US Dept of the Interior, Fish & Wildlife Services:						
Oyster Creek Marine Boat Access Improvements - 2009	586,841.00		586,841.00			
N.J. DOT Dermisey Avenue - 2010	250,000.00				250,000.00	
NJ Transportation Trust Fund Authority Act		150,000.00				
Click It or Ticket		4,000.00	4,000.00			
Over the Limit, Under Arrest		4,400.00	4,400.00			
Alcohol Education and Rehabilitation Fund		2,211.32	2,211.32			
	\$ 1,473,370.25	\$ 304,333.66	\$ 940,236.94	\$ 1,998.09	\$ 265,513.36	\$ 569,895.52
Reference	A	A-2,27-A	27-A	26-A		A
Appropriated Reserves					265,062.12	
Due To Current Fund					451.24	
					\$ 265,513.36	

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATED GRANTS

Year ended December 31, 2011

Grant	Balance December 31, 2010	Transferred From 2011 Appropriations	Transferred From Encumbrances	Expended	Transferred To Encumbrances	Cancelled	Balance December 31, 2011
OEM - 966 Reimbursement Grant - 2008	\$ 33.12						\$ 33.12
OEM - 966 Reimbursement Grant - 2010	187.01	\$ 14,537.35	\$ 1,224.99	1,412.00			3.61
OEM - 966 Reimbursement Grant - 2011	2,104.02			8,102.89	\$ 6,430.65		2,104.02
Alcohol Education and Rehabilitation Fund - 2008	2,664.47						2,664.47
Alcohol Education and Rehabilitation Fund - 2010	23.25		374.09				2,211.32
Alcohol Education and Rehabilitation Fund - 2011	404.34						397.34
Body Armor Replacement Fund - 2007							404.34
Body Armor Replacement Fund - 2010							1,998.09
Body Armor Replacement Fund - 2011							1,998.09
CDBG - Main Street	51,830.00					\$ 51,830.00	
Community Development Block Grant - Handicapped Accessibility		50,000.00		6,731.65	19,140.00		24,128.35
CDBG - CT-822-07	13,481.23	30,000.00					30,000.00
Clean Communities Program - 2010				13,481.23			
Clean Communities Program - 2011		17,292.17		3,441.55			13,850.62
Click it or Ticket 2011	170.24	4,000.00		4,000.00			
COPS in Shops - 2008	291.57					170.24	
COPS in Shops - 2009						291.57	
COPS in Shops - 2011							
DEP Shore Protection Funding Program:							
Local Share		1,600.00		1,600.00			
Drunk Driving Enforcement Fund - 2010	5,770.98						5,770.98
Drunk Driving Enforcement Fund - 2011	6,255.02		278.95				6,533.97
Over the Limit, Under Arrest				503.38			6,666.35
Ocean County Tourism Grant - 2007 Local Share	0.74	4,400.00		4,200.00		0.74	200.00
Ocean County Tourism Grant - 2009 County Share	287.71					287.71	
Ocean County Tourism Grant - 2011 County Share							
Ocean County Tourism Grant - 2011 Local Share		1,125.00		1,125.00			
Municipal Alliance 2005 - State Share	135.00						
Municipal Alliance 2005 - Local Share	5.65					135.00	
Municipal Alliance 2008 - Local Share	0.34					5.65	
Municipal Alliance 2008 - State Share	431.11					0.34	
Municipal Alliance 2009 - State Share	257.51					431.11	
Municipal Alliance 2010 - State Share							
Municipal Alliance 2011 - State Share			703.39	687.79			15.60
Municipal Alliance 2011 - Local Share		20,000.00		19,255.32	669.74		74.94
		6,375.00		5,174.51	385.72		814.77

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATED GRANTS

Year ended December 31, 2011

Grant	Balance December 31, 2010	Transferred From 2011 Appropriations	Transferred From Encumbrances	Expended	Transferred To Encumbrances	Cancelled	Balance December 31, 2011
Municipal Stormwater Regulation Program	6,980.50						6,980.50
N.J. DOT I-Boat	183,853.00						183,853.00
N.J. DOT Pedestrian Safety	97,892.74						97,892.74
N.J. DOT Poplar Street	109,571.74			109,571.74			
N.J. DOT Derrimay Ave	250,000.00					250,000.00	
NJDOT - Starboard		150,000.00		36,898.04			113,100.96
N.J. Shore To Grow, Shore To Preserve TDR Program	66,746.74			58,959.27			7,787.47
State and Local All Hazards Emergency Operation Planning	18.76					18.76	
NJDEP Municipal Stormwater Management Grant - State Share	8,468.00						8,468.00
NJDEP Municipal Stormwater Management Grant - Local Share	7,106.93						7,106.93
Barnegat Bay National Estuary Program	8,546.06			8,546.06			
NJDEP Green Communities Grant - 2007	3,000.00					3,000.00	
US Dept of the Interior, Fish & Wildlife Services:							
Oyster Creek Marine Boat Access Improvements - 2009	586,841.00						586,841.00
Tennis Block Party Grant - 2008	250.00						250.00
	<u>\$ 1,413,608.78</u>	<u>\$ 311,833.66</u>	<u>\$ 2,581.42</u>	<u>\$ 284,816.43</u>	<u>\$ 26,626.31</u>	<u>\$ 306,428.63</u>	<u>\$ 1,110,152.49</u>
Reference	A	27-A	26-A	27-A	26-A		A
Grants Receivable						\$ 265,062.12	
Due To Current Fund						41,366.51	
						<u>\$ 306,428.63</u>	

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 2,581.42
Increased By:		
Transferred From Grants Appropriated	25-A	<u>26,626.31</u>
		29,207.73
Decreased By:		
Transferred To Grants Appropriated	25-A	<u>2,581.42</u>
Balance, December 31, 2011	A	<u>\$ 26,626.31</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF DUE FROM / (TO) CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ (55,181.96)
Increased By:			
2011 Budget Appropriations	25-A	311,833.66	
Grant Receivables Cancelled	24-A	451.24	
Cash Received in Current Fund	24-A	940,296.94	
Cash Received in Current Fund	28-A	<u>2,033.73</u>	
			<u>1,254,615.57</u>
			1,199,433.61
Decreased By:			
Cash Disbursed in Current Fund	25-A	\$ 284,816.43	
2011 Anticipated Revenue	24-A	304,333.66	
Grant Appropriations Cancelled	25-A	<u>41,366.51</u>	
			<u>630,516.60</u>
Balance, December 31, 2011	A		<u>\$ 568,917.01</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2011</u>
Body Armor Replacement Grant	<u>\$ 1,998.09</u>	<u>\$ 2,033.73</u>	<u>\$ 1,998.09</u>	<u>\$ 2,033.73</u>
	<u><u>\$ 1,998.09</u></u>	<u><u>\$ 2,033.73</u></u>	<u><u>\$ 1,998.09</u></u>	<u><u>\$ 2,033.73</u></u>
<u>Reference</u>	A	27-A	24-A	A

TRUST FUND
SCHEDULES

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH

Year ended December 31, 2011

	Reference	Animal Control Fund	Trust - Other Fund	Open Space Reserve
Balance, December 31, 2010	B	\$ 22,274.40	\$ 2,844,580.17	\$ 634,059.47
Increased By Receipts:				
Due To:				
State of New Jersey	2-B	\$ 1,776.00		
Open Space Reserve for Animal Control Fund	4-B		\$ 411,741.18	
Expenditures	5-B	13,050.00		
Premiums Received at Tax Sale	6-B	\$ 63,646.60		
Various Reserves	9-B	483,825.89		
		<u>14,826.00</u>	<u>547,472.49</u>	<u>411,741.18</u>
		37,100.40	3,392,052.66	1,045,800.65
Decreased By Disbursements:				
Due To:				
State of New Jersey	2-B	1,776.00		
Water Utility Operating Fund	7-B		1,303.79	
Sewer Utility Operating Fund	8-B		3,550.01	
Due From Current Fund	3-B		813.20	
Open Space	4-B			145,019.06
Animal Control Fund				
Expenditures (R.S. 4:19-15.11)	5-B	13,050.00		
Premiums Received at Tax Sale	6-B		71,746.60	
Various Reserves	9-B		810,032.43	
		<u>14,826.00</u>	<u>887,446.03</u>	<u>145,019.06</u>
Balance, December 31, 2011	B	\$ 22,274.40	\$ 2,504,606.63	\$ 900,781.59

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 0.00
Increased By:		
Cash Receipts	1-B	<u>1,776.00</u>
		1,776.00
Decreased By:		
Cash Disbursed	1-B	<u>1,776.00</u>
Balance, December 31, 2011	B	<u><u>\$ 0.00</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE FROM CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 10,290.51
Increased By:			
Cash Received in Current Fund	9-B	\$ 414.57	
Cash Disbursement	1-B	<u>813.20</u>	
			<u>1,227.77</u>
Balance, December 31, 2011	B		<u>\$ 11,518.28</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 634,059.47
Increased By:		
Cash Receipts	1-B	<u>411,741.18</u>
		1,045,800.65
Decreased By:		
Cash Disbursements	1-B	<u>145,019.06</u>
Balance, December 31, 2011	B	<u>\$ 900,781.59</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 22,324.40
Increased By:			
Dog License Fees Collected		\$ 11,070.00	
Late Fees		<u>1,980.00</u>	
	1-B		<u>13,050.00</u>
			35,374.40
Decreased By:			
Expenditures Under R.S. 4:19-15.11		445.00	
Statutory Excess		<u>12,605.00</u>	
	1-B		<u>13,050.00</u>
Balance, December 31, 2011	B		<u>\$ 22,324.40</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2010	\$ 11,264.40
2009	<u>11,091.60</u>
	<u>\$ 22,356.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 31,200.00
Increased By:		
Cash Receipts	1-B	<u>63,646.60</u>
		94,846.60
Decreased By:		
Cash Disbursed	1-B	<u>71,746.60</u>
Balance, December 31, 2011	B	<u>\$ 23,100.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE TO WATER UTILITY OPERATING FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 1,303.79
Decreased By:		
Cash Disbursed	1-B	<u>1,303.79</u>
Balance, December 31, 2011	B	<u><u>\$ 0.00</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 3,550.01
Decreased By:		
Cash Disbursed	1-B	<u>3,550.01</u>
Balance, December 31, 2011	B	<u>\$ 0.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Increased By	Decreased By	Balance December 31, 2011
Developers' Escrow Fund	\$ 1,714,748.06	\$ 135,141.54	\$ 407,270.64	\$ 1,442,618.96
Recycling	51,620.88	32,470.33	1,908.02	82,183.19
Disposal of Forfeited Property	10,586.29	331.62	500.00	10,417.91
Police Donations	14,415.27	393.76	18.76	14,790.27
Parking Offenses Adjudication Act	10.00			10.00
Board of Recreation Commissioners	39,689.93	25,406.66	22,953.25	42,143.34
Founders Day	25,872.82	22,487.06	30,159.06	18,200.82
Public Defender	9,664.55	11,806.50	13,373.47	8,097.58
Outside Employment of Off-Duty Police Officers	13,219.28	414.57		13,633.85
Municipal Drug Alliance - Program Income	14,906.17	4,944.51	10,963.60	8,887.08
Accumulated Leave	122,426.75	129,669.19	669.19	251,426.75
Utility Escrow Fund	529,088.96	56,142.65	292,278.92	292,952.69
Snow Removal	13,817.21	57,471.22	29,937.52	41,350.91
Affordable Housing Trust	258,750.71	7,560.85		266,311.56
	<u>\$ 2,818,816.88</u>	<u>\$ 484,240.46</u>	<u>\$ 810,032.43</u>	<u>\$ 2,493,024.91</u>
	Reference		1-B	B
Cash		\$ 483,825.89		
Due From Current Fund		<u>414.57</u>		
		<u>\$ 484,240.46</u>		

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 218,227.27
Increased By:			
Township Contributions	11-B		<u>37,772.33</u>
			255,999.60
Decreased By:			
Account Charges	11-B	1,125.00	
Withdrawals	11-B	9,561.39	
Change in Value	11-B	<u>5,512.13</u>	
			<u>16,198.52</u>
Balance, December 31, 2011	B		<u>\$ 239,801.08</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 218,227.27
Increased By:			
Township Contributions	10-B		<u>37,772.33</u>
			255,999.60
Decreased By:			
Account Charges	10-B	1,125.00	
Withdrawals	10-B	9,561.39	
Change in Value	10-B	<u>5,512.13</u>	
			<u>16,198.52</u>
Balance, December 31, 2011	B		<u>\$ 239,801.08</u>

GENERAL CAPITAL FUND
SCHEDULES

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 1,933,872.06
Increased By:			
Fund Balance	C-1	\$ 5,436.74	
Bond Anticipation Notes	6-C	1,721,310.00	
Improvement Authorizations	8-C	<u>484,353.86</u>	
			<u>2,211,100.60</u>
			4,144,972.66
Decreased By:			
Bond Anticipation Notes	6-C	1,721,310.00	
Improvement Authorizations	8-C	687,733.91	
Interfund - Current Fund	10-C	3,895.00	
Reserve for:			
Preliminary Expense:			
Redevelopment	14-C	858.00	
Solar Energy	14-C	97,032.33	
Fund Balance	C-1	<u>60,000.00</u>	
			<u>2,570,829.24</u>
Balance, December 31, 2011	C		<u>\$ 1,574,143.42</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2011

	Balance December 31, <u>2011</u>
Fund Balance	\$ 7,704.15
Capital Improvement Fund	66,227.55
Encumbrances Payable	1,140,292.74
Reserve for:	
Preliminary Expense	5,680.60
Developer Contribution	50,997.00
Green Acres Loan Receivable	(315,321.09)
Due From Current Fund	(1,000.00)

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
03-14	Acquisition of a Fire Truck	33.00
03-43	Construction of Recreation Facility	3,319.87
04-11	Improvements To Buildings and Grounds	2,101.99
04-14	Acquisition of Four Parcels of Land	32,795.22
04-14	Dredging of Various Locations	13,406.80
04-14	Renovations and Improvements To Various Township Recreation Areas	224.21
04-14	Renovations and Improvements To Various Township Buildings and Recreation Areas	43,303.41
04-27	Acquisition of Real Property for Edgemont Park	151,598.51
05-14	Acquisition of Land - Block 144 Lot 2 and Lot 5	(0.73)
05-30	Acquisition of Communications Equipment for the Police Department	38,389.60
06-27	Improvements To Volunteer Way From the Ocean County Fire Training Center To Wells Mills Road	332,900.69
06-28	Various Road and Drainage System Improvements	
07-17	Road and Drainage Improvements	286,989.08
07-18	Bay Parkway Extension	23,541.66
07-19	Acquisition of Various Equipment and Machinery	66,873.59
07-20	Improvements To Various Municipal Structures	86,040.85
07-21	Dredging and Stream Cleaning of Waretown Lake	182,461.59
09-06	Acquisition of Emergency Medical Vehicle	16,124.00
11-12	Various Capital Improvements	(660,540.87)
		\$ 1,574,143.42

Reference

C,1-C

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 9,350,000.00
Bonds Paid By Budget Appropriations:			
General Serial Bonds	5-C	\$ 456,425.00	
Green Trust Loans	13-C	8,893.17	
Paid By Open Space Trust	5-C	<u>86,200.00</u>	
			<u>551,518.17</u>
Balance, December 31, 2011	C		<u>\$ 8,798,481.83</u>

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY
 GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2011

Improvement Authorizations	Ordinance Number	Balance December 31, 2010	2011 Authorizations	Notes Paid By Budget Appropriation	Balance December 31, 2011	Analysis of Balance		
						Bond Anticipation Notes	Expended Improvement Authorization	Unexpended Improvement Authorizations
Acquisition of Real Property for Edgemont Park	04-27	\$ 639,850.00		9,000.00	\$ 630,850.00	\$ 630,850.00	\$ 0.73	
Acquisition of Land - Block 144 Lot 2 and Lot 5	05-14	0.73			0.73			
Improvements To Volunteer Way From the Ocean								
County Fire Training Center To Wells Mills Road	06-27	1,137,500.00			1,137,500.00			\$ 1,137,500.00
Construction of a Recreational Area	06-33	589,900.00		23,600.00	566,300.00	566,300.00		
Road and Drainage Improvements	07-17	307,500.00			307,500.00	307,500.00		307,500.00
Dredging and Stream Cleaning of Waretown Lake	07-21	546,000.00		21,840.00	524,160.00	524,160.00		
Various Capital Improvements	11-12		\$ 997,500.00		997,500.00	660,540.87		336,959.13
		<u>\$ 3,220,750.73</u>	<u>\$ 997,500.00</u>	<u>\$ 54,440.00</u>	<u>\$ 4,163,810.73</u>	<u>\$ 1,721,310.00</u>	<u>\$ 890,541.80</u>	<u>\$ 1,781,959.13</u>
						6-C		
								2-C
Improvement Authorizations - Unfunded								\$ 2,116,019.23
Less: Unexpended Proceeds of Bond Anticipation Notes:								
Acquisition of Real Property for Edgemont Park	04-27						\$ 151,598.51	
Dredging and Stream Cleaning of Waretown Lake	07-21						162,461.59	
								<u>334,060.10</u>
								<u>\$ 1,781,959.13</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

Year ended December 31, 2011

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2011	Interest Rate	Balance December 31, 2010	Decreases	Balance December 31, 2011
	Date	Amount					
General Improvements	12/01/99	\$ 951,000.00	\$ 220,000.00	4.00%	\$ 102,000.00	\$ 102,000.00	
General Improvements	01/10/06	5,280,000.00	230,000.00	4.00%			
			240,000.00	4.00%			
			250,000.00	4.00%			
			260,000.00	4.00%			
			270,000.00	4.00%			
			280,000.00	4.00%			
			290,000.00	4.00%			
			300,000.00	4.00%			
			310,000.00	4.00%			
			320,000.00	4.00%			
			330,000.00	4.00%			
			330,000.00	4.10%			
			340,000.00	4.10%			
			350,000.00	4.10%	4,320,000.00	220,000.00	\$ 4,100,000.00
General Improvements	08/13/10	4,280,000.00	229,450.00	2.000%			
			238,275.00	2.000%			
			247,100.00	2.000%			
			255,925.00	2.000%			
			264,750.00	2.500%			
			273,575.00	2.500%			
			282,400.00	3.000%			
			291,225.00	3.000%			
			304,462.50	3.000%			
			308,875.00	3.000%			
			322,112.50	3.125%			
			339,762.50	3.250%			
			344,175.00	3.375%			
			357,287.50	3.375%	4,280,000.00	220,625.00	4,059,375.00
					\$ 8,702,000.00	\$ 542,625.00	\$ 8,159,375.00

Reference

C

3-C

C

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

Ordinance Number	Improvement Description	Original Amount Issued	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increases	Decreases	Balance December 31, 2011
04-27	Acquisition of Real Property	\$ 675,000.00	12/21/04	10/19/11	10/19/12	2.625%	\$ 639,850.00	630,850.00	\$ 639,850.00	\$ 630,850.00
06-33	Construction of a Recreational Area	1,000,000.00	11/08/06	03/03/11	03/02/12	2.19%	589,900.00	566,300.00	589,900.00	566,300.00
07-21	Dredging and Stream Cleaning of Waretown Lake	120,000.00	12/04/08	03/03/11	03/02/12	2.19%	546,000.00	524,160.00	546,000.00	524,160.00
							<u>\$ 1,775,750.00</u>	<u>\$ 1,721,310.00</u>	<u>\$ 1,775,750.00</u>	<u>\$ 1,721,310.00</u>

Reference	C	1-C	C,4-C
Paid By Budget Appropriation	4-C		
Renewal	1-C		
		\$ 54,440.00	
		<u># 1,721,310.00</u>	
		<u>\$ 1,775,750.00</u>	

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 442,465.15
Increased By:		
Charged To Improvement Authorizations	8-C	<u>1,140,292.74</u>
		1,582,757.89
Decreased By:		
Transferred To Improvement Authorizations	8-C	<u>442,465.15</u>
Balance, December 31, 2011	C	<u>\$ 1,140,292.74</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2011

Ordinance Number	Improvement Authorizations	Date	Amount	Balance December 31, 2010		2011 Authorizations	Transferred From Encumbrances	Reimbursed	Expended	Transferred To Encumbrances	Balance December 31, 2011	
				Funded	Unfunded						Funded	Unfunded
03-14	Acquisition of Fire Truck	05/22/03	\$ 425,000.00	\$ 33.00						\$ 33.00		
03-43	Construction of Recreation Facility	11/13/03	300,000.00	6,666.47						3,319.87		
03-44	Acquisition of Land	11/13/03	360,000.00							800.00		
04-11	Improvements To Buildings and Grounds	06/10/04	50,000.00	2,101.99						2,101.99		
04-14	Acquisition of Four Parcels of Land	07/22/04	800,000.00	32,795.22						32,795.22		
04-14	Dredging of Various Localities	07/22/04	100,000.00	19,021.67						13,406.80		
04-14	Renovations and Improvements To Various Township Recreation Areas	07/22/04	200,000.00	224.21						224.21		
04-14	Renovations and Improvements To Various Township Buildings and Recreation Areas	07/22/04	325,000.00	44,713.41						43,303.41		
04-27	Acquisition of Real Property for Edgemont Park	09/23/04	675,000.00	\$ 54,277.54						\$ 484,353.86		
05-30	Acquisition of Communications Equipment for the Police Department	09/08/05	210,000.00	38,389.60						38,389.60		
06-22	Road Improvements and Drainage Systems	07/31/06	80,000.00								151,598.51	
06-27	Improvements To Volunteer Way From the Ocean	08/10/06	2,250,000.00	371,384.09								
06-28	County Fire Training Center To Wells Mills Road	08/10/06	500,000.00	12,077.35								
06-33	Various Road and Drainage System Improvements	09/14/06	1,300,000.00		1,137,500.00						1,137,500.00	
07-17	Construction of a Recreational Area	08/09/07	850,000.00	477,553.78								
07-18	Road and Drainage Improvements	08/09/07	1,350,000.00	23,541.66								
07-19	Bay Parkway Extension	08/09/07	300,000.00	83,776.46								
07-20	Acquisition of Various Equipment and Machinery	08/09/07	500,000.00	96,834.80								
07-21	Improvements To Various Municipal Structures	08/09/07	575,000.00	182,735.59								
09-06	Dredging and Stream Cleaning of Warelow Lake	07/21/09	152,000.00	16,124.00								
11-12	Acquisition of Emergency Medical Vehicle	07/14/11	1,050,000.00			\$ 1,050,000.00						
	Various Capital Improvements											
				\$ 1,231,257.71	\$ 1,682,013.13	\$ 1,050,000.00	\$ 442,465.15	\$ 484,353.86	\$ 687,733.91	\$ 1,140,292.74	\$ 946,043.97	\$ 2,116,019.23

Reference	C	C	7-C	1-C	1-C	7-C	T-C	C	C,4-C
Deferred Charges To Future Taxation - Unfunded Capital Improvement Fund									
	4-C								
	9-C								
			\$ 997,500.00						
			52,500.00						
			\$ 1,050,000.00						

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 217,727.55
Increased By:			
2011 Budget Appropriation	10-C		<u>1,000.00</u>
			218,727.55
Decreased By:			
Downpayment on 2011 Ordinance	8-C	52,500.00	
Preliminary Costs/Solar	14-C	<u>100,000.00</u>	
			<u>152,500.00</u>
Balance, December 31, 2011	C		<u>\$ 66,227.55</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM / (TO) CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ (3,895.00)
Increased By:		
Capital Improvement Fund	9-C	<u>1,000.00</u>
		(2,895.00)
Decreased By:		
Cash Disbursement	1-C	<u>3,895.00</u>
Balance, December 31, 2011	C	<u><u>\$ 1,000.00</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEVELOPER CONTRIBUTION

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

C

\$ 50,997.00

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES LOAN RECEIVABLE

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

C

\$ 315,321.09

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES LOAN PAYABLE

Year ended December 31, 2011

Schedule 13-C

Purpose	Date of Issue	Original Issue	Schedule of Maturities Date	Principal	Interest Rate	Balance	Principal Payment	Balance
						December 31, 2010		December 31, 2011
Recreation Area Development								
Phase I	06/22/10	\$ 148,000.00	03/25/12	4,513.39	2.0%			
			09/25/12	4,558.53	2.0%			
			03/25/13	4,604.11	2.0%			
			09/25/13	4,650.16	2.0%			
			03/25/14	4,696.66	2.0%			
			09/25/14	4,743.62	2.0%			
			03/25/15	4,791.06	2.0%			
			09/25/15	4,838.97	2.0%			
			03/25/16	4,887.36	2.0%			
			09/25/16	4,936.23	2.0%			
			03/25/17	4,985.60	2.0%			
			09/25/17	5,035.45	2.0%			
			03/25/18	5,085.81	2.0%			
			09/25/18	5,136.66	2.0%			
			03/25/19	5,188.03	2.0%			
			09/25/19	5,239.91	2.0%			
			03/25/20	5,292.31	2.0%			
			09/25/20	5,345.23	2.0%			
			03/25/21	5,398.69	2.0%			
			09/25/21	5,452.67	2.0%			
			03/25/22	5,507.20	2.0%			
			09/25/22	5,562.27	2.0%			
			03/25/23	5,617.89	2.0%			
			09/25/23	5,674.07	2.0%			
			03/25/24	5,730.81	2.0%			
			09/25/24	5,788.12	2.0%			
			03/25/25	5,846.02	2.0%			
						\$ 148,000.00	\$ 8,893.17	\$ 139,106.83
Recreation Area Development								
Phase II	06/22/10	\$ 500,000.00			2.0%			
						500,000.00		500,000.00
						<u>\$ 648,000.00</u>	<u>\$ 8,893.17</u>	<u>\$ 639,106.83</u>

Reference

C

3-C

C

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSE

Year ended December 31, 2011

<u>Improvement Description</u>	Balance December 31, 2010	<u>Increases</u>	<u>Decreases</u>	Balance December 31, 2011
Improvement Costs Redevelopment	\$ 3,570.93		\$ 858.00	\$ 2,712.93
Solar Energy		<u>\$ 100,000.00</u>	<u>97,032.33</u>	<u>2,967.67</u>
	<u>\$ 3,570.93</u>	<u>\$ 100,000.00</u>	<u>\$ 97,890.33</u>	<u>\$ 5,660.60</u>
	C	9-C	1-C	C

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2011

<u>Ordinance Number</u>		Balance December 31, <u>2010</u>	2011 <u>Authorizations</u>	Balance December 31, <u>2011</u>
06-27	Improvements To Volunteer Way From the Ocean County Fire Training Center To Wells Mills Road	\$ 1,137,500.00		\$ 1,137,500.00
07-17	Road and Drainage Improvements	307,500.00		307,500.00
11-12	Various Capital Improvements		<u>\$ 997,500.00</u>	<u>997,500.00</u>
		<u>\$ 1,445,000.00</u>	<u>\$ 997,500.00</u>	<u>\$ 2,442,500.00</u>
	<u>Reference</u>	15-C	4-C	15-C

WATER UTILITY FUND
SCHEDULES

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	Reference	Operating	Capital
Balance, December 31, 2010	D	\$ 1,218,295.30	\$ 2,829,747.47
Increased By Receipts:			
Reserve for Bond Service	D		\$ 95,580.00
Miscellaneous Revenue	D-2	\$ 363,680.21	
Reserve To Pay Notes - Water Capital	D-2	500,000.00	
Consumer Accounts Receivable	3-D	1,385,507.96	
Special Charges Receivable	4-D	64.60	
Water Overpayments	9-D	4,201.78	
Due From:			
Trust Other Fund	D	1,303.79	
Sewer Utility Capital Fund	12-D	20,503.75	
NJEIT Loans Receivable	14-D		1,107,678.00
Due From Water Utility Capital Fund	D	5,872.46	10,000.00
Capital Improvement Fund	19-D		1,000,000.00
Bond Anticipation Notes	16-D	2,281,134.55	2,213,258.00
		3,499,429.85	5,043,005.47
Decreased By Disbursements:			
2011 Appropriations	D-3	2,427,262.48	
2010 Appropriation Reserves	7-D	55,866.29	
Water Overpayments	9-D	5,129.47	
Due To Current Fund	D	1,308.84	
Accounts Payable	11-D	1,648.70	
Due To Water Utility Capital Fund	13-D		5,872.46
Improvement Authorizations	18-D		1,519,874.47
Bond Anticipation Notes	16-D		1,000,000.00
Reserve for:			
Preliminary Cost	22-D		28,431.31
Debt Service - BAN	23-D		500,000.00
Bond Service	D		107,326.20
		2,491,215.78	3,161,504.44
Balance, December 31, 2011	D	\$ 1,008,214.07	\$ 1,881,501.03

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL FUND CASH

Year ended December 31, 2011

		Balance December 31, <u>2011</u>
Capital Improvement Fund		\$ 1,087,600.00
NJEIT Loans Receivable		(420,614.00)
Interfund - Sewer Utility Capital Fund		(10,938.77)
Encumbrances Payable		71,618.20
Fund Balance		4,317.70
Reserve for:		
Bond Reserve		744,120.00
Bond Service		95,580.00
Morey Place		95,000.00
Preliminary Costs		1,299.23
<u>Ordinance Number</u>	<u>Improvement Description</u>	
08-15	Improvements To Various Water Wells and Related Expenses	175,404.71
08-25	Acquisition of Land and Related Expenses	16,935.90
09-02/09-05	Construction of Certain Clean Water and Drinking Water Projects	63,701.31
10-13	Construction of & Improvements to Well #6	<u>(42,523.25)</u>
		<u>\$ 1,881,501.03</u>

Reference

D

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	D		\$ 159,567.25
Increased By Receipts:			
Water Rents Levied	3-D		<u>1,381,097.63</u>
			1,540,664.88
Decreased By Disbursements:			
Transferred To Special Charges Receivable	4-D	\$ 621.81	
Collections	D-2,1-D	<u>1,385,507.96</u>	
			<u>1,386,129.77</u>
Balance, December 31, 2011	D		<u>\$ 154,535.11</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF SPECIAL CHARGES RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 1,306.65
Increased By:		
Transfers From Consumer Accounts Receivable	3-D	<u>621.81</u>
		1,928.46
Decreased By Disbursements:		
Collections	D-2,1-D	<u>64.60</u>
Balance, December 31, 2011	D	<u><u>\$ 1,863.86</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Capital <u>Outlay</u>	Balance December 31, <u>2011</u>
Land and Easements	\$ 48,951.50		\$ 48,951.50
Plant and Additions	530,921.89		530,921.89
Water Tower and Fence	773,137.00		773,137.00
Wells and Retention Tank	1,658,461.51	\$ 25,900.00	1,684,361.51
Transmission Lines	9,335,339.92		9,335,339.92
Pumping Station	898,071.22		898,071.22
Equipment	188,786.00		188,786.00
Equipment - Water	92,150.07		92,150.07
Equipment - GIS Water	9,449.25		9,449.25
Vehicles	613,099.42		613,099.42
Meters	740,589.75	16,900.00	757,489.75
Meters - Water	168,136.44		168,136.44
Administration/Utility Building	143,193.75		143,193.75
Administration Utility	626.25		626.25
Garage - Water	10,335.00		10,335.00
Construction in Progress - Water	<u>717,982.15</u>	<u>32,161.00</u>	<u>750,143.15</u>
	<u>\$ 15,929,231.12</u>	<u>\$ 74,961.00</u>	<u>\$ 16,004,192.12</u>
<u>Reference</u>	D	20-D	D

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2011

Ordinance Number	Purpose	Ordinance		Balance	2011	Balance
		Date	Amount	December 31, 2010	Authorizations	December 31, 2011
08-15	Improvements To Various Water Wells and Related Expenses	05/08/08	\$ 600,000.00	\$ 600,000.00		\$ 600,000.00
08-16	Construction of Well #7	07/10/08	217,400.00	217,400.00		217,400.00
08-25	Acquisition of Land and Related Expenses	12/01/08	1,600,000.00	1,600,000.00		1,600,000.00
09-02/09-05	Construction of Certain Clean Water and Drinking Water Projects	04/23/09				
		06/11/09	1,870,000.00	1,870,000.00		1,870,000.00
10-13	Construction of & Improvements to Well #6	12/15/10	300,000.00		\$ 300,000.00	300,000.00
11-02	Construction of Certain Clean Water and Drinking Water Projects	03/10/11	1,660,000.00		1,660,000.00	1,660,000.00
				<u>\$ 4,287,400.00</u>	<u>\$ 1,960,000.00</u>	<u>\$ 6,247,400.00</u>
			<u>Reference</u>	D	18-D	D

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY
 WATER UTILITY OPERATING FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 34,769.57	\$ 34,769.57		\$ 34,769.57
Other Expenses	67,235.23	105,510.20	\$ 46,226.07	59,284.13
State of New Jersey Water Tax	5,996.26	5,996.26	721.08	5,275.18
Total Operating	<u>108,001.06</u>	<u>146,276.03</u>	<u>46,947.15</u>	<u>99,328.88</u>
Capital Improvements:				
Capital Outlay	<u>27,652.90</u>	<u>30,287.90</u>	<u>10,319.50</u>	<u>19,968.40</u>
Total Capital Improvements	<u>27,652.90</u>	<u>30,287.90</u>	<u>10,319.50</u>	<u>19,968.40</u>
Statutory Expenditures: Contribution To:				
Social Security System (O.A.S.I.)	6,952.51	6,952.51		6,952.51
Unemployment Compensation	4,950.48	4,950.48		4,950.48
Total Statutory Expenditures	<u>11,902.99</u>	<u>11,902.99</u>		<u>11,902.99</u>
	<u>\$ 147,556.95</u>	<u>\$ 188,466.92</u>	<u>\$ 57,266.65</u>	<u>\$ 131,200.27</u>
Reference	D			D-1
2010 Appropriations Reserves		\$ 147,556.95		
Encumbrances Payable		<u>40,909.97</u>		
		<u>\$ 188,466.92</u>		
Cash Disbursements			\$ 55,866.29	
Accounts Payable			<u>1,400.36</u>	
			<u>\$ 57,266.65</u>	

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 40,909.97
Increased By:		
Transferred From Budget Appropriations	D-3	<u>25,716.70</u>
		66,626.67
Decreased By:		
Transferred To Appropriation Reserves	7-D	<u>40,909.97</u>
Balance, December 31, 2011	D	<u>\$ 25,716.70</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF WATER OVERPAYMENTS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 5,129.47
Increased By:		
Cash Receipts	1-D	<u>4,201.78</u>
		9,331.25
Decreased By:		
Cash Disbursements	1-D	<u>5,129.47</u>
Balance, December 31, 2011	D	<u><u>\$ 4,201.78</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 115,849.79
Decreased By:		
Cancelled	D-1	<u>7,305.68</u>
Balance, December 31, 2011	D	<u>\$ 108,544.11</u>

Analysis of Accrued Interest December 31, 2011

Principal Outstanding December 31, <u>2011</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Note:					
\$ 1,000,000.00	2.25%	03/03/11	12/31/11	10 months	<u>\$ 18,750.00</u>
N.J. EIT Loan:					
\$ 76,132.00	Various	08/01/11	12/31/11	5 months	881.14
160,000.00	5.00%	12/02/11	12/31/11	1 month	666.67
<u>555,000.00</u>	5.00%	12/02/11	12/31/11	1 month	<u>2,312.50</u>
<u>\$ 791,132.00</u>					<u>3,860.31</u>
Serial Bonds:					
\$ 540,625.00	Various	08/01/11	12/31/11	5 months	6,283.80
<u>3,186,000.00</u>	6.00%	08/01/11	12/31/11	5 months	<u>79,650.00</u>
<u>\$ 3,726,625.00</u>					<u>85,933.80</u>
					<u>\$ 108,544.11</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 8,296.20
Increased By:		
Appropriation Reserves Charged	7-D	<u>1,400.36</u>
		9,696.56
Decreased By:		
Cash Disbursements	1-D	<u>1,648.70</u>
Balance, December 31, 2011	D	<u><u>\$ 8,047.86</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF DUE FROM SEWER UTILITY OPERATING FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 22,685.49
Decreased By:		
Cash Receipt	1-D	<u>20,503.75</u>
Balance, December 31, 2011	D	<u>\$ 2,181.74</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF DUE TO WATER UTILITY OPERATING FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 5,872.46
Decreased By:		
Cash Disbursements	1-D	<u>5,872.46</u>
Balance, December 31, 2011	D	<u>\$ 0.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF NJEIT LOANS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 1,528,292.00
Decreased By:		
Cash Receipts	1-D	<u>1,107,678.00</u>
Balance, December 31, 2011	D	<u>\$ 420,614.00</u>

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2011

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance December 31, 2010	Decreased	Balance December 31, 2011
	Date	Amount	Date	Amount				
Utility Revenue Bonds, Refunding Series 1993B	10/28/93	\$ 5,235,000.00	08/01/12	\$ 418,500.00	6.00%			
			08/01/13	441,000.00	6.00%			
			08/01/14	468,000.00	6.00%			
			08/01/15	495,000.00	6.00%			
			08/01/16	661,500.00	6.00%			
			08/01/17	702,000.00	6.00%	\$ 3,577,500.00	\$ 391,500.00	\$ 3,186,000.00
General Improvement	08/13/10	570,000.00	08/01/12	30,550.00	2.000%			
			08/01/13	31,725.00	2.000%			
			08/01/14	32,900.00	2.000%			
			08/01/15	34,075.00	2.000%			
			08/01/16	36,425.00	2.500%			
			08/01/17	35,250.00	2.500%			
			08/01/18	37,600.00	3.000%			
			08/01/19	38,775.00	3.000%			
			08/01/20	40,537.50	3.000%			
			08/01/21	41,125.00	3.000%			
		08/01/22	42,887.50	3.125%				
		08/01/23	45,237.50	3.250%				
		08/01/24	45,825.00	3.375%				
		08/01/25	47,712.50	3.375%		570,000.00	29,375.00	540,625.00
						\$ 4,147,500.00	\$ 420,875.00	\$ 3,726,625.00

Reference D 20-D D

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2011

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate*</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
Trust Loan	\$ 198,032.00	03/24/09	08/01/12	\$ 63,075.00	2.74%			
			08/01/13	13,057.00	2.96%	\$ 137,732.00	\$ 61,600.00	\$ 76,132.00
Fund Loan	198,032.00	03/24/09	02/01/12	1,678.62	0.00%			
			08/01/12	59,752.81	0.00%			
			02/01/13	883.00	0.00%			
			08/01/13	8,802.46	0.00%	132,551.44	61,434.55	71,116.89
Trust Loan - CW - 2010B	167,500.00	12/02/10	08/01/12-18	5,000.00	5.00%			
			08/01/19-29	10,000.00	5.00%			
			08/01/30	15,000.00	5.00%	160,000.00		160,000.00
Fund Loan - CW - 2010B	167,500.00	12/02/10	02/01/12	2,838.98	0.00%			
			08/01/12	5,677.96	0.00%			
			02/01/13	2,838.98	0.00%			
			08/01/13	5,677.96	0.00%			
			02/01/14	2,838.98	0.00%			
			08/01/14	5,677.96	0.00%			
			02/01/15	2,838.98	0.00%			
			08/01/15	5,677.96	0.00%			
			02/01/16	2,838.98	0.00%			
			08/01/16	5,677.96	0.00%			
			02/01/17	2,838.98	0.00%			
			08/01/17	5,677.96	0.00%			
			02/01/18	2,838.98	0.00%			
			08/01/18	5,677.96	0.00%			
			02/01/19	2,838.98	0.00%			
			08/01/19	5,677.96	0.00%			
			02/01/20	2,838.98	0.00%			
			08/01/20	5,677.96	0.00%			
			02/01/21	2,838.98	0.00%			
			08/01/21	5,677.96	0.00%			
			02/01/22	2,838.98	0.00%			
			08/01/22	5,677.96	0.00%			
			02/01/23	2,838.98	0.00%			

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
WATER UTILITY CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2011

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
Fund Loan - CW - 2010B (continued)								
			08/01/23	5,677.96	0.00%			
			02/01/24	2,838.98	0.00%			
			08/01/24	5,677.96	0.00%			
			02/01/25	2,838.98	0.00%			
			08/01/25	5,677.96	0.00%			
			02/01/26	2,838.98	0.00%			
			08/01/26	5,677.96	0.00%			
			02/01/27	2,838.98	0.00%			
			08/01/27	5,677.96	0.00%			
			02/01/28	2,838.98	0.00%			
			08/01/28	5,677.96	0.00%			
			02/01/29	2,838.98	0.00%			
			08/01/29	5,677.96	0.00%			
			02/01/30	2,838.98	0.00%			
			08/01/30	5,678.14	0.00%	167,500.00	5,677.96	161,822.04
Trust - PF DW - 2010B	596,646.00	12/02/10	08/01/12-16	20,000.00	5.00%			
			08/01/17-20	25,000.00	5.00%			
			08/01/21-24	30,000.00	5.00%			
			08/01/25-26	35,000.00	5.00%			
			08/01/27-29	40,000.00	5.00%			
			08/01/30	45,000.00	5.00%	555,000.00		555,000.00
Fund Loan - PF DW - 2010B	596,646.00	12/02/10	02/01/12	5,056.32	0.00%			
			08/01/12	10,112.64	0.00%			
			02/01/13	5,056.32	0.00%			
			08/01/13	10,112.64	0.00%			
			02/01/14	5,056.32	0.00%			
			08/01/14	10,112.64	0.00%			
			02/01/15	5,056.32	0.00%			
			08/01/15	10,112.64	0.00%			
			02/01/16	5,056.32	0.00%			
			08/01/16	10,112.64	0.00%			
			02/01/17	5,056.32	0.00%			
			08/01/17	10,112.64	0.00%			
			02/01/18	5,056.32	0.00%			

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2011

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance December 31, 2010	Decreased	Balance December 31, 2011
Loan - PF DW - 2010B (continued)			08/01/18	10,112.64	0.00%			
			02/01/19	5,056.32	0.00%			
			08/01/19	10,112.64	0.00%			
			02/01/20	5,056.32	0.00%			
			08/01/20	10,112.64	0.00%			
			02/01/21	5,056.32	0.00%			
			08/01/21	10,112.64	0.00%			
			02/01/22	5,056.32	0.00%			
			08/01/22	10,112.64	0.00%			
			02/01/23	5,056.32	0.00%			
			08/01/23	10,112.64	0.00%			
			02/01/24	5,056.32	0.00%			
			08/01/24	10,112.64	0.00%			
			02/01/25	5,056.32	0.00%			
			08/01/25	10,112.64	0.00%			
			02/01/26	5,056.32	0.00%			
			08/01/26	10,112.64	0.00%			
			02/01/27	5,056.32	0.00%			
			08/01/27	10,112.64	0.00%			
			02/01/28	5,056.32	0.00%			
			08/01/28	10,112.64	0.00%			
			02/01/29	5,056.32	0.00%			
			08/01/29	10,112.64	0.00%			
			02/01/30	5,056.32	0.00%			
			08/01/30	10,112.76	0.00%	298,323.00	10,112.64	288,210.36
						<u>\$ 1,451,106.44</u>	<u>\$ 138,825.15</u>	<u>\$ 1,312,281.29</u>

Reference

D

20-D

D

D

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY
 WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2010		2011 Authorizations	Transferred From Encumbrances Payable	Expended	Transferred To Encumbrances Payable	Balance December 31, 2011	
				Funded	Unfunded					Funded	Unfunded
08-15	Improvements To Various Water Wells and Related Expenses	05/08/08	\$ 600,000.00	\$ 405,185.39			\$ 12,586.99	\$ 216,992.97	\$ 25,374.70	\$ 175,404.71	\$ 16,935.90
08-25	Acquisition of Land and Related Expenses	12/01/08	1,600,000.00	\$ 17,841.29			30,630.00	905.39	30,630.00		
09-02/09-05/10-07	Construction of Certain Clean Water and Drinking Water Projects	04/23/09									
10-13	Construction of and Improvements to Well #6	06/11/09	1,870,000.00	1,338,542.67	341,708.00	\$ 300,000.00	198.00	1,269,928.36	5,111.00	63,701.31	341,708.00
11-02	Construction of Certain Clean Water and Drinking Water Projects	12/15/10	300,000.00					32,047.75	10,475.50		257,476.75
		03/10/11	1,660,000.00			1,660,000.00					1,660,000.00
				<u>\$ 1,743,728.06</u>	<u>\$ 359,549.29</u>	<u>\$ 1,960,000.00</u>	<u>\$ 43,414.99</u>	<u>\$ 1,519,874.47</u>	<u>\$ 71,591.20</u>	<u>\$ 239,106.02</u>	<u>\$ 2,276,120.65</u>
	Reference		D	D	D	6-D,25-D	24-D	1-D	24-D	D	D

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 1,077,600.00
Increased By:		
2011 Budget Appropriation	1-D	<u>10,000.00</u>
Balance, December 31, 2011	D	<u>\$ 1,087,600.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2011

Reference

Balance, December 31, 2010	D		\$ 12,428,916.68
Increased By:			
Capital Outlay	5-D	\$ 74,961.00	
Bonds Paid By Operating Budget	15-D	420,875.00	
Loans Paid By Operating Budget	17-D	<u>138,825.15</u>	
			<u>634,661.15</u>
Balance, December 31, 2011	D		<u>\$ 13,063,577.83</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Description</u>	Balance December 31, <u>2010</u>	<u>Increased</u>	Balance December 31, <u>2011</u>
08-15	Improvements To Various Water Wells and Related Expenses	\$ 30,000.00		\$ 30,000.00
08-16	Construction of Well #7	217,400.00		217,400.00
08-25	Acquisition of Land and Related Expenses	<u>100,000.00</u>	<u>\$ 500,000.00</u>	<u>600,000.00</u>
		<u>\$ 347,400.00</u>	<u>\$ 500,000.00</u>	<u>\$ 847,400.00</u>
	<u>Reference</u>	D	16-D	D

TOWNSHIP OF OCEAN
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Decrease</u>	Balance December 31, <u>2011</u>
Morey Place	\$ 95,000.00		\$ 95,000.00
Debt Service - BAN	<u>500,000.00</u>	<u>\$ 500,000.00</u>	<u>0.00</u>
	<u>\$ 595,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 95,000.00</u>
<u>Reference</u>	D	1-D	D

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	D		\$ 43,441.99
Increased By:			
Transferred From Improvement Authorizations	18-D	\$ 71,591.20	
Transferred From Preliminary Expense	22-D	<u>27.00</u>	
			<u>71,618.20</u>
			115,060.19
Decreased By:			
Transferred To Improvement Authorizations	18-D	43,414.99	
Transferred To Preliminary Expense	22-D	<u>27.00</u>	
			<u>43,441.99</u>
Balance, December 31, 2011	D		<u>\$ 71,618.20</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2010</u>	2011 <u>Authorizations</u>	Balance December 31, <u>2011</u>
09-02/09-05/ 10-07	Construction of Certain Clean Water and Drinking Water Projects	\$ 341,708.00		\$ 341,708.00
10-13	Construction of and Improvements to Well #6		\$ 300,000.00	300,000.00
11-02	Construction of Certain Clean Water and Drinking Water Projects		1,660,000.00	1,660,000.00
		<u>\$ 341,708.00</u>	<u>\$ 1,960,000.00</u>	<u>\$ 2,301,708.00</u>
	<u>Reference</u>	25-D	18-D	25-D

SEWER UTILITY FUND
SCHEDULES

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	E	\$ 1,216,104.85	\$ 309,633.20
Increased By Receipts:			
Reserve for:			
Bond Service	E		\$ 10,620.00
Miscellaneous Revenue	E-2	\$ 150,221.67	
Consumer Accounts Receivable	3-E	1,774,521.61	
Special Charges Receivable	4-E	81.30	
Sewer Overpayments	9-E	7,544.02	
Due From Trust Fund	16-E	3,550.01	
Due From Sewer Utility Capital Fund	17-E	3,280.60	
Capital Improvement Fund	13-E		<u>10,000.00</u>
		<u>1,939,199.21</u>	<u>20,620.00</u>
Decreased By Disbursements:		3,155,304.06	330,253.20
Reserve for:			
Bond Service	E		11,925.00
2011 Appropriations	E-3	1,989,241.03	
Sewer Overpayments	9-E	5,894.38	
2010 Appropriation Reserves	6-E	34,916.31	
Due To Current Fund	E	1,990.59	
Due To Water Utility Operating Fund	12-E	20,503.75	
Due To Sewer Utility Operating Fund	11-E		<u>3,280.60</u>
		<u>2,052,546.06</u>	<u>15,205.60</u>
Balance, December 31, 2011	E	<u>\$ 1,102,758.00</u>	<u>\$ 315,047.60</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH

Year ended December 31, 2011

	Balance December 31, <u>2011</u>
Capital Improvement Fund	\$ 213,250.00
Due To:	
Water Utility Capital Fund	10,938.77
Due From Water Utility Operating Fund	(2,441.17)
Reserve for:	
Bond Reserve	82,680.00
Bond Service	<u>10,620.00</u>
	<u>\$ 315,047.60</u>

Reference

E,1-E

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	E		\$ 204,075.55
Increased By:			
Sewer Rents Levied	3-E		<u>1,780,317.94</u>
			1,984,393.49
Decreased By:			
Transferred To Special Charges			
Receivable	4-E	\$ 949.81	
Cash Receipts	E-2,1-E	<u>1,774,521.61</u>	
			<u>1,775,471.42</u>
Balance, December 31, 2011	E		<u>\$ 208,922.07</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF SPECIAL CHARGES RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 1,970.26
Increased By:		
Transfers From Consumer Accounts Receivable	3-E	<u>949.81</u>
		2,920.07
Decreased By:		
Cash Receipts	E-2,1-E	<u>81.30</u>
Balance, December 31, 2011	E	<u>\$ 2,838.77</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Capital <u>Outlay</u>	Balance December 31, <u>2011</u>
Land and Easements	\$ 39,815.00		\$ 39,815.00
Plant and Additions	512,196.89		512,196.89
Collection System	10,794,587.72	\$ 69,515.91	10,864,103.63
Equipment	255,100.90	7,354.16	262,455.06
Equipment - Sewer	26,589.60		26,589.60
Equipment - GIS Sewer	9,449.25		9,449.25
Vehicles	188,104.12		188,104.12
Administration/Utility Building	143,193.75		143,193.75
Administration Utility	626.25		626.25
Garage Sewer	10,335.00		10,335.00
Construction in Progress - Sewer	<u>246,714.33</u>		<u>246,714.33</u>
	<u>\$ 12,226,712.81</u>	<u>\$ 76,870.07</u>	<u>\$ 12,303,582.88</u>
<u>Reference</u>	E	14-E	E

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 43,770.61	\$ 43,770.61	\$ 5,490.66	\$ 38,279.95
Other Expenses	51,231.20	73,299.09	26,159.64	47,139.45
Ocean County Utilities Authority	3,704.40	3,704.40		3,704.40
Total Operating	98,706.21	120,774.10	31,650.30	89,123.80
Capital Improvements:				
Capital Outlay	33,863.84	37,490.00	3,626.16	33,863.84
Total Capital Improvements	33,863.84	37,490.00	3,626.16	33,863.84
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	6,757.15	6,757.15		6,757.15
Unemployment Compensation Insurance	3,145.84	3,145.84		3,145.84
Total Statutory Expenditures	9,902.99	9,902.99		9,902.99
	\$ 142,473.04	\$ 168,167.09	\$ 35,276.46	\$ 132,890.63
	E	E		E-1
2010 Appropriations Reserves		\$ 142,473.04		
Encumbrances Payable		25,694.05		
Cash Disbursements		\$ 168,167.09	\$ 34,916.31	
Accounts Payable			360.15	
			\$ 35,276.46	

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 25,694.05
Increased By:		
Transferred From Budget Appropriations	E-3	<u>4,106.65</u>
		29,800.70
Decreased By:		
Transferred To Appropriation Reserves	6-E	<u>25,694.05</u>
Balance, December 31, 2011	E	<u><u>\$ 4,106.65</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 9,937.50
Decreased By:		
Cancelled	E-1	<u>1,087.50</u>
Balance, December 31, 2011	E	<u>\$ 8,850.00</u>

Analysis of Accrued Interest December 31, 2011

Principal Outstanding December 31, 2011	Interest Rate	From	To	Period	Amount
Serial Bonds:					
<u>\$ 354,000.00</u>	6.00%	08/01/11	12/31/11	5 months	<u>\$ 8,850.00</u>
					<u>\$ 8,850.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER OVERPAYMENTS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 5,894.38
Increased By:		
Cash Receipts	1-E	<u>7,544.02</u>
		13,438.40
Decreased By:		
Cash Disbursements	1-E	<u>5,894.38</u>
Balance, December 31, 2011	E	<u>\$ 7,544.02</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 3,280.60
Decreased By:		
Interfund Returned	1-E	<u>3,280.60</u>
Balance, December 31, 2011	E	<u>\$ 0.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF DUE TO WATER UTILITY OPERATING FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 22,685.49
Decreased By:		
Cash Disbursements	1-E	<u>20,503.75</u>
Balance, December 31, 2011	E	<u>\$ 2,181.74</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 203,250.00
Increased By:		
2011 Budget Appropriation	1-E	<u>10,000.00</u>
Balance, December 31, 2011	E	<u>\$ 213,250.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	E		\$ 11,829,212.81
Increased By:			
Capital Outlay	5-E	\$ 76,870.07	
Bonds Paid By Operating Budget	10-E	<u>43,500.00</u>	
			<u>120,370.07</u>
Balance, December 31, 2011	E		<u>\$ 11,949,582.88</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 0.00
Increased By:		
Transferred From Appropriation Reserves	6-E	<u>360.15</u>
Balance, December 31, 2011	E	<u><u>\$ 360.15</u></u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF DUE FROM TRUST - OTHER FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 3,550.01
Decreased By:		
Cash Receipts	1-E	<u>3,550.01</u>
Balance, December 31, 2011	E	<u>\$ 0.00</u>

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF DUE FROM SEWER UTILITY CAPITAL FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 3,280.60
Decreased By:		
Cash Receipts	1-E	<u>3,280.60</u>
Balance, December 31, 2011	E	<u>\$ 0.00</u>

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF INVESTMENT IN FIXED ASSETS

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Deletions</u>	Balance December 31, <u>2011</u>
Land	\$ 9,838,700.00	392,600.00	\$ 9,446,100.00
Land Improvements	752,275.00		752,275.00
Buildings and Improvements	1,097,590.00		1,097,590.00
Furniture, Fixtures and Equipment	<u>2,891,981.00</u>	<u>45,000.00</u>	<u>2,846,981.00</u>
	<u>\$ 14,580,546.00</u>	<u>\$ 437,600.00</u>	<u>\$ 14,142,946.00</u>
<u>Reference</u>	F	1-F	F

COMMENTS SECTION

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

An audit of the financial accounts and transactions of the Township of Ocean, County of Ocean, New Jersey ("Township") for the year ended December 31, 2011, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, the activities of the Mayor and Township Committee, and the records of various outside departments, Water and Sewer Utilities.

The audit did not, and could not, determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash balances were reconciled with independent certifications obtained directly from the depositories.

Investments were verified by physical inspection, or by independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold (40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder".

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 bid threshold within the fiscal year and, where a question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion shall be sought before a commitment is made.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

The minutes indicate that bids were requested by public advertising for the following items in 2011:

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing of labor, materials and supplies or the hiring of teams or vehicles", other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

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

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF OCEAN, COUNTY OF OCEAN, STATE OF NEW JERSEY, as follows:

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Collection of Interest on Delinquent Taxes and Assessments (continued)

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after the due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after the due date; and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against said delinquency.

2. Effective January 1, there will be a 10-day grace period of quarterly tax payments made by cash, check or money order.

3. Any payments not made in accordance with Paragraph 2 of this resolution shall be charged interest from the due date as set forth in Paragraph 1 of this resolution.

4. This resolution shall be published in its entirety once in the official newspaper of the Township of Ocean.

5. A certified copy of said resolution shall be forwarded to the Tax Collector, Township Attorney, Chief Financial Officer and the Township Auditor.

Tax Sale

The last tax sale was held on June 30, 2011 and was complete.

Confirmation of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2011 Taxes	25
Delinquent Taxes	10
Delinquent Water Utility Charges	25
Delinquent Sewer Utility Charges	10

For those verification notices which were not returned by taxpayers, we examined subsequent and current cash collections as an alternative procedure when possible.

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Statement of Operations
and Changes in Fund Balance - Current Fund

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 2,295,181.00	8.06 %	\$ 1,458,800.00	5.74 %
Miscellaneous - From Other				
Than Local Property Tax Levies	4,537,478.98	15.93	3,028,923.52	11.92
Collection of Delinquent Taxes	312,626.17	1.10	261,920.54	1.03
Collection of Current Tax Levy	<u>21,331,176.66</u>	<u>74.91</u>	<u>20,654,637.16</u>	<u>81.30</u>
Total Revenues	<u>28,476,462.81</u>	<u>100.00 %</u>	<u>25,404,281.22</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	9,367,371.80	37.59 %	8,845,290.36	38.16 %
County Taxes	5,112,723.95	20.52	4,920,497.00	21.23
Local District School Taxes	10,018,551.00	40.20	8,947,750.00	38.60
Municipal Open Space Tax	410,924.86	1.65	401,571.00	1.73
Other Expenditures	<u>9,208.36</u>	<u>0.04</u>	<u>64,497.17</u>	<u>0.28</u>
Total Expenditures	<u>24,918,779.97</u>	<u>100.00 %</u>	<u>23,179,605.53</u>	<u>100.00 %</u>
Excess in Revenue	3,557,682.84		2,224,675.69	
Adjustments To Income Before Surplus:				
Expenditures Included Above Which Are By				
Statute Deferred Charges To Budget of				
Succeeding Year:				
Emergency Appropriation	<u>200,000.00</u>			
Statutory Excess To Fund Balance	3,757,682.84		2,224,675.69	
Fund Balance, January 1	<u>2,472,181.94</u>		<u>1,706,306.25</u>	
	6,229,864.78		3,930,981.94	
Decreased By:				
Utilized as Anticipated Revenue	<u>2,295,181.00</u>		<u>1,458,800.00</u>	
Fund Balance, December 31	<u>\$ 3,934,683.78</u>		<u>\$ 2,472,181.94</u>	

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Statement of Operations
and Changes in Fund Balance - Water Utility Fund

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 780,437.00	24.63 %	\$ 665,340.51	25.79 %
Collection of Water Rents	1,385,572.56	43.73	1,422,993.02	55.15
Miscellaneous From Other Than Water Rents	<u>1,002,186.16</u>	<u>31.63</u>	<u>491,935.75</u>	<u>19.07</u>
Total Revenues	<u>3,168,195.72</u>	<u>100.00 %</u>	<u>2,580,269.28</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	945,900.00	37.29 %	945,099.70	51.12 %
Capital Improvements	100,000.00	3.94	97,000.00	5.25
Debt Service	1,326,546.68	52.30	499,599.34	27.02
Deferred Charges and Statutory Expenditures	88,968.00	3.51	88,553.31	4.79
Surplus (General Budget)	75,000.00	2.96	218,430.00	11.81
Refund of Prior-Year Revenue	<u> </u>	<u> </u>	<u>240.30</u>	<u>0.01</u>
Total Expenditures	<u>2,536,414.68</u>	<u>100.00 %</u>	<u>1,848,922.65</u>	<u>100.00 %</u>
Excess in Revenue	631,781.04		731,346.63	
Fund Balance, January 1	<u>926,914.65</u>		<u>860,908.53</u>	
	1,558,695.69		1,592,255.16	
Decreased By:				
Utilized as Anticipated Revenue	<u>780,437.00</u>		<u>665,340.51</u>	
Fund Balance, December 31	<u>\$ 778,258.69</u>		<u>\$ 926,914.65</u>	

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Statement of Operations
and Changes in Fund Balance - Sewer Utility Fund

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 900,000.00	30.42 %	\$ 1,033,860.00	33.22 %
Collection of Sewer Rents	1,774,602.91	59.98	1,750,447.94	56.25
Miscellaneous Revenue Anticipated	150,221.67	5.08	124,166.96	3.99
Other Credits To Income	<u>133,978.13</u>	<u>4.53</u>	<u>203,352.70</u>	<u>6.53</u>
Total Revenues	<u>2,958,802.71</u>	<u>100.00 %</u>	<u>3,111,827.60</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	1,696,400.00	81.50 %	1,698,681.00	76.22 %
Capital Improvements	95,000.00	4.56	80,000.00	3.59
Debt Service	66,045.00	3.17	37,687.50	1.69
Deferred Charges and Statutory Expenditures	82,812.00	3.98	78,500.00	3.52
Surplus (General Budget)	<u>141,288.00</u>	<u>6.79</u>	<u>333,860.00</u>	<u>14.98</u>
Total Expenditures	<u>2,081,545.00</u>	<u>100.00 %</u>	<u>2,228,728.50</u>	<u>100.00 %</u>
Excess in Revenue	877,257.71		883,099.10	
Fund Balance, January 1	<u>1,014,510.41</u>		<u>1,165,271.31</u>	
	1,891,768.12		2,048,370.41	
Decreased By:				
Utilized as Anticipated Revenue	<u>900,000.00</u>		<u>1,033,860.00</u>	
Fund Balance, December 31	<u>\$ 991,768.12</u>		<u>\$ 1,014,510.41</u>	

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ 1.549	1.548	1.538

Apportionment of Tax Rate

Municipal	0.421	0.421	0.423
Municipal Open Space	0.030	0.030	0.030
County	0.367	0.363	0.351
Local School	0.731	0.734	0.734

Assessed Valuations

2011	\$ 1,369,749,524.00	
2010		\$ 1,338,569,340.00
2009		\$ 1,298,829,376.00

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 tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	\$ 21,643,888.85	\$ 21,331,176.66	98.55 %
2010	21,058,822.00	20,654,637.16	98.08
2009	20,611,800.97	20,273,849.62	98.36

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Delinquent Taxes and Tax Title Items

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>	
2011	\$ 325,813.30	\$ 244,633.50	\$ 570,446.80	2.63	%
2010	297,929.83	333,402.95	631,332.78	2.99	
2009	263,629.51	285,936.60	549,566.11	2.66	

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:

<u>Year</u>	<u>Amount</u>
2011	\$ 2,155,800.00
2010	2,166,800.00
2009	2,166,800.00

Comparison of Utility Rents Levied

Water

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2011	\$ 1,381,097.63	\$ 1,385,507.96
2010	1,443,312.21	1,411,326.37
2009	1,290,323.68	1,224,798.74

Sewer

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2011	\$ 1,780,317.94	\$ 1,774,521.61
2010	1,758,328.75	1,750,012.04
2009	1,760,118.68	1,676,593.85

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Schedule of Fund Balances

<u>Current Fund</u>	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
	2011	\$ 3,934,683.78	\$ 2,839,189.00
	2010	2,472,181.94	2,295,181.00
	2009	1,706,306.25	1,450,000.00
	2008	1,994,219.31	1,705,000.00
	2007	2,537,177.17	2,250,000.00

<u>Water Utility Fund</u>	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
	2011	\$ 778,258.69	\$ 688,250.00
	2010	926,914.65	780,437.00
	2009	860,908.53	665,340.51
	2008	753,140.98	688,000.00
	2007	973,564.04	841,175.00

<u>Sewer Utility Fund</u>	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
	2011	\$ 991,768.12	\$ 928,750.00
	2010	1,014,510.41	900,000.00
	2009	1,165,271.31	1,033,860.00
	2008	859,689.94	700,000.00
	2007	626,039.20	637,575.00

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Officials in Office and Surety Bonds

The following Officials were in office during the period under audit:

<u>Name of Official</u>	<u>Title</u>
Dennis Tredy	Mayor
Christina Wetter	Deputy Mayor
Joseph Lachawiec	Committeeman
David Breedan	Administrator
Diane Ambrosio	Municipal Clerk
Michele Giardino	Deputy Clerk
Christine Thorne	Chief Financial Officer / Qualified Purchasing Agent
Marleen Miller	Treasurer
Kammie Lynn Verdolina	Tax Collector
James Liguori	Magistrate
Debra Ann Wight	Court Administrator
Domenica Bussanich	Deputy Court Clerk
Gregory P. McGuckin	Municipal Attorney

All employees are covered by a Blanket Bond of \$1,000,000.00 of which \$950,000.00 is provided as part of the Ocean County Joint Insurance Fund, and \$50,000.00 through the Municipal Excess Liability Joint Insurance Fund. The coverage also has a \$2,500.00 deductible per each loss.

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

INTERNAL CONTROL SECTION

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA, CFF
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV, CFF
Joann DiLieto, CPA

Patrice R. Antonucci, CPA
Glenn G. VanPell, CPA
Karen D. Davis, CPA, CVA
Crystal L. Fitzpatrick, CPA
Hélène T. Morizzo, CPA

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

Honorable Mayor and Members
of the Township Council
Township of Ocean, New Jersey

We have audited the regulatory-basis financial statements of the Township of Ocean, County of Ocean, New Jersey ("Township ") as of and for the year ended December 31, 2011, and have issued our report thereon dated June 13, 2012 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, Department of Community Affairs, State of New Jersey ("Division"). Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; and 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.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatements, we performed test of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

However, we noted certain other matters that have been reported to the administration of the Township and reported within our Comments and Recommendations.

This report is intended solely for the information and use of the Township of Ocean management, and Council members, others within the organization, and the Division of Local Government Services, and is not intended to be and should not be used by anyone other than these specified parties.

Hutchins, Farrell, Meyer & Allison, P.A.

Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

June 13, 2012

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY

COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2011

Other Matters

Finance Department

Finding #2011-1

During our audit of the Borough's Finance Department, we noted Interfund balances exist at year-end.

In order to improve controls in the Borough's Finance Department, we recommend care be taken to ensure all Interfund balances be liquidated by year-end.

Internal Controls

During our audit of the Borough's Internal Controls, we noted the following:

Finding #2011-2

- Form 1099s were not sent to all applicable vendors

Finding #2011-3

- Not all of the W-4 forms tested were available for audit.

In order to improve the Borough's Internal Controls, we recommend the following:

- Care be taken to ensure all applicable vendors receive a Form 1099.
- Care be taken to ensure a current W-4 for each employee is available for audit.

Municipal Court

Finding #2011-4

During our audit of the Borough's Municipal Court, we noted that tickets assigned to an officer but not issued are outstanding for more than 6 months.

In order to improve controls over the Borough's Municipal Court, we recommend tickets assigned to an officer but not issued be kept current.