

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY**

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



**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
TABLE OF CONTENTS**

**EXHIBIT      PAGE**

**PART I**

Independent Auditors' Report		1
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		5
<b>Financial Statements – Regulatory Basis:</b>		
<u>Current Fund:</u>		
Comparative Statement of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A	9
Comparative Statement of Operations and Changes in Fund Balance – Regulatory Basis	A-1	10
Statement of Revenues – Regulatory Basis	A-2	11
Statement of Expenditures – Regulatory Basis	A-3	13
<u>Trust Fund:</u>		
Comparative Statement of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B	18
<u>General Capital Fund:</u>		
Comparative Statement of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C	19
Statement of Operations and Changes in Fund Balance - Regulatory Basis	C-1	20
<u>Water Utility Fund:</u>		
Comparative Statement of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	D	21
Comparative Statement of Operations and Changes in Operating Fund Balance – Regulatory Basis	D-1	22
Statement of Water Capital Fund Balance - Regulatory Basis	D-1(a)	23
Statement of Revenues – Regulatory Basis	D-2	24
Statement of Expenditures – Regulatory Basis	D-3	25
<u>Sewer Utility Fund:</u>		
Comparative Statement of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	E	26
Comparative Statement of Operations and Changes in Operating Fund Balance – Regulatory Basis	E-1	27
Statement of Sewer Capital Fund Balance - Regulatory Basis	E-1(a)	28
Statement of Revenues – Regulatory Basis	E-2	29
Statement of Expenditures – Regulatory Basis	E-3	30
<u>General Fixed Assets Account Group:</u>		
Comparative Statement of Fixed Assets & Fund Balance - Regulatory Basis	F	31
Notes to Financial Statements		33
<b>Supplementary Schedules:</b>		
<u>Current Fund:</u>		
Schedule of Cash - Treasurer	A-4	55
Schedule of Cash - Collector	A-5	56
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-6	57
Schedule of Special Charges (Bankruptcy) Receivable	A-7	58
Schedule of Tax Title Liens Receivable	A-8	58

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
TABLE OF CONTENTS**

	<b>EXHIBIT</b>	<b>PAGE</b>
<b>Supplementary Schedules (continued):</b>		
<u>Current Fund (continued):</u>		
Schedule of Property Acquired for Taxes - Assessed Valuation	A-9	58
Schedule of Revenue Accounts Receivable	A-10	59
Schedule of Due to Federal and State Grant Fund	A-11	60
Schedule of Due from General Capital Fund	A-12	60
Schedule of Deferred Charges	A-13	61
Schedule of Due to Trust - Other Fund	A-14	62
Schedule of Due from State - P.L. 1971, C. 20	A-15	63
Schedule of 2012 Appropriation Reserves	A-16	64
Schedule of Encumbrances Payable	A-17	68
Schedule of Accounts Payable	A-18	68
Schedule of Payroll Taxes Payable	A-19	69
Schedule of Prepaid Taxes	A-20	69
Schedule of Tax Overpayments	A-21	70
Schedule of County Taxes Payable	A-22	70
Schedule of Due to State Agencies	A-23	71
Schedule of Municipal Open Space Tax Payable	A-24	71
Schedule of Local School District Tax Payable	A-25	72
Schedule of Various Reserves	A-26	73
Schedule of Special Emergency Note Payable	A-27	74
Federal & State Grant Fund:		
Schedule of Grants Receivable	A-28	75
Schedule of Reserve for Grants - Appropriated	A-29	76
Schedule of Reserve for Grants - Unappropriated	A-30	77
Schedule of Encumbrances Payable	A-31	78
Schedule of Due from Current Fund	A-32	78
<u>Trust Fund:</u>		
Schedule of Cash - Treasurer	B-1	81
Animal Control Fund:		
Schedule of Due to State of New Jersey	B-2	82
Schedule of Due To Current Fund	B-3	82
Schedule of Reserve for Animal Control Fund Expenditures	B-4	83
Open Space Trust Fund:		
Schedule of Reserve for Open Space	B-5	83
Trust - Other Fund:		
Schedule of Due To Current Fund	B-6	84
Schedule of Premiums Received at Tax Sale	B-7	85
Schedule of Various Reserves	B-8	86
Length of Service Awards Program Fund ("LOSAP"):		
Schedule of Investments - Reviewed	B-9	87
Schedule of Miscellaneous Reserves - Reviewed	B-10	87

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
TABLE OF CONTENTS**

	<b>EXHIBIT</b>	<b>PAGE</b>
<b>Supplementary Schedules (continued):</b>		
<u>General Capital Fund:</u>		
Schedule of Cash - Treasurer	C-2	91
Analysis of General Capital Fund Cash	C-3	92
Schedule of Deferred Charges to Future Taxation - Funded	C-4	93
Schedule of Deferred Charges to Future Taxation - Unfunded	C-5	94
Schedule of Serial Bonds Payable	C-6	95
Schedule of Bond Anticipation Notes	C-7	96
Schedule of Encumbrances Payable	C-8	97
Schedule of Improvement Authorizations	C-9	98
Schedule of Capital Improvement Fund	C-10	99
Schedule of Due to Current Fund	C-11	99
Schedule of Various Reserves	C-12	100
Schedule of Green Acres Loan Receivable	C-13	100
Schedule of Green Acres Loan Payable	C-14	101
Schedule of Reserve for Preliminary Expense	C-15	102
Schedule of Due from Water Utility Capital Fund	C-16	102
Schedule of Bonds and Notes Authorized But Not Issued	C-17	103
 <u>Water Utility Fund:</u>		
Schedule of Cash – Treasurer	D-4	107
Analysis of Water Utility Capital Fund Cash	D-5	108
Schedule of Consumer Accounts Receivable	D-6	109
Schedule of Special Charges Receivable	D-7	109
Schedule of Fixed Capital	D-8	110
Schedule of Fixed Capital Authorized & Uncompleted	D-9	111
Schedule of 2012 Appropriation Reserves	D-10	112
Schedule of Encumbrances Payable	D-11	113
Schedule of Water Overpayments	D-12	113
Schedule of Accrued Interest on Bonds & Notes	D-13	114
Schedule of Accounts Payable	D-14	115
Schedule of Due to/from Sewer Utility Operating Fund	D-15	115
Schedule of Due to Water Utility Operating Fund	D-16	116
Schedule of Due to Sewer Utility Capital Fund	D-17	116
Schedule of Due to General Capital Fund	D-18	116
Schedule of NJEIT Loans Receivable	D-19	117
Schedule of Serial Bonds	D-20	118
Schedule of Bond Anticipation Notes	D-21	119
Schedule of NJ Environmental Infrastructure Trust Loans	D-22	120
Schedule of Improvement Authorizations	D-23	131
Schedule of Capital Improvement Fund	D-24	132
Schedule of Reserve for Amortization	D-25	132
Schedule of Reserve for Deferred Amortization	D-26	133
Schedule of Reserve for Preliminary Costs	D-27	133
Schedule of Various Reserves	D-28	134
Schedule of Encumbrances Payable	D-29	135
Schedule of Bonds and Notes Authorized But Not Issued	D-30	136

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
TABLE OF CONTENTS**

	<b>EXHIBIT</b>	<b>PAGE</b>
<b>Supplementary Schedules (continued):</b>		
<u>Sewer Utility Fund:</u>		
Schedule of Cash – Treasurer	E-4	139
Analysis of Sewer Utility Capital Fund Cash	E-5	140
Schedule of Consumer Accounts Receivable	E-6	141
Schedule of Special Charges Receivable	E-7	141
Schedule of Fixed Capital	E-8	142
Schedule of Fixed Capital Authorized & Uncompleted	E-9	143
Schedule of 2012 Appropriation Reserves	E-10	144
Schedule of Encumbrances Payable	E-11	145
Schedule of Accrued Interest on Bonds & Notes	E-12	146
Schedule of Sewer Overpayments	E-13	147
Schedule of Serial Bonds	E-14	148
Schedule of Due to Sewer Utility Operating Fund	E-15	149
Schedule of Due to/from Water Utility Operating Fund	E-16	149
Schedule of Capital Improvement Fund	E-17	150
Schedule of Reserve for Amortization	E-18	150
Schedule of Accounts Payable	E-19	151
Schedule of Due from Sewer Utility Capital Fund	E-20	151
Schedule of Improvement Authorizations	E-21	152
Schedule of Bonds & Notes Authorized But Not Issued	E-22	153
Schedule of Bonds Anticipation Notes	E-23	154
Schedule of NJEIT Loans Receivable	E-24	154
Schedule of NJ Environmental Infrastructure Trust Loans Payable	E-25	155
 <u>General Fixed Assets Account Group:</u>		
Schedule of Investment in Fixed Assets	F-1	159
 <b>Single Audit:</b>		
Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by OMB Circular A-133 and New Jersey OMB Circular 04-04	S-1	163
Schedule of Expenditures of State Financial Assistance	S-2	167
Notes to Schedules of Expenditures of State Financial Assistance	S-3	168
Schedule of Findings and Questioned Costs	S-4	170
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	S-5	173
 <b>PART II</b> 		
<u>Comments and Recommendations:</u>		
Scope of Audit		177
General Comments		177
Officials in Office		181
Acknowledgment		182

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN**

**PART I**

**INDEPENDENT AUDITORS' REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Ocean, County of Ocean, State of New Jersey as of December 31, 2013 and 2012, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2013.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Ocean, County of Ocean, State of New Jersey, as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

#### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2013 and 2012. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 9.14% and 6.80% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2013 and 2012.

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

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Ocean, County of Ocean, State of New Jersey, as of December 31, 2013 and 2012, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## Other Matters

### Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2014, on our consideration of the Township of Ocean's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Ocean's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

June 24, 2014  
Freehold, New Jersey

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Ocean (herein referred to as "the Township"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 24, 2014 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services.

**Internal Control Over Financial Reporting**

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

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

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

in the accompanying schedule of Comments & Recommendations section that we consider to be significant deficiencies as Finding No. 2014-02.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding No. 2014-02.

We noted certain other matters that have been reported to the administration of Township and reported within our Comments & Recommendations section.

### **Response to Findings**

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

### **Purpose of this Report**

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

Respectfully submitted,

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



Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

June 24, 2014  
Freehold, New Jersey

**BASIC FINANCIAL STATEMENTS**

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TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 CURRENT FUND  
 COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
 DECEMBER 31, 2013 AND 2012

Assets	Reference	2013	2012	Liabilities, Reserves and Fund Balance	Reference	2013	2012
Cash - Treasurer	A-4	\$ 5,393,563	\$ 4,403,517	Appropriation Reserves	A-3,A-16	\$ 659,598	\$ 516,912
Cash - Collector	A-5	405,881	418,613	Encumbrances Payable	A-17,A-16	204,675	226,825
Cash - Change Funds	A	875	875	Accounts Payable	A-18	112,744	132,982
Due From State of New Jersey, P.L. 1971, Chap. 20	A-15	2,518	2,829	Special Emergency Note Payable	A-27	1,200,000	1,500,000
Receivables With Full Reserves:		5,802,837	4,825,834	Due To:			
Delinquent Property Taxes Receivable	A-6	465,519	366,610	Trust Fund - Other	A-14	18,888	12,338
Special Charges Receivable	A-7	1,769	-	State of New Jersey - Marriage Licenses	A-23	250	100
Tax Title Liens Receivable	A-8	452,991	316,010	State of New Jersey - Training Fees	A-23	6,276	4,529
Property Acquired for Taxes	A-9	2,155,800	2,155,800	Federal and State Grant Fund	A-11	634,885	417,553
Revenue Accounts Receivable	A-10	-	5,463	Payroll Deductions Payable	A-19	3,850	38,442
Due From:				Prepaid Taxes	A-20	210,296	194,222
General Capital Fund	A-12	1,283	-	Tax Overpayments	A-21	97,778	12,624
Trust - Animal Control Fund	A	49	-	County Taxes Payable	A-22	2,473	43,513
Water Utility Operating Fund		31,725	-	Local District School Tax Payable	A-25	1,338,188	46
		3,109,136	2,843,883	Reserve For:			
Deferred Charges:				Superstorm Sandy	A-26	831,351	1,065,590
Emergency Authorization	A-13	-	183,694	Storm Damage (Electrical Storm)	A-26	-	115,636
Special Emergency Authorization (N.J.S.A. 40A:4-55 & 54)	A-13	1,320,000	1,660,000	Various	A-26	20,443	204,137
		1,320,000	1,843,694	Sandy Aid	A-26	136,316	-
Federal and State Grant Fund:		10,231,973	9,513,411	Reserve For Receivables	A	5,478,011	4,485,449
Due To General Capital Fund	A-29			Fund Balance	A-1	3,109,136	2,843,883
Appropriated Grants	A-29					1,644,826	2,184,080
Encumbrances Payable	A-31	212,075	358,794				
Reserve for Grants - Unappropriated	A-30	634,885	417,554			10,231,973	9,513,412
		846,960	776,348				
Total Assets		\$ 11,078,933	\$ 10,289,759	Total Liabilities, Reserves and Fund Balance		\$ 11,078,933	\$ 10,289,759

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,795,853	\$ 2,839,189
Miscellaneous Revenue Anticipated	A-2	3,431,273	1,929,641
Receipts From Delinquent Taxes	A-2	315,225	200,760
Receipts From Current Taxes	A-2	22,003,870	21,241,648
Non-Budget Revenue	A-2	313,651	230,062
Other Credits To Income:			
Grant Appropriations Cancelled By Resolution	A-11	-	309,222
Unexpended Balance of Appropriation Reserves	A-16	375,879	258,898
Cancellation of Accounts Payable	A-18	-	1,852
Total Revenues		<u>28,235,751</u>	<u>27,011,272</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	3,904,426	3,671,268
Other Expenses	A-3	3,794,061	3,736,313
Deferred Charges and Statutory Expenditures	A-3	885,244	828,793
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	139,700	124,100
Other Expenses	A-3	523,422	1,999,168
Capital Improvements	A-3	261,000	31,000
Municipal Debt Service	A-3	920,991	1,475,805
Deferred Charges	A-3	523,694	40,000
County Taxes	A-22	5,293,774	5,102,250
Amount Due County for Added and Omitted Taxes	A-22	2,473	43,513
Municipal Open Space Tax	A-24	373,307	373,647
Local District School Tax	A-25	10,118,602	10,022,603
Interfunds Advanced	A	223,882	-
Grant Appropriations Cancelled By Resolution	A-11	-	151,131
Refund Prior Year Revenue	A-4	10,576	2,430
Prior-Year Senior Citizen Deduction Disallowed	A-15	4,000	4,360
Total Expenditures		<u>26,979,152</u>	<u>27,606,381</u>
Excess in Revenue		1,256,599	(595,109)
Adjustments To Income Before Surplus:			
Expenditures Included Above Which Are By Statute			
Deferred Charges To Budget of Succeeding Year:			
Emergency Appropriation	A-13	-	183,694
Special Emergency Appropriation	A-13	-	1,500,000
		<u>-</u>	<u>1,683,694</u>
Statutory Excess To Fund Balance		1,256,599	1,088,585
Fund Balance, January 1	A	<u>2,184,080</u>	<u>3,934,684</u>
		3,440,679	5,023,269
Decreased By:			
Utilized as Anticipated Revenue	A-2	<u>1,795,853</u>	<u>2,839,189</u>
Fund Balance, December 31	A	<u>\$ 1,644,826</u>	<u>\$ 2,184,080</u>

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

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

	<u>Reference</u>	<u>Budget as Adopted</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 1,795,853	\$ -	\$ 1,795,853	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	5,000	-	7,472	2,472
Fees and Permits	A-10	68,000	-	73,817	5,817
Fines and Costs:					
Municipal Court	A-10	129,000	-	158,295	29,295
Interest and Costs on Taxes	A-10	50,000	-	76,854	26,854
Anticipated Utility Operating Surplus	A-10	418,000	-	418,000	-
Energy Receipts Tax	A-10	596,512	-	596,512	-
Pinelands Property Tax Stabilization	A-10	8,174	-	8,174	-
Garden State Preservation Trust Fund	A-10	10,289	-	-	(10,289)
Uniform Construction Code Fees	A-10	240,000	-	340,027	100,027
Anticipated General Capital Surplus	A-10	480,000	-	480,000	-
PILOT Program - Coastal Development	A-10	300,000	-	400,000	100,000
Special Emergency Insurance	A-10	183,694	-	183,694	-
FEMA - Superstorm Sandy 2012	A-10	300,000	-	300,000	-
Interlocal Barnegat Township Zoning	A-10	16,000	-	9,658	(6,342)
Interlocal Barnegat Township Recreation	A-10	41,000	-	47,213	6,213
Interlocal Barnegat Township Construction	A-10	49,340	-	54,027	4,687
Drunk Driving Enforcement Fund	A-11,A-28	-	-	-	-
Clean Communities Program	A-11,A-28	19,962	-	19,962	-
Community Development Block Grant	A-11,A-28	-	32,500	32,500	-
Body Armor Replacement Grant	A-11,A-28	2,251	-	2,251	-
Homeland Security	A-11,A-28	20,000	-	20,000	-
Municipal Alcohol Education and Rehab Program	A-11,A-28	897	-	897	-
NJ Transportation Trust Fund Authority Act	A-11,A-28	180,000	-	180,000	-
966 Reimbursement Program	A-11,A-28	-	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse	A-11,A-28	20,000	-	20,000	-
Ocean County Tourism Grant - Founders Day	A-11,A-28	1,000	920	1,920	-
	A-1	<u>3,139,119</u>	<u>33,420</u>	<u>3,431,273</u>	<u>258,734</u>
Receipts From Delinquent Taxes	A-1,A-2	<u>255,000</u>	<u>-</u>	<u>315,225</u>	<u>60,225</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2,A-6	<u>6,507,888</u>	<u>-</u>	<u>6,480,200</u>	<u>(27,688)</u>
Budget Totals		11,697,860	33,420	12,022,551	291,271
Non-Budget Revenues	A-1,A-2	<u>-</u>	<u>-</u>	<u>313,651</u>	<u>313,651</u>
Total	A-3	<u>\$ 11,697,860</u>	<u>\$ 33,420</u>	<u>\$ 12,336,202</u>	<u>\$ 604,922</u>

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

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

Reference

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue From Collections	A-1,A-6	\$ 22,003,870
Allocated To School and County Taxes and Open Space Taxes	A-6	<u>16,028,156</u>
Balance for Support of Municipal Budget Appropriations		5,975,714
Add:		
Reserve for Uncollected Taxes	A-3	<u>504,486</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 6,480,200</u></u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	A-6	\$ 311,434
Tax Title Lien Collections	A-8	<u>3,791</u>
Delinquent Tax Collections	A-2	<u><u>\$ 315,225</u></u>

Analysis of Non-Budget Revenues:

Interest on Investments and Deposits		\$ 6,408
Reimbursement on Workers Compensation		18,703
Statutory Excess in Animal Control Fund		11,919
Police Car Outside Department		2,500
Miscellaneous Reimbursements		30,213
Police Fees		1,758
Auction of Obsolete Equipment		16,903
Tax Miscellaneous		26,183
Inspection Fines		2,713
Outside Police Services		82,006
Miscellaneous		<u>114,345</u>
	A-2	<u><u>\$ 313,651</u></u>

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATIONS		EXPENDED		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
General Appropriations					
Operations - Excluded From "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 500	\$ 500	\$ -	\$ 500	\$ -
Other Expenses	72,000	92,000	78,517	3,483	10,000
Mayor and Committee:					
Salaries and Wages	17,225	17,225	16,572	653	-
Other Expenses	3,000	3,000	807	2,193	-
Municipal Clerk:					
Salaries and Wages	163,400	169,400	166,880	2,520	-
Other Expenses	40,000	40,000	39,332	668	-
Financial Administration (Treasury):					
Salaries and Wages	130,000	120,000	107,381	7,619	5,000
Other Expenses	36,900	41,900	36,703	5,197	-
Audit Services	55,000	55,000	33,037	21,963	-
Revenue Administration (Tax Collection):					
Salaries and Wages	65,000	57,000	55,450	1,550	-
Other Expenses	15,500	23,000	22,180	820	-
Tax Assessment Administration:					
Salaries and Wages	55,500	47,500	43,957	3,543	-
Other Expenses	8,900	8,900	4,389	4,511	-
Legal Services (Legal Department):					
Other Expenses	180,000	195,000	162,252	32,748	-
Special Litigation	20,000	20,000	-	10,000	10,000
Engineering Services:					
Other Expenses	110,000	110,000	64,714	35,286	10,000
Economic Development Agencies:					
Architect	7,000	7,000	2,398	1,602	3,000
Historical Society	5,000	5,000	5,000	-	-
LAND USE ADMINISTRATION					
Land Use Board/Planning Board:					
Salaries and Wages	30,000	30,000	20,854	6,146	3,000
Other Expenses	10,900	10,900	6,652	4,248	-
Zoning:					
Salaries and Wages	15,000	15,000	14,950	50	-
Other Expenses	7,180	7,180	6,341	839	-
Board of Adjustment:					
Salaries and Wages	32,000	32,000	21,709	6,291	4,000
Other Expenses	8,000	8,000	1,309	6,691	-
CODE ENFORCEMENT AND ADMINISTRATION					
Other Code Enforcement Functions:					
Salaries and Wages	20,000	20,000	11,778	5,222	3,000
Other Expenses	1,500	1,500	389	1,111	-
Municipal Housing Liaison					
Salaries and Wages	6,500	6,500	6,500	-	-
Other Expenses	13,200	18,200	16,165	2,035	-

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
<b>INSURANCE</b>					
Unemployment Insurance	16,000	18,500	16,391	2,109	-
General Liability Insurance	88,000	88,000	87,135	865	-
Workers Compensation Insurance	130,000	126,000	121,993	4,007	-
Employee Group Health Insurance	1,318,071	1,318,071	1,147,410	55,661	115,000
Health Benefits Waiver	85,860	85,860	79,779	6,081	-
<b>PUBLIC SAFETY</b>					
Police Department:					
Salaries and Wages	2,344,900	2,344,900	2,270,429	34,471	40,000
Other Expenses	178,500	178,500	164,262	14,238	-
Police Department:					
Police Vehicles	1,000	1,000	-	-	1,000
Police Dispatch/911:					
Salaries and Wages	146,000	152,000	151,290	710	-
Other Expenses	3,000	3,000	2,969	31	-
Office of Emergency Management:					
Salaries and Wages	5,000	5,000	5,000	-	-
Other Expenses	1,500	1,500	1,386	114	-
Fire Service Program	1,500	1,500	-	1,500	-
Aid To Volunteer Fire Companies	55,000	55,000	50,638	4,362	-
First Aid Contribution	25,000	25,000	25,000	-	-
Municipal Prosecutor's Office:					
Other Expenses	18,000	18,000	16,875	1,125	-
<b>PUBLIC WORKS</b>					
Streets and Road Maintenance:					
Salaries and Wages	229,588	204,588	204,436	152	-
Other Expenses	44,000	49,000	32,761	16,239	-
County Schedule "C" Program	7,000	7,000	5,026	1,974	-
Solid Waste Collection:					
Salaries and Wages	500	500	-	500	-
Other Expenses	350,000	340,000	300,123	39,877	-
Buildings and Grounds:					
Salaries and Wages	304,353	284,353	278,552	5,801	-
Other Expenses	65,000	85,000	80,584	4,416	-
Vehicle Maintenance (Including Police Vehicles):					
Salaries and Wages	69,000	69,000	65,578	3,422	-
Other Expenses	78,000	78,000	74,996	3,004	-
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services (Board of Health):					
Salaries and Wages	5,000	5,000	5,000	-	-
Other Expenses	5,450	5,450	3,823	1,627	-
Environmental Health Services:					
Salaries and Wages	1,600	1,600	990	610	-
Other Expenses	14,500	4,500	662	3,838	-
Animal Control Services:					
Other Expenses	19,000	19,000	16,588	2,412	-
Vital Statistics:					
Salaries and Wages	4,000	4,000	4,000	-	-
Other Expenses	850	850	313	537	-

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Public Assistance					
Other Expenses	1,000	1,000	-	1,000	-
PARKS AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	41,000	56,000	53,353	2,647	-
Other Expenses	15,000	15,000	12,800	2,200	-
Beach and Boardwalk Operations:					
Salaries and Wages	15,000	15,000	12,537	463	2,000
Other Expenses	4,200	4,200	1,437	2,763	-
Park Maintenance:					
Other Expenses	15,000	15,000	12,598	2,402	-
Celebration of Public Events:					
Other Expenses	20,000	18,000	12,581	3,419	2,000
Municipal Court:					
Salaries and Wages	130,000	130,000	110,825	19,175	-
Other Expenses	17,100	17,100	11,474	5,626	-
Public Defender (P.L. 1997, c.256):					
Other Expenses	4,000	4,000	2,400	1,600	-
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Uniform Construction Code Enforcement Functions:					
Salaries and Wages	88,500	88,500	85,325	3,175	-
Other Expenses	25,000	25,000	19,163	5,837	-
UNCLASSIFIED					
Utilities:					
Electricity	65,000	65,000	63,556	1,444	-
Street Lighting	100,000	100,000	83,091	11,909	5,000
Telephone (excluding equipment acquisition)	43,000	43,000	33,633	9,367	-
Gas (natural or propane)	13,000	13,000	10,168	2,832	-
Gas and Oil	113,660	113,660	103,253	407	10,000
Telecommunications Costs	20,000	20,000	18,686	1,314	-
Landfill/Solid Waste Disposal Costs	290,000	280,000	224,284	35,716	20,000
Accumulated Leave Compensation	1,000	1,000	-	1,000	-
Greenbriar Reimbursement	175,650	175,650	175,000	650	-
Total Operations - Within "CAPS"	7,941,487	7,941,487	7,206,369	492,118	243,000
Contingent	-	-	-	-	-
Total Operations - Within "CAPS" Including Contingent	7,941,487	7,941,487	7,206,369	492,118	243,000
Detail:					
Salaries and Wages	4,005,426	3,961,426	3,793,125	111,301	57,000
Other Expenses	3,936,061	3,980,061	3,413,244	380,817	186,000

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"					
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	155,956	155,956	155,956	-	-
Police and Fireman's Retirement System	403,988	403,988	403,988	-	-
Defined Contribution Retirement Program	3,000	3,000	829	2,171	-
Social Security System (O.A.S.I.)	330,300	330,300	282,659	39,641	8,000
<b>Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"</b>	<b>893,244</b>	<b>893,244</b>	<b>843,432</b>	<b>41,812</b>	<b>8,000</b>
<b>Total General Appropriations for Municipal Purposes - Within "CAPS"</b>	<b>8,834,731</b>	<b>8,834,731</b>	<b>8,049,801</b>	<b>533,930</b>	<b>251,000</b>
Recycling Tax	12,000	12,000	-	12,000	-
Employee Group Health Insurance	59,577	59,577	-	59,577	-
Police Dispatchers 911:					
Salaries and Wages	139,700	139,700	139,700	-	-
Other Expenses	5,000	5,000	3,036	1,964	-
LOSAP	57,500	57,500	57,500	-	-
Stormwater Management	1,000	1,000	-	1,000	-
Shared Service Agreements:					
Uniform Construction Barnegat Township	149,700	149,700	147,509	2,191	-
Lacey Township IT Service Police Department	17,400	17,400	9,325	8,075	-
Interlocal Barnegat Township Zoning	16,000	16,000	12,685	3,315	-
Interlocal Barnegat Township Recreation	41,000	41,000	26,829	14,171	-
Interlocal Barnegat Township Construction Office	49,340	49,340	35,965	13,375	-
<b>Total Other Operations - Excluded From "CAPS"</b>	<b>548,217</b>	<b>548,217</b>	<b>432,549</b>	<b>115,668</b>	<b>-</b>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	20,000	20,000	20,000	-	-
Local Share	6,375	6,375	6,375	-	-
Community Development Block Grant	-	32,500	32,500	-	-
Clean Communities Program	19,962	19,962	19,962	-	-
Alcohol Education and Rehabilitation Fund	897	897	897	-	-
Body Armor Replacement Fund	2,251	2,251	2,251	-	-
Ocean County Tourism	1,000	1,920	1,920	-	-
Ocean County Tourism - Local Share	1,000	1,000	1,000	-	-
Matching Funds for Future Grants	10,000	10,000	-	10,000	-
Homeland Security	20,000	20,000	20,000	-	-
<b>Total Public and Private Programs Offset By Revenues</b>	<b>81,485</b>	<b>114,905</b>	<b>104,905</b>	<b>10,000</b>	<b>-</b>
<b>Total Operations - Excluded From "CAPS"</b>	<b>629,702</b>	<b>663,122</b>	<b>537,454</b>	<b>125,668</b>	<b>-</b>

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Detail:					
Salaries and Wages	139,700	139,700	139,700	-	-
Other Expenses	490,002	523,422	397,754	125,668	-
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	75,000	75,000	75,000	-	-
NJDOT - Caldwell Road	180,000	180,000	180,000	-	-
Purchase of Safety Equipment	6,000	6,000	6,000	-	-
Total Capital Improvements - Excluded From "CAPS"	261,000	261,000	261,000	-	-
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	384,579	384,579	384,579	-	-
Payment of Bond Anticipation Notes and Capital Notes	274,913	274,913	274,913	-	-
Interest on Bonds	222,640	222,640	222,638	-	2
Interest on Notes	32,115	32,115	27,052	-	5,063
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	30,000	30,000	11,809	-	18,191
Total Municipal Debt Service - Excluded From "CAPS"	944,247	944,247	920,991	-	23,256
Deferred Charges - Municipal - Excluded From "CAPS"					
Emergency Authorizations	183,694	183,694	183,694	-	-
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	340,000	340,000	340,000	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	523,694	523,694	523,694	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	2,358,643	2,392,063	2,243,139	125,668	23,256
Subtotal General Appropriations	11,193,374	11,226,794	10,292,940	659,598	274,256
Reserve for Uncollected Taxes	504,486	504,486	504,486	-	-
Total General Appropriations	<u>\$ 11,697,860</u>	<u>\$ 11,731,280</u>	<u>\$ 10,797,426</u>	<u>\$ 659,598</u>	<u>\$ 274,256</u>
	<u>Reference</u>	A-3		A	A-3
Original Budget	A-2	\$ 11,697,860			
Added by N.J.S.A. 40A:4-87	A-2	33,420			
		<u>\$ 11,731,280</u>			
Reserve for Uncollected Taxes	A-2		\$ 504,486		
Cash Disbursements	A-4		9,131,972		
Deferred Charges - Special Emergency	A-13		523,694		
Due From Federal and State Grant Fund	A-11		284,905		
Due To Capital Fund	A-12		75,000		
Accounts Payable	A-18		112,744		
Encumbrances Payable	A-17		164,625		
			<u>\$ 10,797,426</u>		

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
TRUST FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2013 AND 2012

Assets	Reference	2013	2012	Liabilities and Reserves	Reference	2013	2012
Animal Control Fund:				Animal Control Fund:			
Cash	B-1	\$ 21,438	\$ 22,286	Due to State of New Jersey	B-2	\$ 1	\$ 1
Cash - Change Fund	B	50	50	Reserve for Animal Control Fund Expenditures	B-4	21,438	22,335
		<u>21,488</u>	<u>22,336</u>	Due to Current Fund	B-3	49	-
						<u>21,488</u>	<u>22,336</u>
Open Space Trust Fund:				Open Space Trust Fund:			
Cash	B-1	899,938	1,229,328	Due to Water Operating Fund Reserve for Open Space	B, B-1 B-5	-	268,000
						<u>899,938</u>	<u>961,328</u>
						<u>899,938</u>	<u>1,229,328</u>
Trust - Other Fund:				Trust - Other Fund:			
Cash	B-1	2,694,689	2,677,931	Premiums Received at Tax Sale	B-7	146,100	84,600
Cash - Change Fund	B	75	75	Various Reserves	B-8	2,567,552	2,605,744
Due From Current Fund	B-6	18,888	12,338			<u>2,713,652</u>	<u>2,690,344</u>
		<u>2,713,652</u>	<u>2,690,344</u>				
Length of Service Award Program Fund ("LOSAP") - Reviewed: Investments	B-9	365,636	287,733	Length of Service Award Program Fund ("LOSAP") - Reviewed: Miscellaneous Reserves	B-10	365,636	287,733
Total Assets		<u>\$ 4,000,714</u>	<u>\$ 4,229,741</u>	Total Liabilities and Reserves		<u>\$ 4,000,714</u>	<u>\$ 4,229,741</u>

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

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS**  
 DECEMBER 31, 2013 AND 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Cash	C-2	\$ 283,879	\$ 2,000,143	Serial Bonds Payable	C-6	\$ 7,221,650	\$ 7,699,925
Deferred Charges To Future Taxation:				Bond Anticipation Notes	C-7	3,048,537	2,753,450
Funded	C-4	7,842,431	8,329,960	Green Acres Loan Payable	C-14	620,781	630,035
Unfunded	C-5	4,781,687	4,460,950	Encumbrances Payable	C-8	175,415	893,619
Due From Grant Fund	C	586,841	586,841	Improvement Authorizations:			
Due From Water Capital Fund	C-16	317,597	-	Funded	C-9	132,678	292,269
Green Acres Loan Receivable	C-13	315,321	315,321	Unfunded	C-9	2,206,291	2,270,271
				Capital Improvement Fund	C-10	16,128	32,478
				Due To Current Fund	C-11	1,283	-
				Reserve for:			
				Developer Contribution	C-12	63,497	50,997
				Debt Service	C-12	586,841	586,841
				Preliminary Expense	C-15	36,422	2,498
				Fund Balance	C-1	18,233	480,832
<b>Total Assets</b>		<b>\$ 14,127,756</b>	<b>\$ 15,693,215</b>			<b>\$ 14,127,756</b>	<b>\$ 15,693,215</b>

There were Bonds & Notes Authorized but not Issued on December 31, 2013 and 2012 of \$1,733,150 and \$1,707,500, respectively

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

**TOWNSHIP OF OCEAN**  
**COUNTY OF OCEAN, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	C	\$ 480,832
Increased By:		
Premium on BAN Issue	C-2	<u>17,401</u>
		480,832
Decreased By:		
Anticipated as Revenue	C-2	<u>480,000</u>
Balance, December 31, 2013	C	<u><u>\$ 18,233</u></u>

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

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY FUND  
 COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
 DECEMBER 31, 2013 AND 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
<b>Operating Fund:</b>							
Cash and Investments	D-4	\$ 1,076,851	\$ 612,725	Appropriation Reserves	D-3,D-10	\$ 106,471	\$ 40,459
Change Fund	D	150	150	Accounts Payable	D-14	9,084	9,071
Due From:				Encumbrances Payable	D-11	26,867	15,821
Water Utility Capital Fund	D-4	473	68	Due To:			
Open Space Trust Fund	D-2	-	268,000	Sewer Utility Operating Fund	D-15	384,030	-
Sewer Utility Operating Fund	D-15	-	5,420	Current Fund	A	31,725	-
		<u>1,077,474</u>	<u>886,363</u>	Water Overpayments	D-12	3,003	4,120
				Accrued Interest on Bonds and Notes	D-13	100,413	104,198
<b>Receivables with Full Reserves:</b>							
Consumer Accounts Receivable	D-6	177,323	161,051			661,593	173,669
Special Charges Receivable	D-7	88	88	Reserve for Receivables	D	187,338	174,034
Connection Fee Receivable	D	9,927	12,895	Fund Balance	D-1	415,881	712,694
		<u>187,338</u>	<u>174,034</u>				
<b>Total Operating Fund</b>		<u>1,264,812</u>	<u>1,060,397</u>	<b>Total Operating Fund</b>		<u>1,264,812</u>	<u>1,060,397</u>
<b>Capital Fund:</b>							
Cash and Investments	D-4	1,318,532	1,283,794	Encumbrances Payable	D-29	39,335	40,396
NJEIT Loans Receivable	D-19	1,328,040	1,232,997	Serial Bonds	D-20	2,804,850	3,277,575
Fixed Capital	D-8	16,098,319	16,098,319	Bond Anticipation Notes	D-21	607,000	875,000
Fixed Capital Authorized and Uncompleted	D-9	10,547,400	8,097,400	Trust Loans Payable	D-22	4,554,030	3,027,082
				Improvement Authorization:			
				Funded	D-23	252,411	567,860
				Unfunded	D-23	2,852,189	1,918,272
				Due To Water Operating Fund	D-16	473	68
				Due To General Capital Fund	D-18	317,597	-
				Due To Sewer Capital Fund	D-17	117,990	-
				Capital Improvement Fund	D-24	439,600	888,600
				Reserve for:			
				Bond Reserve	D	744,120	744,120
				Bond Service	D-4	69,796	83,026
				Amortization	D-25	15,095,256	14,142,494
				Deferred Amortization	D-26	847,400	847,400
				Mortgage Place	D-28	95,000	95,000
				Preliminary Costs	D-27	926	1,299
				Fund Balance	D-1(a)	454,318	204,318
<b>Total Capital Fund</b>		<u>29,292,291</u>	<u>26,712,510</u>	<b>Total Capital Fund</b>		<u>29,292,291</u>	<u>26,712,510</u>
<b>Total Assets</b>		<u>\$ 30,557,103</u>	<u>\$ 27,772,907</u>	<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 30,557,103</u>	<u>\$ 27,772,907</u>

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-2	\$ 680,250	\$ 688,250
Collection of Water Rents	D-2	1,314,650	1,363,983
Miscellaneous Revenue	D-2	394,744	581,573
Capital Fund Balance Anticipated	D-2	200,000	-
Appropriation Reserves Balances Lapsed	D-10	35,438	77,402
Cancellation of Accrued Interest	D-13	3,785	4,346
Cancellation of Accounts Payable	D-14	-	1,400
		<hr/>	<hr/>
Total Revenues		2,628,867	2,716,954
Expenditures:			
Operating	D-3	981,816	976,774
Capital Improvements	D-3	51,000	96,000
Debt Service	D-3	899,045	893,064
Statutory Expenditures	D-3	75,569	78,431
Surplus (General Budget)	D-3	238,000	50,000
		<hr/>	<hr/>
Total Expenditures		2,245,430	2,094,269
Statutory Excess		383,437	622,685
Fund Balance, January 1	D	712,694	778,259
		<hr/>	<hr/>
		1,096,131	1,400,944
Decreased By:			
Utilized as Anticipated Revenue	D-2	680,250	688,250
		<hr/>	<hr/>
Fund Balance, December 31	D	\$ 415,881	\$ 712,694
		<hr/> <hr/>	<hr/> <hr/>

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

**TOWNSHIP OF OCEAN**  
**COUNTY OF OCEAN, NEW JERSEY**  
**WATER UTILITY CAPITAL FUND**  
**STATEMENT OF WATER CAPITAL FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 204,318
Increased By:		
Capital Improvement Fund Cancelled	D-24	<u>450,000</u>
		654,318
Decreased By:		
Fund Balance Anticipated in Operating Budget	D-4	<u>200,000</u>
Balance, December 31, 2013	D	<u><u>\$ 454,318</u></u>

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Fund Balance Anticipated	D-1	\$ 680,250	\$ 680,250	\$ -
Water Rents	D-1,D-6,D-7	1,175,000	1,314,650	139,650
Miscellaneous	D-1	275,000	394,744	119,744
Water Capital Fund Balance		<u>200,000</u>	<u>200,000</u>	<u>-</u>
	D-3	<u>\$ 2,330,250</u>	<u>\$ 2,589,644</u>	<u>\$ 259,394</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Interest Earned on Deposits			\$ 1,161	
Interest Earned on Delinquent Accounts			12,240	
Cell Tower Revenue			192,442	
Meter Fees			36,913	
Water Connection Fees			148,116	
Miscellaneous			<u>3,872</u>	
	D-2		<u>\$ 394,744</u>	
Cash Receipts	D-4		\$ 394,339	
Due From Water Capital Fund	D-16		<u>405</u>	
	D-2		<u>\$ 394,744</u>	

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 479,700	\$ 469,700	\$ 410,747	\$ 38,953	\$ 20,000
Other Expenses	526,116	526,116	475,069	41,047	10,000
State of New Jersey Water Tax	6,000	16,000	3,989	12,011	-
<b>Total Operating</b>	<b>1,011,816</b>	<b>1,011,816</b>	<b>889,805</b>	<b>92,011</b>	<b>30,000</b>
Capital Improvements:					
Capital Improvement Fund	1,000	1,000	1,000	-	-
Capital Outlay	60,000	60,000	44,175	5,825	10,000
<b>Total Capital Improvements</b>	<b>61,000</b>	<b>61,000</b>	<b>45,175</b>	<b>5,825</b>	<b>10,000</b>
Debt Service:					
Payment of Bond Principal	472,725	472,725	472,725	-	-
Interest on Bonds	177,290	177,290	167,290	-	10,000
NJEIT Principal	206,000	206,000	188,784	-	17,216
NJEIT Interest	85,850	85,850	70,246	-	15,604
<b>Total Debt Service</b>	<b>941,865</b>	<b>941,865</b>	<b>899,045</b>	<b>-</b>	<b>42,820</b>
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	33,569	33,569	33,569	-	-
Social Security System (O.A.S.I.)	37,000	37,000	31,442	3,558	2,000
Unemployment Compensation	7,000	7,000	1,923	5,077	-
<b>Total Statutory Expenditures</b>	<b>77,569</b>	<b>77,569</b>	<b>66,934</b>	<b>8,635</b>	<b>2,000</b>
Surplus (General Budget)	238,000	238,000	238,000	-	-
	<b>\$ 2,330,250</b>	<b>\$ 2,330,250</b>	<b>\$ 2,138,959</b>	<b>\$ 106,471</b>	<b>\$ 84,820</b>
	<u>Reference</u>	D-2	D-2	D	D-3
Cash Disbursements	D-4		\$ 2,112,092		
Encumbrances Payable	D-11		26,867		
			<u>\$ 2,138,959</u>		

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

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 SEWER UTILITY FUND  
 COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
 DECEMBER 31, 2013 AND 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Operating Fund:				Operating Fund:			
Cash and Investments	E-4	\$ 447,537	\$ 1,023,621	Appropriation Reserves	E-3,E-10	\$ 80,947	\$ 123,607
Change Fund	E	150	150	Encumbrances Payable	E-11	4,336	8,033
Due From:				Accounts Payable	E-19	576	488
Water Utility Operating Fund	E-16	384,030	-	Due To:			
Sewer Utility Capital Fund	E-20	247	31	Water Utility Operating Fund	E-16	-	5,420
		<u>831,964</u>	<u>1,023,802</u>	Accrued Interest on Bonds	E-12	9,938	7,688
Receivables with Full Reserves:				Sewer Overpayments	E-13	6,802	7,013
Consumer Accounts Receivable	E-6	239,632	215,858	Reserve for Receivables	E	102,599	152,249
Special Charges Receivable	E-7	-	133	Fund Balance	E-1	246,857	223,216
Connection Fee Receivable	E	7,225	7,225			729,365	871,553
		<u>246,857</u>	<u>223,216</u>	Total Operating Fund		<u>1,078,821</u>	<u>1,247,018</u>
Total Operating Fund		<u>1,078,821</u>	<u>1,247,018</u>	Capital Fund:			
				Serial Bonds	E-14	258,500	307,500
				Bond Anticipation Notes	E-23	500,000	-
				NJEIT Loan Payable	E-25	377,588	-
				Improvement Authorization			
				Unfunded	E-21	720,314	-
				Due To:			
				Sewer Utility Operating Fund	E-15	247	31
				Capital Improvement Fund	E-17	114,250	213,250
				Reserve for:			
				Amortization	E-18	12,082,258	12,033,258
				Bond Reserve	E	82,680	82,680
				Bond Service	E,E-4	7,755	9,225
				Fund Balance	E-1(a)	100,000	30,000
				Total Capital Fund		<u>14,243,592</u>	<u>12,675,944</u>
Total Assets		<u>\$ 15,322,413</u>	<u>\$ 13,922,962</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 15,322,413</u>	<u>\$ 13,922,962</u>

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN OPERATING  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-2	\$ 835,000	\$ 928,750
Collection of Sewer Rents	E-2	1,732,111	1,775,209
Miscellaneous Revenue	E-2	171,730	124,758
Sewer Capital Fund Balance	E-1(a)	30,000	-
Other Credits To Income:			
Appropriation Reserves Balances Lapsed	E-10	114,201	87,250
Total Revenues		<u>2,883,042</u>	<u>2,915,967</u>
Expenditures:			
Operating	E-3	1,867,370	1,824,344
Capital Improvements	E-3	4,000	95,000
Debt Service	E-3	65,980	65,182
Deferred Charges and Statutory Expenditures	E-3	70,630	72,906
Surplus (General Budget)	E-3	180,000	50,000
Accrued Interest	E-12	2,250	-
Total Expenditures		<u>2,190,230</u>	<u>2,107,432</u>
Statutory Excess		692,812	877,258
Fund Balance, January 1	E	<u>871,553</u>	<u>991,768</u>
		1,564,365	1,800,303
Decreased By:			
Utilized as Anticipated Revenue	E-2	<u>835,000</u>	<u>928,750</u>
Fund Balance, December 31	E	<u>\$ 729,365</u>	<u>\$ 871,553</u>

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

**TOWNSHIP OF OCEAN**  
**COUNTY OF OCEAN, NEW JERSEY**  
**SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF SEWER CAPITAL FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 30,000
Increased By:		
Capital Improvement Fund Cancelled	E-17	100,000
Decreased By:		
Fund Balance Anticipated in Operating Budget	E-4	<u>30,000</u>
Balance, December 31, 2013	E	<u><u>\$ 100,000</u></u>

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 835,000	\$ 835,000	\$ -
Sewer Rents	E-1,E-4,E-6,E-7	1,350,000	1,732,111	382,111
Miscellaneous Revenue	E-1	40,000	171,730	131,730
Sewer Capital Fund Balance	E-1	<u>30,000</u>	<u>30,000</u>	<u>-</u>
	E-3	<u>\$ 2,255,000</u>	<u>\$ 2,768,841</u>	<u>\$ 513,841</u>

Analysis of Miscellaneous Revenue

Interest Earned on Deposits		\$ 693
Interest Earned on Delinquent Accounts		17,091
Miscellaneous		346
Sewer Connection Fees		<u>153,600</u>
	E-2,E-4	<u>\$ 171,730</u>
Cash Receipts	E-4	\$ 171,514
Due From:		
Sewer Utility Capital Fund	E-20	<u>216</u>
		<u>\$ 171,730</u>

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

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriated		Paid or Charged	Reserved	Unexpended Balance Cancelled
	Budget	Budget After Modification			
Operating:					
Salaries and Wages	\$ 479,700	\$ 479,700	\$ 410,747	\$ 38,953	\$ 30,000
Other Expenses	367,670	367,670	364,309	3,361	-
Ocean County Utilities Authority	1,075,000	1,075,000	1,020,010	29,990	25,000
<b>Total Operating</b>	<b>1,922,370</b>	<b>1,922,370</b>	<b>1,795,066</b>	<b>72,304</b>	<b>55,000</b>
Capital Improvements:					
Capital Improvement Fund	1,000	1,000	1,000	-	-
Capital Outlay	5,000	5,000	692	2,308	2,000
<b>Total Capital Improvements</b>	<b>6,000</b>	<b>6,000</b>	<b>1,692</b>	<b>2,308</b>	<b>2,000</b>
Debt Service:					
Payment of Bond Principal	49,000	49,000	49,000	-	-
Interest on Bonds	20,000	20,000	16,980	-	3,020
Interest on Notes	5,000	5,000	-	-	5,000
<b>Total Debt Service</b>	<b>74,000</b>	<b>74,000</b>	<b>65,980</b>	<b>-</b>	<b>8,020</b>
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	30,930	30,930	30,930	-	-
Social Security System (O.A.S.I.)	36,700	36,700	31,442	3,258	2,000
Unemployment Compensation Insurance	5,000	5,000	1,923	3,077	-
<b>Total Statutory Expenditures</b>	<b>72,630</b>	<b>72,630</b>	<b>64,295</b>	<b>6,335</b>	<b>2,000</b>
Surplus (General Budget)	180,000	180,000	180,000	-	-
	<b>\$ 2,255,000</b>	<b>\$ 2,255,000</b>	<b>\$ 2,107,033</b>	<b>\$ 80,947</b>	<b>\$ 67,020</b>
	Reference	E-2	E-2	E	E-3
Cash Disbursements	E-4		\$ 2,102,697		
Encumbrances Payable	E-11		4,336		
			<b>\$ 2,107,033</b>		

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

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL FIXED ASSETS ACCOUNT GROUP  
 COMPARATIVE STATEMENT OF CHANGES IN GENERAL FIXED ASSETS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Land	F-1	\$ 9,446,100	\$ 9,446,100	Investment in General Fixed Assets	F-1	\$ 14,895,783	\$ 14,895,783
Land Improvements	F-1	752,275	752,275				
Buildings and Improvements	F-1	1,097,590	1,097,590				
Furniture, Fixtures and Equipment	F-1	<u>3,599,818</u>	<u>3,599,818</u>				
Total Assets		<u>\$ 14,895,783</u>	<u>\$ 14,895,783</u>	Total Liabilities		<u>\$ 14,895,783</u>	<u>\$ 14,895,783</u>

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**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 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 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 (“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.A. 40A:5-5. The financial statements however do not include the operation of the School Boards which are subject to separate audit. The financial statements of the reporting entity include those of the Township of Ocean only and no other component units.

**B. Descriptions of Funds**

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

**Current Fund** - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

**Trust Fund** – receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

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

**Water Operating and Capital Funds** – resources for government utility operations, including Federal and State grants in aid of construction, and expenditures for the acquisition of water capital facilities, other than those acquired through the Water Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

**Sewer Operating and Capital Funds** – resources for government utility operations, including Federal and State grants in aid of construction, and expenditures for the acquisition of sewer capital facilities, other than those acquired through the Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting**

The modified accrual basis of accounting is followed, with minor exceptions. Modifications from the accrual basis follow:

**Revenues** – are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the federal government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves and recorded as revenue when received.

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

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

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

**Insurance** – costs of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

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

**General Fixed Assets** – Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase. No depreciation has been recorded. Fixed assets acquired through grants and/or contributed capital has not been accounted for separately. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is valued at estimated market value.

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting (continued)**

Property and equipment purchased by the Water and Sewer Utility Funds are recorded in the capital account at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization are an accumulation of charges to operations for the costs of acquisitions of property, equipment and improvements. The utility fund does not record depreciation on fixed assets.

**Property Taxes** – Property taxes are an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year.

**Investments** – Investments are stated at actual cost.

**Comparative Data** - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township’s financial position and operations. However, comparative data have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

**Budgets** - the governing body prepares and approves by resolution an operating and capital budget for the Current Fund, which is then submitted for certification by the State of New Jersey, Department of Community Affairs, Director of Local Government Services. Upon the receipt of such certification and after a public hearing, the budget is then adopted by resolution. Transfers of budgeted amounts may be made by resolution of the Township Council subsequent to October 31<sup>st</sup>.

**District School Taxes** – Regulations provided for the 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:

	<b>Balance December 31, 2013</b>
Local School Taxes:	
Balance of Tax	\$ 6,459,755
Deferred	<u>5,121,567</u>
Tax Payable	<u>\$ 1,338,188</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Subsequent Events**

The Township has evaluated subsequent events occurring after December 31, 2013 through the date of June 24, 2014, which is the date the financial statements were available to be issued.

**NOTE 2: BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

At December 31, 2013 the Township of Ocean had debt authorized but not issued as follows:

General Capital Fund	\$ 1,733,150
Water Utility Capital Fund	2,737,183
Sewer Utility Capital Fund	22,412

**NOTE 3: CASH AND CASH EQUIVALENTS**

The Township is governed by the deposit limitations of New Jersey state law. The Deposits held at December 31, 2013, and reported at fair value are as follows:

Type	Carrying Value
<b>Deposits:</b>	
Demand Deposits	<u>\$ 13,049,564</u>
Total Deposits	<u>\$ 13,049,564</u>

**Reconciliation of Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis:**

Current:	
Treasurer	\$ 5,393,563
Collector	405,881
Dog Trust	21,438
Other Trust	2,694,689
Open Space Trust	899,938
General Capital	283,879
Water Utility Operating	1,076,851
Water Utility Capital	1,318,532
Sewer Utility Operating	447,537
Sewer Utility Capital	<u>507,256</u>

Total Reconciliation of Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	<u>\$ 13,049,564</u>
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**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 3: CASH AND CASH EQUIVALENTS (continued)**

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2013, the Township’s bank balance of \$12,295,751 was exposed to custodial credit risk as follows:

Insured by F.D.I.C.	\$	750,000
Uninsured and uncollateralized		21,524
Collateralized in the District’s Name Under GUDPA		<u>11,524,227</u>
 Total	 \$	 <u>12,295,751</u>

**NOTE 4: INVESTMENTS**

**A. Custodial Credit Risk**

For an investment, custodial credit risk is a 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 in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either the counterparty or the counterparty’s trust department or agent but not in the Township’s name. All of the Township’s investments are held in the name of the Township and are collateralized by GUDPA.

**B. Investment Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2013, are provided in the above schedule.

**C. Investment Credit Risk**

The Township has no investment policy that limits its investment choices other than the limitation of state law as follows:

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 4: INVESTMENTS (continued)**

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or 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 obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

As of December 31, 2013, the Township had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value</u>
NJ Cash Management Fund: Trust – “LOSAP”	N/A	N/A	\$ 365,636
Total Investments			<u>\$ 365,636</u>

**NOTE 5: TAXES, WATER AND SEWER UTILITY RECEIVABLES**

Receivables at December 31, 2013 consisted of the following:

	Current	<u>Utility Funds</u>		<u>Total</u>
	<u>Fund</u>	<u>Water</u>	<u>Sewer</u>	
Property Taxes	\$ 682,620	\$ -	\$ -	\$ 682,620
Revenue Accounts	5,463	-	-	5,463
Utility Rents	-	161,139	215,991	377,130
Connection Fees	-	12,895	7,225	20,120
Total	<u>\$ 688,083</u>	<u>\$ 174,034</u>	<u>\$ 223,216</u>	<u>\$ 1,085,333</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 5: TAXES, WATER AND SEWER UTILITY RECEIVABLES (continued)**

In 2013, the Township collected \$315,225 and \$376,909 from delinquent taxes and utility rents, which represented 46.17% and 94.87% of the delinquent tax and utility charges receivable at December 31, 2012.

**NOTE 6: LONG-TERM DEBT**

The aggregate maturities of principal and interest of the outstanding bonds are as follows:

**General Capital Serial Bonds:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 497,100	\$ 251,410	\$ 748,510
2015	515,925	236,468	752,393
2016	534,750	219,670	754,420
2017	553,575	202,251	755,826
2018	572,400	184,212	756,612
2019-2023	3,156,437	605,751	3,762,188
2024-2025	1,391,463	78,373	1,469,836
	<u>\$ 7,221,650</u>	<u>\$ 1,778,135</u>	<u>\$ 8,999,785</u>

**Green Trust Loan Payable:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 9,440	\$ 2,369	\$ 11,809
2015	9,630	2,179	11,809
2016	9,824	1,985	11,809
2017	10,021	1,788	11,809
2018	10,222	1,586	11,808
2019-2023	54,279	4,766	59,045
2024-2025	17,365	348	17,713
	<u>\$ 120,781</u>	<u>\$ 15,021</u>	<u>\$ 135,802</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 6: LONG-TERM DEBT (continued)**

**Water Utility Bonds:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 500,900	\$ 153,426	\$ 654,326
2015	529,075	124,688	653,763
2016	697,925	94,306	792,231
2017	737,250	53,735	790,985
2018	37,600	10,704	48,304
2019-2023	208,563	36,492	245,055
2024-2025	93,537	4,759	98,296
	<u>\$ 2,804,850</u>	<u>\$ 478,110</u>	<u>\$ 3,282,960</u>

**Water Utility Loans:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 217,984	\$ 83,064	\$ 301,048
2015	218,051	80,847	298,898
2016	218,144	76,022	294,166
2017	231,464	67,120	298,584
2018	231,619	63,916	295,535
2019-2023	1,232,118	262,601	1,494,719
2024-2028	1,332,961	151,758	1,484,719
2029-2032	871,689	34,648	906,337
	<u>\$ 4,554,030</u>	<u>\$ 819,976</u>	<u>\$ 5,374,006</u>

**Sewer Utility Bonds:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 52,000	\$ 15,510	\$ 67,510
2015	55,000	12,390	67,390
2016	73,500	9,090	82,590
2017	78,000	4,680	82,680
	<u>\$ 258,500</u>	<u>\$ 41,670</u>	<u>\$ 300,170</u>

**Sewer Utility Loans:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 377,588	\$ -	\$ 377,588

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 6: LONG-TERM DEBT (continued)**

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

	Date of <u>Issue</u>	Original <u>Issue</u>	Interest <u>Rate</u>	Balance <u>December 31, 2013</u>
General Capital Fund:				
General Improvement Bonds	01/10/06	\$ 5,280,000	4.000-4.100%	\$ 3,630,000
General Improvement Bonds	08/13/10	4,280,000	2.000-3.375%	<u>3,591,650</u>
				7,221,650
Green Trust Loans:				
Recreation Area Development - Phase I	06/22/10	148,000	2.000%	<u>120,781</u>
				<u>\$ 7,342,431</u>
Water Utility Fund:				
Refunding Bonds	10/28/93	5,235,000	6.000%	\$ 2,326,500
General Improvement Bonds	08/13/10	570,000	2.000-3.375%	<u>478,350</u>
				2,804,850
NJEIT:				
Trust Loan - CW	12/02/10	167,500	5.000%	150,000
Fund Loan - CW	12/02/10	167,500	0.000%	144,788
Trust Loan - PF DW	12/02/10	596,646	5.000%	515,000
Fund Loan - PF DW	12/02/10	596,646	0.000%	257,872
Trust Loan - PF CW	05/03/12	337,373	2.000-5.000%	300,000
Fund Loan - PF CW	05/03/12	506,061	0.000%	308,783
Trust Loan - DW	05/17/12	150,220	2.000-5.000%	146,009
Fund Loan - DW	05/17/12	150,220	0.000%	137,490
Trust Loan - DW	05/17/12	245,417	0.220-3.190%	235,853
Fund Loan - DW	05/17/12	736,249	0.000%	682,509
Trust Loan - CW	05/22/13	240,000	3.000-5.000%	240,000
Fund Loan - CW	05/22/13	740,000	0.000%	714,915
Trust Loan - CW	04/03/13	285,000	3.000-5.000%	285,000
Fund Loan - CW	04/03/13	451,392	0.000%	<u>435,811</u>
				<u>4,554,030</u>
				<u>\$ 7,358,880</u>
Sewer Utility Fund:				
Refunding Bonds	10/28/93	5,235,000	6.000%	\$ 258,500
NJEIT Loans:				
Interim Financing	05/22/13	377,588	0.000%	<u>377,588</u>
				<u>\$ 636,088</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 6: LONG-TERM DEBT (continued)**

A summary of municipal debt is as follows:

	2013	2012	2011
Bonds & Notes Issued:			
General Capital Fund	\$ 10,890,968	\$ 11,083,410	\$ 10,519,792
Water Utility Fund	7,965,880	7,179,658	6,038,906
Sewer Utility Fund	1,136,088	307,500	354,000
Bonds & Notes Authorized But Not Issued:			
General Capital Fund	1,733,150	1,707,500	2,442,500
Water Utility Fund	<u>2,737,183</u>	<u>2,026,168</u>	<u>2,301,708</u>
 Total Bonds, Notes & Loans Issued and Authorized But Not Issued	 <u>24,463,269</u>	 <u>22,304,236</u>	 <u>21,656,906</u>
 Less: Funds Temporarily Held to Pay Bonds & Notes:			
Reserve for Debt Service	<u>586,841</u>	<u>586,841</u>	<u>630,850</u>
 Total Deductions	 <u>586,841</u>	 <u>586,841</u>	 <u>630,850</u>
 Net Bonds & Notes Issued & Authorized But Not Issued	 <u>\$ 23,876,428</u>	 <u>\$ 21,717,395</u>	 <u>\$ 21,026,056</u>

**NOTE 7: 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, 2013, the Township's outstanding Bond Anticipation Notes are presented on Schedules C-7, D-21 and E-23.

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 8: FUND BALANCE APPROPRIATED**

The following amounts of fund balance at December 31, 2013 were anticipated as revenue in the adopted 2014 budget:

	Fund Balance	
	December 31, 2013	Anticipated In 2014 Budget
Current Fund	\$ 1,644,826	\$ *
Water/Sewer Operating Fund	1,145,246	*

\* = Budget has not been adopted as of date of audit report.

**NOTE 9: PENSION PLANS**

**A. Plan Description**

The Township of Ocean contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of *N.J.S.A.43:15A* and the Public Fireman's Retirement System (P.F.R.S.) was established as of July 1, 1944 under the provisions of *N.J.S.A.43:16A*. Both plans were set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

The State of New Jersey P.F.R.S. program as established as of July 1, 1944. The program was established under the provisions of *N.J.S.A.43:16A*, which assigns authority to establish and amend, benefit provisions to the plans' board of trustees. P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625, or calling (609) 984-1684.

**B. Vesting and Benefit Provisions**

The vesting and benefit provisions of P.E.R.S. are set by *N.J.S.A.43:15A* and *43.3B*. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The P.E.R.S. provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 9: PENSION PLANS**

**B. Vesting and Benefit Provisions (continued)**

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Note 4C below.

**C. Significant Legislation**

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by  $\frac{1}{2}$  of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for P.E.R.S. were reduced.

Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the P.F.R.S. and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in P.E.R.S. will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 P.E.R.S. members will be age 65 and 30 years of service. Tier 3 was added to P.F.R.S. for enrollees after June 28, 2011. Tier 3 retirees will have a maximum retirement benefit of 65% of final compensation after 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 9: PENSION PLANS (continued)**

**D. Contribution Requirements**

The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provide for employee contributions of 6.5%, effective October 1, 2011, of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both P.F.R.S. and P.E.R.S. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

Plan members are required to contribute 10%, effective October 1, 2011, of their annual covered salary for P.F.R.S. and the Township of Ocean is required to contribute at an actuarially determined rate. The contribution requirements of plan members and are established and may be amended by the plan's board of trustees. The Township's contributions were as follows:

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Public Employees' Retirement System	\$220,455	\$221,816	\$228,945
Police & Firemen's' Retirement System	403,988	389,038	401,523

The amount of the employer's current year covered payroll for the PERS system was \$2,066,907. The amount of covered payroll for the PFRS system was \$1,792,377. The employees' contributions to both pension systems were \$140,129 or 6.78% of covered payroll for PERS employees and \$186,798 or 10.42% for PFRS employees.

**NOTE 10: DEFERRED CHARGES TO BE RAISED IN SUCCESSING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013 the Township had Special Emergency Authorizations (N.J.S.A. 40A:4-55 & 54) reported on the balance sheets of the Current Fund totaling \$1,320,000.

On December 19, 2013, the Township issued a note payable totaling \$1,200,000 regarding the above Special Emergency Authorization maturing on December 18, 2014 bearing an interest rate of 1.14%.

**NOTE 11: FIXED ASSETS**

The following schedule is a summarization of the General Fixed Assets by source for the year ended December 31, 2013:

	<b>December 31, 2012</b>	<b>December 31, 2013</b>
Land	\$ 9,446,100	\$ 9,446,100
Land Improvements	752,275	752,275
Building & Improvements	1,097,590	1,097,590
Furniture Fixtures & Equipment	<u>3,599,818</u>	<u>3,599,818</u>
Total	<u>\$ 14,895,783</u>	<u>\$ 14,895,783</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 12: OTHER POST-RETIREMENT BENEFITS**

**A. 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.

**B. Funding Policy**

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

**C. 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, 2013 Net OPEB Obligations	\$ 319,452
December 31, 2012 Net OPEB Obligations	\$ 319,452

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

Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$540,284	40.9%	\$319,452
12/31/12	\$540,284	40.9%	\$319,452

**D. Funded Status and Funding Progress**

The funded status of the Plan was as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Liability - Projected Unit Credit	Unfunded Actuarial Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as % of Covered Payroll
12/31/13	\$-0-	\$5,361,220	\$5,361,220	0%	\$4,843,635	110.69%
12/31/12	\$-0-	\$5,041,768	\$5,041,768	0%	\$4,657,411	108.25%

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 12: OTHER POST-RETIREMENT BENEFITS**

**E. 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 Amortization
Average Retirement Age	60
Participant Percentage	100%

**F. 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 2013 annual OPEB cost:

Normal Cost	\$ 405,149
Amortization Cost	<u>135,135</u>
December 31, 2013 OPEB Obligation	<u>\$ 540,284</u>

**NOTE 13: LITIGATION**

Certain claims have been filed against the Township alleging damages and the outcome of these claims is not presently determinable. The claims are either being handled by the Township’s insurance carrier or are not financially material to the financial statements.

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 14: 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.

**NOTE 15: INTERFUNDS**

The following interfunds remained as of December 31, 2013:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 33,008	\$ 653,724
Federal & State Grant Fund	634,885	586,841
Trust - Other Fund	18,888	-
Animal Control Fund	-	49
General Capital Fund	904,438	1,283
Water Utility Operating Fund	473	415,755
Water Utility Capital Fund	-	436,060
Sewer Utility Operating Fund	384,277	-
Sewer Utility Capital Fund	117,990	247
	<u>\$ 2,093,959</u>	<u>\$ 2,093,959</u>

The purpose of these interfunds is short-term borrowings.

**NOTE 16: LENGTH OF SERVICE AWARD PLAN "LOSAP" - REVIEWED**

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.

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 16: LENGTH OF SERVICE AWARD PLAN “LOSAP” – REVIEWED (continued)**

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.

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.

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**SUPPLEMENTARY SCHEDULES**

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**CURRENT FUND**

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**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	A		\$ 4,403,517
Increased By:			
Non-Budget Revenues	A-2	\$ 313,651	
Tax Collector	A-5	22,272,067	
Revenue Accounts Receivable	A-10	2,959,924	
Due To Trust - Other Fund	A-14	18,839	
Due From:			
State of New Jersey (Ch. 20, P.L. 1971)	A-15	166,173	
Payroll Deductions Payable	A-19	5,352,876	
Marriage License Fees	A-23	900	
Training Fees	A-23	19,920	
# Special Emergency Note Payable	A-27	1,200,000	
Various Reserves	A-26	<u>136,316</u>	
			<u>32,440,666</u>
			36,844,183
Decreased By:			
2013 Budget Appropriations	A-3	9,131,972	
Due From:			
Trust - Other Fund	A-14	12,338	
Due To General Capital Fund	A-12	75,000	
2012 Appropriation Reserves	A-16	327,808	
Accounts Payable	A-18	132,982	
Payroll Deductions Payable	A-19	5,387,468	
Tax Overpayments	A-21	12,624	
County Taxes Payable	A-22	5,337,287	
Marriage License Fees	A-23	750	
Training Fees	A-23	18,173	
Municipal Open Space Tax	A-24	373,307	
Local School District Tax	A-25	8,780,460	
Various Reserves	A-26	349,875	
Emergency Note Payable	A-27	1,500,000	
Refund Prior Year Revenue	A-1	<u>10,576</u>	
			<u>31,450,620</u>
Balance, December 31, 2013	A		<u>\$ 5,393,563</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	A		\$ 418,613
Increased By:			
Taxes Receivable	A-6	\$ 21,947,470	
Tax Title Liens	A-8	3,791	
Prepaid Taxes	A-20	210,296	
Tax Overpayments	A-21	<u>97,778</u>	
			<u>22,259,335</u>
			22,677,948
Decreased By:			
Payments To Treasurer	A-4		<u>22,272,067</u>
Balance, December 31, 2013	A		<u><u>\$ 405,881</u></u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Year	Balance December 31, 2012	2013 Levy	Added Taxes	2012	2013	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transfer From Special Charges	Transfer To Tax Title Liens	Cancellations	Balance December 31, 2013
2009	\$ 13,305	\$ -	\$ -	\$ -	\$ 750	\$ -	\$ -	\$ 13,157	\$ (750)	\$ 148
2010	15,665	-	2,600	-	5,537	-	-	13,329	(750)	149
2011	16,606	-	-	-	3,135	-	-	13,282	-	189
2012	321,034	-	6,583	-	302,012	(4,000)	-	25,308	3,069	1,228
2013	-	22,533,572	13,928	194,222	21,636,036	173,612	-	43,427	36,398	463,805
	<u>\$ 366,610</u>	<u>\$ 22,533,572</u>	<u>\$ 23,111</u>	<u>\$ 194,222</u>	<u>\$ 21,947,470</u>	<u>\$ 169,612</u>	<u>\$ -</u>	<u>\$ 108,503</u>	<u>\$ 37,967</u>	<u>\$ 465,519</u>

Reference A A-6 A-6 A-6 A-20 A-8 A-15 A-7 A-8 A-6 A-6 A

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 22,533,572
Added and Omitted Taxes	10,362
6% Penalty Applied	3,566
	<u>\$ 22,547,500</u>

Tax Levy:	
County Taxes	\$ 5,293,774
Due County for Added Tax	2,473
Municipal Open Space Tax	373,307
Local District School Taxes	10,358,602
	16,028,156

Local Tax for Municipal Purposes	\$ 6,507,888
Add: Additional Tax Levied	11,456
	<u>6,519,344</u>
	<u>\$ 22,547,500</u>

Analysis of Current Revenue From Taxes

2012 Cash Collections of 2013 Taxes		2013
2013 Cash Collections of 2013 Taxes	\$ 194,222	Property Taxes
Senior Citizens' and Veterans' Deductions (Net)	21,636,036	
	<u>173,612</u>	
Net Revenue	<u>\$ 22,003,870</u>	

**EXHIBIT A-7**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF SPECIAL CHARGES (BANKRUPTCY) RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ -
Increased By:		
Transfers from Taxes Receivable		1,769
Balance, December 31, 2013	A	\$ 1,769

**EXHIBIT A-8**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 316,010
Increased By:		
Transfers From Taxes Receivable	A-6	\$ 108,503
Interest and Costs at Sale	A-8	32,269
		140,772
		456,782
Decreased By:		
Collections	A-5	3,791
Balance, December 31, 2013	A	\$ 452,991

**EXHIBIT A-9**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2013 and 2012	A	\$ 2,155,800

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	<u>Balance December 31, 2012</u>	<u>Accrued in 2013</u>	<u>Collected</u>	<u>Balance December 31, 2013</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$ -	\$ 7,472	\$ 7,472	\$ -
Fees and Permits:					
Uniform Construction Code	A-2	-	340,027	340,027	-
Other	A-2	-	73,817	73,817	-
Municipal Court:					
Fines and Costs	A-2	5,463	152,832	158,295	-
Other Revenue:					
Interest and Costs on Taxes	A-2	-	76,854	76,854	-
Anticipated Utility Operating Surplus	A-2	-	418,000	418,000	-
Anticipated Capital Fund Surplus	A-2	-	480,000	480,000	-
PILOT Program - Coastal Development	A-2	-	400,000	400,000	-
Special Emergency Insurance	A-2	-	183,694	183,694	-
FEMA - Superstorm Sandy 2012	A-2	-	300,000	300,000	-
Interlocal Barnegat Township Zoning	A-2	-	9,658	9,658	-
Interlocal Barnegat Township Recreation	A-2	-	47,213	47,213	-
Interlocal Barnegat Township Construction	A-2	-	54,027	54,027	-
Sale of Beach Badges	A-2	-	-	-	-
Consolidated Municipal Property Tax Relief Act	A-2	-	-	-	-
Energy Receipts Tax	A-2	-	596,512	596,512	-
Pinelands Property Tax Stabilization	A-2	-	8,174	8,174	-
		<u>\$ 5,463</u>	<u>\$ 3,148,280</u>	<u>\$ 3,153,743</u>	<u>\$ -</u>
	<u>Reference</u>	<u>A</u>	<u>A-10</u>		<u>A</u>
Cash Receipts	A-4			\$ 2,959,924	
Various Reserves	A-26			183,694	
Adjustments	A-10			10,125	
				<u>\$ 3,153,743</u>	

## EXHIBIT A-11

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	A		\$ 417,554
Increased By:			
2013 Budget Appropriations	A-3	\$ 284,905	
Cash Receipts	A-4	<u>425,594</u>	
			<u>710,499</u>
			1,128,053
Decreased By:			
Cash Disbursements	A-4	215,638	
2013 Anticipated Revenue	A-2	<u>277,530</u>	
			<u>493,168</u>
Balance, December 31, 2013	A		<u><u>\$ 634,885</u></u>

## EXHIBIT A-12

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE FROM GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	A		\$ -
Increased By:			
Interest Earnings		\$ 1,283	
Capital Improvement Fund Appropriation	A-3	<u>75,000</u>	
			76,283
Decreased By:			
Cash Disbursement	A-4		<u>75,000</u>
Balance, December 31, 2013	A		<u><u>\$ 1,283</u></u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF DEFERRED CHARGES  
 FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Year</u>	<u>Description</u>	<u>Amount</u>	Balance December 31, 2012	<u>Increased</u>	<u>Cancelled</u>	Raised in 2013 <u>Budget</u>	Balance December 31, 2013
2012	Storm Damage (Electrical Storm)	\$ 250,000	\$ 183,694	\$ -	\$ -	\$ 183,694	\$ -
<u>Special Emergency Authorization:</u>							
2012	Superstorm Sandy (N.J.S.A. 40A:4-54)	1,500,000	1,500,000	-	-	300,000	1,200,000
2011	Revaluation (N.J.S.A. 40A:4-55)	200,000	160,000	-	-	40,000	120,000
			<u>\$ 1,843,694</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523,694</u>	<u>\$ 1,320,000</u>
<u>Reference</u>			A	A-3	A-3	A-3	A

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO TRUST - OTHER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 12,338
Increased By:		
Cash Receipts	A-4	<u>18,839</u>
		31,177
Decreased By:		
Cash Disbursed	A-4	<u>12,338</u>
Balance, December 31, 2013	A	<u><u>\$ 18,839</u></u>

**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF DUE FROM STATE - P.L. 1971, C. 20  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	A		\$ 2,829
Increased By:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$ 149,250	
Veterans		22,250	
Deductions Allowed by Collector:			
2013		2,500	
	A-6	174,000	174,000
176,829			
Decreased By:			
Received From State of New Jersey	A-4	166,173	
Deductions Disallowed by Collector:			
2013	A-6	388	
2012	A-1,A-6	4,000	
Division of Taxation Audit		3,750	
		174,311	174,311
Balance, December 31, 2013	A		\$ 2,518

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2012 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance December 31, <u>2012</u>	Balance After <u>Transfer</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>				
General Administration:				
Salaries and Wages	\$ 500	\$ 500	\$ -	\$ 500
Other Expenses	76	29,710	27,217	2,493
Mayor and Committee:				
Salaries and Wages	653	653	-	653
Other Expenses	91	121	-	121
Municipal Clerk:				
Salaries and Wages	1,563	1,563	150	1,413
Other Expenses	875	3,347	2,568	779
Financial Administration (Treasury):				
Salaries and Wages	3,538	1,538	-	1,538
Other Expenses	640	5,390	5,322	68
Audit Services	13,475	13,475	13,475	-
Revenue Administration (Tax Collection):				
Salaries and Wages	2,857	857	-	857
Other Expenses	604	1,289	317	972
Tax Assessment Administration:				
Salaries and Wages	2,576	2,576	-	2,576
Other Expenses	16	2,749	2,733	16
Legal Services (Legal Department):				
Other Expenses	4,893	4,893	2,225	2,668
Special Litigation	16,385	16,385	-	16,385
Engineering Services:				
Other Expenses	9,043	17,309	12,752	4,557
Economic Development Agencies:				
Architect	970	970	213	757
<b>LAND USE ADMINISTRATION</b>				
Land Use Board/Planning Board:				
Salaries and Wages	582	582	-	582
Other Expenses	2,643	1,643	-	1,643
Zoning:				
Salaries and Wages	3,440	1,440	-	1,440
Other Expenses	396	1,159	834	325
Board of Adjustment:				
Salaries and Wages	2,680	1,680	125	1,555
Other Expenses	2,739	2,739	35	2,704
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>				
Other Code Enforcement Functions:				
Salaries and Wages	9,801	9,801	9,406	395
Other Expenses	1,751	1,751	9	1,742
Municipal Housing Liaison:				
Other Expenses	404	404	-	404

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2012 APPROPRIATION RESERVES

	Balance December 31, <u>2012</u>	Balance After <u>Transfer</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>INSURANCE</b>				
Unemployment Insurance	3,210	3,210	-	3,210
General Liability Insurance	92	92	-	92
Employee Group Health Insurance	35,379	25,379	-	25,379
Health Benefits Waiver	525	525	-	525
<b>PUBLIC SAFETY</b>				
Police Department:				
Salaries and Wages	15,034	25,034	23,000	2,034
Other Expenses	-	23,213	17,033	6,180
Ammunition	274	-	-	-
Police Department:				
Police Vehicles	21,000	53,000	20,968	32,032
Police Dispatch/911:				
Other Expenses	291	291	-	291
Municipal Prosecutor's Office:				
Other Expenses	2,625	2,625	2,375	250
<b>PUBLIC WORKS</b>				
Streets and Road Maintenance:				
Salaries and Wages	5,817	3,817	-	3,817
Other Expenses	15,132	72,243	66,809	5,434
County Schedule "C" Program	2,000	2,000	-	2,000
Solid Waste Collection:				
Salaries and Wages	500	500	-	500
Other Expenses	67,877	76,031	25,117	50,914
Buildings and Grounds:				
Salaries and Wages	7,680	5,148	468	4,680
Other Expenses	1,008	11,240	5,855	5,385
Vehicle Maintenance (Including Police Vehicles):				
Salaries and Wages	948	948	-	948
Other Expenses	88	5,652	651	5,001
<b>HEALTH AND HUMAN SERVICES</b>				
Public Health Services (Board of Health):				
Salaries and Wages	1,000	1,000	-	1,000
Other Expenses	1,817	1,925	108	1,817
Environmental Health Services:				
Salaries and Wages	720	720	-	720
Other Expenses	3,560	3,560	-	3,560
Animal Control Services:				
Other Expenses	2,412	2,412	1,508	904

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2012 APPROPRIATION RESERVES

	Balance December 31, <u>2012</u>	Balance After <u>Transfer</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Vital Statistics:				
Other Expenses	557	682	125	557
Public Assistance State Aid:				
Other Expenses	1,000	1,000	-	1,000
<b>PARKS AND RECREATION</b>				
Recreation Services and Programs:				
Salaries and Wages	9,356	5,356	-	5,356
Other Expenses	799	1,084	160	924
Beach and Boardwalk Operations:				
Salaries and Wages	472	472	-	472
Other Expenses	3,178	3,274	96	3,178
Park Maintenance:				
Other Expenses	21	721	700	21
Celebration of Public Events:				
Other Expenses	132	469	337	132
Municipal Court:				
Salaries and Wages	17,339	7,339	-	7,339
Other Expenses	4,028	4,028	-	4,028
Public Defender (P.L. 1997, c.256):				
Other Expenses	3,800	3,800	-	3,800
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>				
Uniform Construction Code Enforcement Functions:				
Other Expenses	7,659	9,792	-	9,792
<b>UNCLASSIFIED</b>				
Utilities:				
Electricity	16,200	13,179	4,573	8,606
Street Lighting	39,714	39,714	11,468	28,246
Telephone (excluding equipment acquisition)	7,637	6,637	-	6,637
Gas (natural or propane)	5,493	5,493	1,885	3,608
Gas and Oil	15,807	10,807	-	10,807
Telecommunications Costs	4,237	4,237	-	4,237
Landfill/Solid Waste Disposal Costs	47,757	47,757	25,895	21,862
Accumulated Leave Compensation	11,000	31,000	31,000	-
Contingent	500	500	-	500

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2012 APPROPRIATION RESERVES**

	Balance December 31, <u>2012</u>	Balance After <u>Transfer</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Statutory Expenditures:				
Contribution To:				
Public Employees' Retirement System	1	1	-	1
Social Security System (O.A.S.I.)	22,585	17,585	13,047	4,538
Recycling Tax	3,077	3,077	-	3,077
Police Dispatchers 911:				
Other Expenses	802	2,938	2,135	803
LOSAP	-	57,500	35,164	22,336
DCRP	1,381	1,381	-	1,381
Stormwater Management	100	100	-	100
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES				
Municipal Alliance on Alcoholism and Drug Abuse:				
Local Share	1,375	-	-	-
Matching Funds for Future Grants	12,725	12,725	-	12,725
Purchase of Safety Equipment	6,000	6,000	-	6,000
Total General Appropriations	<u>\$ 516,912</u>	<u>\$ 743,737</u>	<u>\$ 367,858</u>	<u>\$ 375,879</u>

	<u>Reference</u>	A		A-1
2012 Appropriation Reserves	A-16	\$ 516,912		
Encumbrances Payable	A-17	<u>226,825</u>		
		<u>\$ 743,737</u>		
Cash Disbursed	A-4		\$ 327,808	
Encumbrances Payable	A-16		<u>40,050</u>	
			<u>\$ 367,858</u>	

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 226,824
Increased By:		
Transferred From Budget Appropriations	A-3	164,625
		391,449
Decreased By:		
Transferred To Appropriation Reserves	A-16	226,824
Balance, December 31, 2013	A	\$ 164,625

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 132,982
Decreased By:		
Cash Disbursements	A-4	132,982
Increased By:		
Transfer from 2013 Budget		112,744
Balance, December 31, 2013	A	\$ 112,744

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 38,442
Increased By:		
Cash Receipts	A-4	<u>5,352,876</u>
		5,391,318
Decreased By:		
Cash Disbursements	A-4	<u>5,387,468</u>
Balance, December 31, 2013	A	<u><u>\$ 3,850</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 194,222
Increased By:		
Cash Receipts	A-5	<u>210,296</u>
		404,518
Decreased By:		
Applied To Taxes Receivable	A-6	<u>194,222</u>
Balance, December 31, 2013	A	<u><u>\$ 210,296</u></u>

## EXHIBIT A-21

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 12,624
Increased By:		
Cash Receipts	A-5	97,778
		110,402
Decreased By:		
Cash Disbursements	A-4	12,624
Balance, December 31, 2013	A	\$ 97,778

## EXHIBIT A-22

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 43,513
Increased By:		
County Tax	A-1,A-6	\$ 4,436,705
County Library Tax	A-1,A-6	509,180
County Health Tax	A-1,A-6	184,237
County Open Space Tax	A-1,A-6	163,652
Due To County for Added and Omitted Taxes	A-1,A-6	2,473
		5,296,247
		5,339,760
Decreased By:		
Payments	A-4	5,337,287
Balance, December 31, 2013	A	\$ 2,473

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO STATE AGENCIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2013</u>
State of New Jersey:				
Marriage License Fees	\$ 100	\$ 900	\$ 750	\$ 250
Training Fees	<u>4,529</u>	<u>19,920</u>	<u>18,173</u>	<u>6,276</u>
	<u>\$ 4,629</u>	<u>\$ 20,820</u>	<u>\$ 18,923</u>	<u>\$ 6,526</u>
	<u>Reference</u> A	A-4	A-4	A
Cash Disbursements	A-4		<u>\$ 18,923</u>	
			<u>\$ 18,923</u>	

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ -
Increased By:		
Municipal Open Space Tax	A-1,A-6	<u>373,307</u>
		373,307
Decreased By:		
Payments	A-4	<u>373,307</u>
Balance, December 31, 2013	A	<u>\$ -</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012:			
School Tax Payable	A	\$       46	
School Tax Deferred	A-25	<u>4,881,567</u>	\$ 4,881,613
Increased By:			
Levy - School Year July 1, 2013 to June 30, 2014	A-6		<u>10,358,602</u>
			15,240,215
Decreased By:			
Payments	A-4		<u>8,780,460</u>
Balance, December 31, 2013:			
School Tax Payable	A	1,338,188	
School Tax Deferred	A-25	<u>5,121,567</u>	<u>\$ 6,459,755</u>
 <u>2013 Liability for Local School District Tax</u>			
Tax Paid	A-25	\$ 8,780,460	
Taxes Payable December 31, 2013	A	<u>1,338,188</u>	\$ 10,118,648
Less:			
Taxes Payable December 31, 2012	A		<u>46</u>
Amount Charged To 2013 Operations	A-1		<u>\$ 10,118,602</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2013</u>
Garden State Preservation Trust Fund				
Pinelands Stabilization	\$ 8,174	\$ -	\$ -	\$ 8,174
Fire Code Violations	250	-	-	250
Insurance Proceeds (Electrical Storm)	183,694	-	183,694	-
Storm Damage (Electrical Storm)	115,636	-	115,636	-
Superstorm Sandy	1,065,590	-	234,239	831,351
Reserve for Revaluation	12,019	-	-	12,019
Sandy Aid	-	136,316	-	136,316
	<u>\$ 1,385,363</u>	<u>\$ 136,316</u>	<u>\$ 533,569</u>	<u>\$ 988,110</u>

Reference

A

A

Cash Receipts

A-4

\$ 136,316\$ 136,316

Anticipated As Revenue

A-10

\$ 183,694

Cash Disbursements

A-4

349,875\$ 533,569

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Resolution Number</u>	<u>Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2013</u>	<u>Reference</u>
12-394	Superstorm Sandy	12/27/12	12/19/13	1.14%	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	A
12-394	Superstorm Sandy	12/27/12	12/18/14	1.14%	-	1,200,000	-	1,200,000	A-4
					<u>\$ 1,500,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,200,000</u>	A

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Grant</u>	Balance December 31, <u>2012</u>	2013 Anticipated <u>Revenue</u>	Cash <u>Received</u>	Transferred From Unappropriated <u>Grant</u>	Cancelled	Balance December 31, <u>2013</u>
CDBG	15,847	-	15,847	-	-	-
CDBG - Capstan Rd	-	32,500	32,500	-	-	-
N.J. TDR Program Planning Assistance Grant	20,000	-	-	-	-	20,000
N.J. Shore To Grow, Shore To Preserve TDR Program	60,000	-	60,000	-	-	-
Ocean County Tourism Grant - Founders Day	290	1,920	1,000	-	-	1,210
N.J. DOT Poplar Street - 2007	24,809	-	-	-	-	24,809
N.J. DOT Poplar Street - 2008	59,809	-	59,809	-	-	-
N.J. Transportation Trust Fund	-	180,000	103,285	-	-	76,715
Clean Communities Program	-	19,962	19,962	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - 2011	88	-	-	-	-	88
Municipal Alliance on Alcoholism and Drug Abuse - 2012	9,291	-	5,868	-	-	3,423
Municipal Alliance on Alcoholism and Drug Abuse - 2013	-	20,000	10,331	-	-	9,669
Body Armor Replacement Program	-	2,251	-	2,251	-	-
COPS in Shops Grant - 2012	400	-	-	-	-	400
OEM - 966 Reimbursement Program - 2011	24	-	-	-	-	24
OEM - 966 Reimbursement Program - 2012	18,237	-	-	-	-	18,237
NJ Transportation Trust Fund Authority Act - 2011	150,000	-	112,500	-	-	37,500
Homeland Security	-	20,000	-	-	-	20,000
Municipal Alcohol Education and Rehab Program	-	897	897	-	-	-
	<u>\$ 358,795</u>	<u>\$ 277,530</u>	<u>\$ 421,999</u>	<u>\$ 2,251</u>	<u>\$ -</u>	<u>\$ 212,075</u>

Reference      A      A-2,A-32      A-32      A-30      A



**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2013</u>
Community Development Block Grant	\$ -	\$ 812	\$ -	\$ 812
Body Armor Replacement Grant	<u>2,251</u>	<u>2,783</u>	<u>2,251</u>	<u>2,783</u>
	<u>\$ 2,251</u>	<u>\$ 3,595</u>	<u>\$ 2,251</u>	<u>\$ 3,595</u>
<u>Reference</u>	A	A-32	A-28	A

EXHIBIT A-31

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 1,448
Increased By:		
Transferred From Grants Appropriated	A-29	3,488
		4,936
Decreased By:		
Transferred To Grants Appropriated	A-29	1,448
Balance, December 31, 2013	A	\$ 3,488

EXHIBIT A-32

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF DUE FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 417,554
Increased By:		
2013 Budget Appropriations	A-29	\$ 284,905
Cash Received in Current Fund	A-28	421,999
Cash Received in Current Fund	A-30	3,595
		710,499
		1,128,053
Decreased By:		
Cash Disbursed in Current Fund	A-29	215,638
2013 Anticipated Revenue	A-28	277,530
		493,168
Balance, December 31, 2013	A	\$ 634,885

**TRUST FUND**

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TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 TRUST FUND  
 SCHEDULE OF CASH - TREASURER  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Reference</u>	<u>Animal Control Fund</u>	<u>Trust - Other Fund</u>	<u>Open Space Reserve</u>
Balance, December 31, 2012	B	\$ 22,286	\$ 2,677,931	\$ 1,229,328
Increased By Receipts:				
Due To:				
State of New Jersey	B-2	\$ 1,496	-	-
Open Space	B-5	-	-	\$ 374,295
Reserve for Animal Control Fund Expenditures	B-4	11,071	-	-
Due to Current Fund	B-3	81	-	-
Premiums Received at Tax Sale	B-7	-	132,555	-
Various Reserves	B-8	-	485,321	-
		<u>12,648</u>	<u>617,876</u>	<u>374,295</u>
		34,934	3,295,807	1,603,623
Decreased By Disbursements:				
Due To:				
State of New Jersey	B-2	1,496	-	-
Open Space	B-5	-	-	435,685
Animal Control Fund Expenditures (R.S. 4:19-15.11)	B-4	11,968	-	-
Due to Water Operating Fund	D-4	-	-	268,000
Due to Current Fund	B-3	32	-	-
Premiums Received at Tax Sale	B-7	-	71,055	-
Various Reserves	B-8	-	530,063	-
		<u>13,496</u>	<u>601,118</u>	<u>703,685</u>
Balance, December 31, 2013	B	<u>\$ 21,438</u>	<u>\$ 2,694,689</u>	<u>\$ 899,938</u>

**EXHIBIT B-2**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
ANIMAL CONTROL FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ 1
Increased By:		
Cash Receipts	B-1	1,496
		<u>1,496</u>
Decreased By:		
Cash Disbursed	B-1	1,496
		<u>1,496</u>
Balance, December 31, 2013	B	<u><u>\$ 1</u></u>

**EXHIBIT B-3**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
ANIMAL CONTROL FUND  
SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ -
Increased By:		
Interest Income	B-1	32
Statutory Excess	B-4	49
		<u>81</u>
Decreased By:		
Cash Disbursed	B-1	32
		<u>32</u>
Balance, December 31, 2013	B	<u><u>\$ 49</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ 22,335
Increased By:		
Dog License Fees Collected		\$ 9,601
Late Fees		1,470
	B-1	<u>11,071</u>
		33,406
Decreased By:		
Expenditures Under R.S. 4:19-15.11		
Statutory Excess	B-3	<u>11,968</u>
	B-1	<u>11,968</u>
Balance, December 31, 2013	B	<u><u>\$ 21,438</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 10,368
2011	<u>11,070</u>
	<u><u>\$ 21,438</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
OPEN SPACE TRUST FUND  
SCHEDULE OF RESERVE FOR OPEN SPACE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ 961,328
Increased By:		
Cash Receipts	B-1	<u>374,295</u>
		1,335,623
Decreased By:		
Cash Disbursements	B-1	<u>435,685</u>
Balance, December 31, 2013	B	<u><u>\$ 899,938</u></u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF DUE FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ 12,338
Increased By:		
Cash Received in Current Fund	B-8	<u>84,100</u>
Cash Disbursement	B-1	
		96,438
Decreased By:		
Cash Disbursed in Current Fund	B-8	<u>77,550</u>
Balance, December 31, 2013	B	<u><u>\$ 18,888</u></u>

**TOWNSHIP OF OCEAN**  
**COUNTY OF OCEAN, NEW JERSEY**  
**TRUST - OTHER FUND**  
**SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ 84,600
Increased By:		
Cash Receipts	B-1	<u>132,555</u>
		217,155
Decreased By:		
Cash Disbursed	B-1	<u>71,055</u>
Balance, December 31, 2013	B	<u><u>\$ 146,100</u></u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 TRUST - OTHER FUND  
 SCHEDULE OF VARIOUS RESERVES  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance December 31, <u>2012</u>	Increased <u>By</u>	Decreased <u>By</u>	Balance December 31, <u>2013</u>
Developers' Escrow Fund	\$ 1,557,985	\$ 138,907	\$ 257,570	\$ 1,439,322
Utility Escrow Fund	339,058	13,811	16,201	336,668
Hurricane Sandy	-	150,053	99,621	50,432
Founders Day	31,076	14,289	11,220	34,145
Board of Recreation Commissioners	40,912	36,843	42,640	35,115
Municipal Drug Alliance - Program Income	6,448	2,482	4,016	4,914
Recycling	78,716	60,503	28,457	110,762
Disposal of Forfeited Property	10,939	2,575	7,344	6,170
Police Donations	6,001	2,707	5,967	2,741
Public Defender	4,339	8,834	11,600	1,573
Accumulated Leave	191,081	31,185	34,771	187,495
Snow Removal	41,351	10,042	10,656	40,737
Affordable Housing Trust	283,406	15,184	-	298,590
Parking Offenses Adjudication Act	10	-	-	10
Outside Employment of Off-Duty Police Officers	14,422	82,006	77,550	18,878
	<u>\$ 2,605,744</u>	<u>\$ 569,421</u>	<u>\$ 607,613</u>	<u>\$ 2,567,552</u>
	Reference	B		B
Cash		\$ 485,321		
Due From Current Fund		84,100		
		<u>\$ 569,421</u>		
Cash			\$ 530,063	
Due From Current Fund			77,550	
			<u>\$ 607,613</u>	

**EXHIBIT B-9  
(Reviewed)**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	B		\$ 287,733
Increased By:			
Township Contributions	B-10	\$ 35,164	
Change in Value	B-10	<u>67,448</u>	
			<u>102,612</u>
			390,345
Decreased By:			
Account Charges	B-10	1,512	
Withdrawals	B-10	<u>23,197</u>	
			<u>24,709</u>
Balance, December 31, 2013	B		<u><u>\$ 365,636</u></u>

**EXHIBIT B-10  
(Reviewed)**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	B		\$ 287,733
Increased By:			
Township Contributions	B-9	\$ 35,164	
Change in Value	B-9	<u>67,448</u>	
			<u>102,612</u>
			390,345
Decreased By:			
Account Charges	B-9	1,512	
Withdrawals	B-9	<u>23,197</u>	
			<u>24,709</u>
Balance, December 31, 2013	B		<u><u>\$ 365,636</u></u>

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**GENERAL CAPITAL FUND**

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**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	C		\$ 2,000,143
Increased By:			
Fund Balance	C-1	\$ 17,401	
Bond Anticipation Notes	C-7	3,048,537	
Capital Improvement Fund	C-10	75,000	
Due To Current Fund	C-11	1,283	
Developer Contribution	C-12	<u>12,500</u>	
			<u>3,154,721</u>
			5,154,864
Decreased By:			
Fund Balance	C-1	480,000	
Bond Anticipation Notes	C-7	2,478,537	
Improvement Authorizations	C-8	1,568,775	
Reserve for:			
Preliminary Expense:			
Redevelopment	C-15	26,076	
Interfund - Water Utility Capital Fund	C-16	<u>317,597</u>	
			<u>4,870,985</u>
Balance, December 31, 2013	C		<u>\$ 283,879</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL FUND CASH  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2013</u>
Fund Balance	\$ 18,233
Capital Improvement Fund	16,128
Encumbrances Payable	175,415
Reserve for:	
Preliminary Expense	36,422
Debt Service	586,841
Developer Contribution	63,497
Green Acres Loan Receivable	(315,321)
Due From Grant Fund	(586,841)
Due To Current Fund	1,283
Due From Water Utility Capital Fund	(317,597)

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
03-43	Construction of Recreation Facility	635
04-14	Dredging of Various Locations	13,407
04-14	Renovations and Improvements To Various Township Buildings and Recreation Areas	2,491
06-28	Various Road and Drainage System Improvements	57,062
06-33	Construction of a Recreational Area	170,273
07-17/12-08	Road and Drainage Improvements & Various Improvements to Buildings and Grounds	37,376
07-18	Bay Parkway Extension	23,542
07-20	Improvements To Various Municipal Structures	3,489
07-21	Dredging and Stream Cleaning of Waretown Lake	182,462
09-06	Acquisition of Emergency Medical Vehicle	701
11-12	Various Capital Improvements	37,595
12-15	Various Capital Improvements	45,436
13-26	Various Capital Improvements	7,250
13-27	Various Capital Improvements	24,100
		\$ 283,879

Reference

C, C-2

**TOWNSHIP OF OCEAN**  
**COUNTY OF OCEAN, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	C		\$ 8,329,960
Decreased By:			
Bonds Paid By Budget Appropriations:			
General Serial Bonds	C-6	\$ 385,179	
Green Trust Loans	C-14	9,254	
Paid By Open Space Trust	C-6	<u>93,096</u>	
			<u>487,529</u>
Balance, December 31, 2013	C		<u><u>\$ 7,842,431</u></u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Improvement Authorizations	Ordinance Number	Balance		Notes Paid By Budget Appropriation	Balance December 31, 2013	Bond Anticipation Notes	Analysis of Balance	
		December 31, 2012	2013 Authorizations				Expended Improvement Authorization	Unexpended Improvement Authorizations
Improvements To Volunteer Way From the Ocean	06-27	\$ 1,137,500	\$ -	\$ -	\$ 1,137,500	\$ -	\$ -	\$ 1,137,500
County Fire Training Center To Wells Mills Road	06-33	453,040	-	183,853	269,187	269,187	-	-
Construction of a Recreational Area	07-17	307,500	-	16,200	291,300	291,300	-	-
Road and Drainage Improvements	07-21	449,160	-	74,860	374,300	374,300	-	-
Dredging and Stream Cleaning of Waretown Lake	11-12	997,500	-	-	997,500	997,500	-	-
Various Capital Improvements	12-10	546,250	-	-	546,250	546,250	-	-
Storm Water Improvements	12-15	570,000	-	-	570,000	570,000	-	-
Various Capital Improvements	13-26	-	137,750	-	137,750	-	-	137,750
Various Capital Improvements	13-27	-	457,900	-	457,900	-	-	457,900
		<u>\$ 4,460,950</u>	<u>\$ 595,650</u>	<u>\$ 274,913</u>	<u>\$ 4,781,687</u>	<u>\$ 3,048,537</u>	<u>\$ -</u>	<u>\$ 1,733,150</u>
		C	C-9, C-17	C-7	C	C-7	C-3	
Improvement Authorizations - Unfunded								\$ 2,206,291
Less: Unexpended Proceeds of Bond Anticipation Notes:								
Construction of a Recreational Area	06-33						\$ 170,272	
Road and Drainage Improvements	07-17/12-08						37,376	
Dredging and Stream Cleaning of Waretown Lake	07-21						182,462	
Various Capital Improvements	11-12						37,595	
Various Capital Improvements	12-15						45,436	
							<u>473,141</u>	
								<u>\$ 1,733,150</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF SERIAL BONDS PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2013			Interest Rate	Balance December 31, 2012	Decreases	Balance December 31, 2013
	Date	Amount	Date	Amount	Rate				
General Improvements	01/10/06	\$ 5,280,000	01/01/14	\$ 240,000	4.00%				
			01/01/15	250,000	4.00%				
			01/01/16	260,000	4.00%				
			01/01/17	270,000	4.00%				
			01/01/18	280,000	4.00%				
			01/01/19	290,000	4.00%				
			01/01/20	300,000	4.00%				
			01/01/21	310,000	4.00%				
			01/01/22	320,000	4.00%				
			01/01/23	330,000	4.00%				
			01/01/24	330,000	4.10%				
			01/01/25	340,000	4.10%				
			01/01/26	350,000	4.10%		\$ 3,870,000	\$ 240,000	
General Improvements	08/13/10	\$ 4,280,000	08/01/14	\$ 247,100	2.000%				
			08/01/15	255,925	2.000%				
			08/01/16	264,750	2.500%				
			08/01/17	273,575	2.500%				
			08/01/18	282,400	3.000%				
			08/01/19	291,225	3.000%				
			08/01/20	304,463	3.000%				
			08/01/21	308,875	3.000%				
			08/01/22	322,113	3.125%				
			08/01/23	339,763	3.250%				
			08/01/24	344,175	3.375%				
			08/01/25	357,288	3.375%				
							3,829,925	238,275	
							\$ 7,699,925	\$ 478,275	
							\$ 3,870,000	\$ 3,630,000	

Reference C C-4 C

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Original Amount Issued	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2012	Increases	Decreases	Balance December 31, 2013
06-33	Construction of a Recreational Area	\$ 1,000,000	11/08/06	02/28/13	02/28/14	1.25%	\$ 453,040	\$ 269,187	\$ 453,040	\$ 269,187
07-17	Road and Drainage Improvements	307,500	09/13/12	02/28/13	02/28/14	1.25%	307,500	291,300	307,500	291,300
07-21	Dredging and Stream Cleaning of Waretown Lake	120,000	12/04/08	02/28/13	02/28/14	1.25%	449,160	374,300	449,160	374,300
11-12	Various Capital Improvements	997,500	09/13/12	02/28/13	02/28/14	1.25%	997,500	997,500	997,500	997,500
12-10	Storm Water Improvements	546,250	09/13/12	02/28/13	02/28/14	1.25%	546,250	546,250	546,250	546,250
12-15	Various Capital Improvements	570,000	02/28/13	02/28/13	02/28/14	1.25%	-	570,000	-	570,000
							<u>\$ 2,753,450</u>	<u>\$ 3,048,537</u>	<u>\$ 2,753,450</u>	<u>\$ 3,048,537</u>

  

Reference	C	I-C	C,4-C
Paid By Budget Appropriation			\$ 274,913
Renewal			<u>2,478,537</u>
			<u>\$ 2,753,450</u>

**TOWNSHIP OF OCEAN**  
**COUNTY OF OCEAN, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF ENCUMBRANCES PAYABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	C	\$ 893,619
Increased By:		
Charged To Improvement Authorizations	8-C	<u>175,417</u>
		1,069,036
Decreased By:		
Transferred To Improvement Authorizations	8-C	<u>893,621</u>
Balance, December 31, 2013	C	<u><u>\$ 175,415</u></u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Authorizations	Date	Amount	Balance December 31, 2012		2013 Authorizations	Transferred From		Transferred To		Balance December 31, 2013	
				Funded	Unfunded		Encumbrances	Expended	Encumbrances	Expended	Funded	Unfunded
03-14	Acquisition of Fire Truck	05/22/03	\$ 425,000	\$ 33	\$ -	\$ -	\$ -	\$ 33	\$ -	\$ -	\$ -	\$ -
03-43	Construction of Recreation Facility	11/13/03	300,000.00	3,320	-	-	2,800	2,685	2,800	-	635	-
03-44	Acquisition of Land	11/13/03	360,000.00	-	-	-	800	-	800	-	-	-
04-11	Improvements To Buildings and Grounds	06/10/04	50,000.00	902	-	-	-	902	-	-	-	-
04-14	Dredging of Various Locations	07/22/04	100,000.00	13,407	-	-	-	-	-	-	13,407	-
04-14	Renovations and Improvements To Various Township Buildings and Recreation Areas	07/22/04	325,000.00	39,139	-	-	-	36,647	-	-	2,492	-
05-30	Acquisition of Communications Equipment for the Police Department	09/08/05	210,000.00	22,050	-	-	16,339	38,389	-	-	-	-
06-22	Road Improvements and Drainage Systems	07/31/06	80,000.00	-	-	-	13,645	-	13,645	-	-	-
06-27	Improvements To Volunteer Way From the Ocean County Fire Training Center To Wells Mills Road	08/10/06	2,250,000.00	-	1,120,100	-	99,800	-	82,400	-	-	1,137,500
06-28	Various Road and Drainage System Improvements	08/10/06	500,000.00	-	-	-	72,985	15,659	263	57,063	-	-
06-33	Construction of a Recreational Area	09/14/06	1,300,000.00	-	-	-	243,256	72,983	-	-	-	170,273
07-17/12-08	Road and Drainage Improvements & Various Improvements to Buildings and Grounds	08/09/07	850,000.00	113,990	307,500	-	3,120	387,234	-	-	-	37,376
07-18	Bay Parkway Extension	08/09/07	1,350,000.00	23,542	-	-	-	-	-	-	23,542	-
07-19	Acquisition of Various Equipment and Machinery	08/09/07	300,000.00	-	-	-	723	723	-	-	-	-
07-20	Improvements To Various Municipal Structures	08/09/07	500,000.00	75,186	-	-	14,388	71,697	14,388	3,489	-	-
07-21	Dredging and Stream Cleaning of Waretown Lake	08/09/07	575,000.00	-	182,461	-	557	-	557	-	-	182,461
09-06	Acquisition of Emergency Medical Vehicle	07/21/09	152,000.00	700	-	-	1,166	1,166	-	-	700	-
11-12	Various Capital Improvements	07/14/11	1,050,000.00	-	285,373	-	1,726	217,035	32,469	-	-	37,595
12-10	Storm Water Improvements	06/14/12	575,000.00	-	68,476	-	221,719	266,660	23,535	-	-	-
12-15	Various Capital Improvements	08/09/12	600,000.00	-	306,361	-	200,597	456,962	4,560	-	-	45,436
13-26	Various Capital Improvements	12/12/13	145,000.00	-	-	145,000	-	-	-	-	7,250	137,750
13-27	Various Capital Improvements	12/12/13	482,000.00	-	-	482,000	-	-	-	-	24,100	457,900
				\$ 292,269	\$ 2,270,271	\$ 627,000	\$ 893,621	\$ 1,568,775	\$ 175,417	\$ 132,678	\$ 2,206,291	
				C	C	C	C-8	C-2	C-8	C	C, C-5	
				Reference								
				C-5		\$ 595,650						
				C-10		31,350						
						\$ 627,000						

Deferred Charges To Future Taxation - Unfunded  
 Capital Improvement Fund

**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF CAPITAL IMPROVEMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	C	\$ 32,478
Increased By:		
2013 Budget Appropriation	C-2	75,000
		107,478
Decreased By:		
Preliminary Costs/Solar	C-15	\$ 60,000
Down Payment on 2013 Ordinance	C-9	31,350
		91,350
Balance, December 31, 2013	C	\$ 16,128

**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF DUE TO CURRENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	C	\$ -
Increased By:		
Cash Receipt	C-2	1,283
Balance, December 31, 2013	C	\$ 1,283

**EXHIBIT C-12**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Improvement Description</u>	Balance December 31, 2012	<u>Increases</u>	Balance December 31, 2013
Developer Contribution	\$ 50,997	\$ 12,500	\$ 63,497
Debt Service	586,841	-	586,841
	<u>\$ 637,838</u>	<u>\$ 12,500</u>	<u>\$ 650,338</u>
	C	C-2	C

**EXHIBIT C-13**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2013 and 2012	C	<u>\$ 315,321</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF GREEN ACRES LOAN PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Schedule of Maturities Date</u>	<u>Principal</u>	<u>Interest Rate</u>	Balance	
						<u>December 31, 2012</u>	<u>December 31, 2013</u>
Recreation Area Development Phase I	06/22/10	\$ 148,000	03/25/14	\$ 4,697	2.0%		
			09/25/14	4,744	2.0%		
			03/25/15	4,791	2.0%		
			09/25/15	4,839	2.0%		
			03/25/16	4,887	2.0%		
			09/25/16	4,936	2.0%		
			03/25/17	4,986	2.0%		
			09/25/17	5,035	2.0%		
			03/25/18	5,086	2.0%		
			09/25/18	5,137	2.0%		
			03/25/19	5,188	2.0%		
			09/25/19	5,240	2.0%		
			03/25/20	5,292	2.0%		
			09/25/20	5,345	2.0%		
			03/25/21	5,399	2.0%		
			09/25/21	5,453	2.0%		
		03/25/22	5,507	2.0%			
		09/25/22	5,562	2.0%			
		03/25/23	5,618	2.0%			
		09/25/23	5,674	2.0%			
		03/25/24	5,731	2.0%			
		09/25/24	5,788	2.0%			
		03/25/25	5,846	2.0%			
						\$ 130,035	\$ 9,254
							\$ 120,781
						500,000	-
Recreation Area Development Phase II	06/22/10	\$ 500,000			2.0%		
						630,035	9,254
						500,000	620,781

Reference      C                      C-4                      C

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Improvement Description</u>	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2013</u>
Improvement Costs Redevelopment	<u>\$ 2,498</u>	<u>\$ 60,000</u>	<u>\$ 26,076</u>	<u>\$ 36,422</u>
	<u>\$ 2,498</u>	<u>\$ 60,000</u>	<u>\$ 26,076</u>	<u>\$ 36,422</u>
	C	C-10	C-2	C

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE FROM WATER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	C	\$ -
Increased By:		
Cash Disbursement	C-2	<u>317,597</u>
Balance, December 31, 2013	C	<u>\$ 317,597</u>

**TOWNSHIP OF OCEAN**  
**COUNTY OF OCEAN, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

Ordinance Number	Balance December 31, 2012	2013 Authorizations	BANS Issued	Balance December 31, 2013	Reference
2006-27	\$ 1,137,500	\$ -	\$ -	\$ 1,137,500	
2012-15	570,000	-	570,000	-	
2013-26	-	137,750	-	137,750	
2013-27	-	457,900	-	457,900	
	<u>\$ 1,707,500</u>	<u>\$ 595,650</u>	<u>\$ 570,000</u>	<u>\$ 1,733,150</u>	
		C-5	C-7		C-17

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**WATER UTILITY FUND**

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TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY FUND  
 SCHEDULE OF CASH - TREASURER  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	D	\$ 612,725	\$ 1,283,794
<b>Increased By Receipts:</b>			
Water Capital Fund Balance	D-2	\$ 200,000	-
Miscellaneous Revenue	D-2	394,339	-
Consumer Accounts Receivable	D-6	1,314,650	-
Water Overpayments	D-12	3,003	-
Due from Open Space Trust	B-1	268,000	-
Due To Current Fund	D, D-16	31,725	405
Due To Sewer Capital Fund	D-15, D-17	400,000	117,990
Due To General Capital Fund	D-18	-	317,597
NJEIT Loans Receivable	D-19	-	1,643,942
Capital Improvement Fund	D-24	-	1,000
		<u>2,611,717</u>	<u>2,080,934</u>
<b>Decreased By Disbursements:</b>			
2013 Appropriations	D-3	2,112,092	-
2012 Appropriation Reserves	D-10	20,322	-
Water Overpayments	D-12	4,120	-
Accounts Payable	D-14	507	-
Due From Sewer Capital Fund	D-15	10,550	-
Improvement Authorizations	D-23	-	1,832,593
Fund Balance	D-1(a)	-	200,000
Reserve for:			
Preliminary Cost	D-27	-	373
Bond Service	D	-	13,230
		<u>2,147,591</u>	<u>2,046,196</u>
Balance, December 31, 2013	D	<u>\$ 1,076,851</u>	<u>\$ 1,318,532</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
ANALYSIS OF WATER UTILITY CAPITAL FUND CASH  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2013</u>
Capital Improvement Fund	\$ 439,600
NJEIT Loans Receivable	(1,328,040)
Due To Water Operating Fund	473
Due To General Capital Fund	317,597
Due To Sewer Capital Fund	117,990
Encumbrances Payable	39,335
Fund Balance	454,318
Reserve for:	
Bond Reserve	744,120
Bond Service	69,796
Morey Place	95,000
Preliminary Costs	926

<u>Ordinance Number</u>	<u>Improvement Description</u>	
08-15	Improvements To Various Water Wells and Related Expenses	18,845
08-25	Acquisition of Land and Related Expenses	16,818
09-02/09-05	Construction of Certain Clean Water and Drinking Water Projects	(41,268)
10-13	Construction of & Improvements to Well #6	(33,321)
11-02	Construction of Certain Clean Water and Drinking Water Projects	233,566
12-04	Construction of Certain Clean Water and Drinking Water Projects	172,777
		<u>\$ 1,318,532</u>

Reference      D, D-4

**EXHIBIT D-6**

**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY OPERATING FUND  
 SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	D		\$ 161,051
Increased By Receipts:			
Water Rents Levied	D-6	<u>\$ 1,330,922</u>	<u>1,330,922</u>
			1,491,973
Decreased By Disbursements:			
Collections	D-2,D-4		<u>1,314,650</u>
Balance, December 31, 2013	D		<u><u>\$ 177,323</u></u>

**EXHIBIT D-7**

**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY OPERATING FUND  
 SCHEDULE OF SPECIAL CHARGES RECEIVABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2013 and 2012	D		<u><u>\$ 88</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2012</u>	Capital <u>Outlay</u>	Balance December 31, <u>2013</u>
Land and Easements	\$ 48,952	\$ -	\$ 48,952
Plant and Additions	536,422	-	536,422
Water Tower and Fence	773,137	-	773,137
Wells and Retention Tank	1,706,588	-	1,706,588
Transmission Lines	9,389,341	-	9,389,341
Pumping Station	898,071	-	898,071
Equipment	201,186	-	201,186
Equipment - Water	92,150	-	92,150
Equipment - GIS Water	9,449	-	9,449
Vehicles	613,099	-	613,099
Meters	757,490	-	757,490
Meters - Water	168,136	-	168,136
Administration/Utility Building	143,194	-	143,194
Administration Utility	626	-	626
Garage - Water	10,335	-	10,335
Construction in Progress - Water	750,143	-	750,143
	<u>\$ 16,098,319</u>	<u>\$ -</u>	<u>\$ 16,098,319</u>
<u>Reference</u>	D	D-25	D

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Purpose	Ordinance		Balance December 31, 2012	2013 Authorizations	Balance December 31, 2013
		Date	Amount			
08-15	Improvements To Various Water Wells and Related Expenses	05/08/08	\$ 600,000	\$ 600,000	\$ -	\$ 600,000
08-16	Construction of Well #7	07/10/08	217,400	217,400	-	217,400
08-25	Acquisition of Land and Related Expenses	12/01/08	1,600,000	1,600,000	-	1,600,000
09-02/09-05	Construction of Certain Clean Water and Drinking Water Projects	04/23/09	1,870,000	1,870,000	-	1,870,000
10-13	Construction of & Improvements to Well #6	06/11/09	1,870,000	1,870,000	-	1,870,000
11-02	Construction of Certain Clean Water and Drinking Water Projects	12/15/10	300,000	300,000	-	300,000
12-04	Construction of Certain Clean Water and Drinking Water Projects	03/10/11	1,660,000	1,660,000	-	1,660,000
13-06	Construction of Certain Clean Water and Drinking Water Projects	04/26/12	1,850,000	1,850,000	-	1,850,000
13-28	Construction of Certain Clean Water and Drinking Water Projects	4/11/13	1,150,000	-	1,150,000	1,150,000
		12/12/13	1,300,000	-	1,300,000	1,300,000
				<u>\$ 8,097,400</u>	<u>\$ 2,450,000</u>	<u>\$ 10,547,400</u>
				Reference	D	D
					D-23	D

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2012 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2012</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 7,979	\$ 7,979	\$ -	\$ 7,979
Other Expenses	22,447	38,268	20,842	17,426
State of New Jersey Water Tax	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total Operating	<u>36,426</u>	<u>52,247</u>	<u>20,842</u>	<u>31,405</u>
Capital Improvements:				
Capital Outlay	<u>873</u>	<u>873</u>	<u>-</u>	<u>873</u>
Total Capital Improvements	<u>873</u>	<u>873</u>	<u>-</u>	<u>873</u>
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	980	980	-	980
Unemployment Compensation	<u>2,180</u>	<u>2,180</u>	<u>-</u>	<u>2,180</u>
Total Statutory Expenditures	<u>3,160</u>	<u>3,160</u>	<u>-</u>	<u>3,160</u>
	<u>\$ 40,459</u>	<u>\$ 56,280</u>	<u>\$ 20,842</u>	<u>\$ 35,438</u>

	<u>Reference</u>	D	D-1
2012 Appropriation Reserves	D-10	\$ 40,459	
Encumbrances Payable	D-11	<u>15,821</u>	
		<u>\$ 56,280</u>	
Cash Disbursements	D-4		\$ 20,322
Accounts Payable	D-14		<u>520</u>
			<u>\$ 20,842</u>

## EXHIBIT D-11

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 15,821
Increased By:		
Transferred From Budget Appropriations	D-3	<u>26,867</u>
		42,688
Decreased By:		
Transferred To Appropriation Reserves	D-10	<u>15,821</u>
Balance, December 31, 2013	D	<u><u>\$ 26,867</u></u>

## EXHIBIT D-12

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 4,120
Increased By:		
Cash Receipts	D-4	<u>3,003</u>
		7,123
Decreased By:		
Cash Disbursements	D-4	<u>4,120</u>
Balance, December 31, 2013	D	<u><u>\$ 3,003</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 104,198
Decreased By:		
Cancelled	D-1	<u>3,785</u>
Balance, December 31, 2013	D	<u><u>\$ 100,413</u></u>

Analysis of Accrued Interest December 31, 2013

	<u>Principal Outstanding December 31, 2013</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Note:						
\$ 607,000	1.25%	03/03/13	12/31/13	10 months	<u>6,323</u>	
N.J. EIT Loan:						
\$ 150,000	5.00%	08/01/13	12/31/13	5 months	3,125	
515,000	5.00%	08/01/13	12/31/13	5 months	10,729	
243,216	Various	08/01/13	12/31/13	5 months	1,995	
146,009	Various	08/01/13	12/31/13	5 months	1,198	
300,000	Various	08/01/13	12/31/13	5 months	5,303	
240,000	Various	08/01/13	12/31/13	5 months	3,583	
<u>285,000</u>	Various	08/01/13	12/31/13	5 months	<u>4,229</u>	
<u>\$ 1,879,225</u>					<u>30,162</u>	
Serial Bonds:						
\$ 478,350	Various	08/01/13	12/31/13	5 months	5,765	
<u>2,326,500</u>	6.00%	08/01/13	12/31/13	5 months	<u>58,163</u>	
<u>\$ 2,804,850</u>					<u>63,928</u>	
					<u><u>\$ 100,413</u></u>	

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 9,071
Increased By:		
Appropriation Reserves Charged	D-10	<u>520</u>
		9,591
Decreased By:		
Cash Disbursements	D-4	<u>507</u>
Balance, December 31, 2013	D	<u><u>\$ 9,084</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF DUE TO/FROM SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 5,420
Increased By:		
Cash Disbursements	D-4	<u>10,550</u>
		15,970
Decreased By:		
Cash Receipt	D-4	<u>400,000</u>
Balance, December 31, 2013	D	<u><u>\$ (384,030)</u></u>

## EXHIBIT D-16

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DUE TO WATER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 68
Increased By:		
Interest Earned	D-4	<u>405</u>
Balance, December 31, 2013	D	<u>\$ 473</u>

## EXHIBIT D-17

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DUE TO SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ -
Increased By:		
Cash Receipt	D-4	<u>117,990</u>
Balance, December 31, 2013	D	<u>\$ 117,990</u>

## EXHIBIT D-18

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DUE TO GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ -
Increased By:		
Cash Receipt	D-4	<u>317,597</u>
Balance, December 31, 2013	D	<u>\$ 317,597</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF NJEIT LOANS RECEIVABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Improvement Authorization</u>	<u>Description</u>	<u>Award</u>	<u>Balance December 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
	Construction of Certain Clean Water and Drinking Water Projects:					
09-02 & 05/10-07	Trust - PF DW - 2010B	\$ 596,646	\$ 42,808	-	\$ 42,808	-
09-02 & 05/10-07	Fund Loan - PF DW - 2010B	596,646	42,806	-	42,806	-
09-02 & 05/10-07	Trust Loan - 1520001-001-1	150,220	150,220	-	150,220	-
09-02 & 05/10-07	Fund Loan - 1520001-001-1	150,220	150,220	-	150,220	-
12-04	Trust Loan - 2013	986,666	-	986,666	-	781,194
12-04	Fund Loan - 2013	752,319	-	752,319	205,473	546,847
	Tuscarora Sewer:					
11-02	Trust - PF CW - Spring 2012ABC	337,373	152,976	-	152,976	-
11-02	Fund Loan - PF CW - Spring 2012ABC	506,061	229,465	-	229,465	-
	Tuscarora Water:					
11-02	Trust Loan - 1520001 -002 and 003	180,717	51,426	-	51,426	-
11-02	Fund Loan - 1520001 -002 and 003	542,149	154,276	-	154,276	-
	Well #6:					
2010-13	Trust Loan - 1520001 -002 and 003	64,700	64,700	-	64,700	-
2010-13	Fund Loan - 1520001 -002 and 003	194,100	194,100	-	194,100	-
			<u>\$ 1,232,997</u>	<u>\$ 1,738,985</u>	<u>\$ 1,643,942</u>	<u>\$ 1,328,040</u>
		<u>Reference</u>	D	D-19	D-4	D

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF SERIAL BONDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
	Date	Amount	Date	Amount				
Utility Revenue Bonds, Refunding Series 1993B	10/28/93	\$ 5,235,000	08/01/14	468,000	6.00%			
			08/01/15	495,000	6.00%			
			08/01/16	661,500	6.00%			
			08/01/17	702,000	6.00%	\$ 2,767,500	\$ 441,000	\$ 2,326,500
General Improvement	08/13/10	570,000	08/01/14	32,900	2.000%			
			08/01/15	34,075	2.000%			
			08/01/16	36,425	2.500%			
			08/01/17	35,250	2.500%			
			08/01/18	37,600	3.000%			
			08/01/19	38,775	3.000%			
			08/01/20	40,538	3.000%			
			08/01/21	41,125	3.000%			
			08/01/22	42,888	3.125%			
			08/01/23	45,238	3.250%			
			08/01/24	45,825	3.375%			
		08/01/25	47,713	3.375%				
						510,075	31,725	478,350
						<u>\$ 3,277,575</u>	<u>\$ 472,725</u>	<u>\$ 2,804,850</u>

Reference D D-25 D

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES  
 FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount Issued</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
08-25	Acquisition of Land and Related Expenses	\$ 1,500,000	10/29/09	03/01/13	03/01/14	1.25%	\$ 875,000	\$ -	\$ 268,000	\$ 607,000
							<u>\$ 875,000</u>	<u>\$ -</u>	<u>\$ 268,000</u>	<u>\$ 607,000</u>
						<u>Reference</u>	D	D-4	D	
						Cash Disbursements		D-4	<u>\$ 268,000</u>	
									<u>\$ 268,000</u>	

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance</u>			
						<u>December 31, 2012</u>	<u>December 31, 2013</u>		
						<u>Increased</u>	<u>Decreased</u>		
Trust Loan	\$ 198,032	03/24/09				\$ 13,057	\$ 13,057		
Fund Loan	198,032	03/24/09				9,685	9,685		
Trust Loan - CW - 2010B S340750-09	167,500	12/02/10	08/01/14-18 08/01/19-29 08/01/30	\$ 5,000 10,000 15,000	5.00% 5.00% 5.00%	-	-		
Fund Loan - CW - 2010B S340750-09	167,500	12/02/10	02/01/14 08/01/14 02/01/15 08/01/15 02/01/16 08/01/16 02/01/17 08/01/17 02/01/18 08/01/18 02/01/19 08/01/19 02/01/20 08/01/20 02/01/21 08/01/21 02/01/22 08/01/22 02/01/23 08/01/23 02/01/24 08/01/24 02/01/25 08/01/25 02/01/26 08/01/26	2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678 2,839 5,678	0.00% 0.00%	-	155,000	5,000	150,000

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance		Balance December 31, 2013	
						December 31, 2012	Increased/Decreased		
Fund Loan - CW - 2010B (continued)			02/01/27	2,839	0.00%				
			08/01/27	5,678	0.00%				
			02/01/28	2,839	0.00%				
			08/01/28	5,678	0.00%				
			02/01/29	2,839	0.00%				
			08/01/29	5,678	0.00%				
			02/01/30	2,839	0.00%				
			08/01/30	5,677	0.00%	153,305	8,517	144,788	
		596,646	12/02/10	08/01/14-16	20,000	5.00%			
				08/01/17-20	25,000	5.00%			
			08/01/21-24	30,000	5.00%				
			08/01/25-26	35,000	5.00%				
			08/01/27-29	40,000	5.00%				
			08/01/30	45,000	5.00%	535,000	20,000	515,000	
Trust - PF DW - 2010B	596,646	12/02/10	02/01/14	5,056	0.00%				
			08/01/14	10,113	0.00%				
			02/01/15	5,056	0.00%				
			08/01/15	10,113	0.00%				
			02/01/16	5,056	0.00%				
			08/01/16	10,113	0.00%				
			02/01/17	5,056	0.00%				
			08/01/17	10,113	0.00%				
			02/01/18	5,056	0.00%				
			08/01/18	10,113	0.00%				
			02/01/19	5,056	0.00%				
			08/01/19	10,113	0.00%				
			02/01/20	5,056	0.00%				
			08/01/20	10,113	0.00%				
			02/01/21	5,056	0.00%				
			08/01/21	10,113	0.00%				
			02/01/22	5,056	0.00%				

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance</u>	
						<u>December 31, 2012</u>	<u>December 31, 2013</u>
						<u>Increased</u>	<u>Decreased</u>
Loan - PF DW - 2010B (continued)			08/01/22	10,113	0.00%		
			02/01/23	5,056	0.00%		
			08/01/23	10,113	0.00%		
			02/01/24	5,056	0.00%		
			08/01/24	10,113	0.00%		
			02/01/25	5,056	0.00%		
			08/01/25	10,113	0.00%		
			02/01/26	5,056	0.00%		
			08/01/26	10,113	0.00%		
			02/01/27	5,056	0.00%		
			08/01/27	10,113	0.00%		
			02/01/28	5,056	0.00%		
			08/01/28	10,113	0.00%		
			02/01/29	5,056	0.00%		
			08/01/29	10,113	0.00%		
		02/01/30	5,056	0.00%			
		08/01/30	10,112	0.00%	273,041	-	15,169
Trust Loan - PF CW - 2012A	337,373	05/03/12					
			08/01/14	10,000	3.00%		
			08/01/15	10,000	4.00%		
			08/01/16	10,000	5.00%		
			08/01/17-23	15,000	5.00%		
			08/01/24-26	20,000	5.00%		
			08/01/27-28	20,000	3.00%		
			08/01/29	20,000	3.125%		
			08/01/30	20,000	3.20%		
			08/01/31	25,000	3.25%		
Fund Loan - PF CW - 2012A	506,061	05/03/12					
			02/01/14	5,718	0.00%		
			08/01/14	11,436	0.00%		
			02/01/15	5,718	0.00%		
			08/01/15	11,436	0.00%		
			02/01/16	5,718	0.00%		
			08/01/16	11,436	0.00%		
						310,000	10,000
							300,000

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance	
						December 31, 2012	December 31, 2013
						Increased	Decreased
Fund Loan - PF CW - 2012A (continued)			02/01/17	5,718	0.00%		
			08/01/17	11,436	0.00%		
			02/01/18	5,718	0.00%		
			08/01/18	11,436	0.00%		
			02/01/19	5,718	0.00%		
			08/01/19	11,436	0.00%		
			02/01/20	5,718	0.00%		
			08/01/20	11,436	0.00%		
			02/01/21	5,718	0.00%		
			08/01/21	11,436	0.00%		
			02/01/22	5,718	0.00%		
			08/01/22	11,436	0.00%		
			02/01/23	5,718	0.00%		
			08/01/23	11,436	0.00%		
			02/01/24	5,718	0.00%		
			08/01/24	11,436	0.00%		
			02/01/25	5,718	0.00%		
			08/01/25	11,436	0.00%		
			02/01/26	5,718	0.00%		
			08/01/26	11,436	0.00%		
			02/01/27	5,718	0.00%		
			08/01/27	11,436	0.00%		
			02/01/28	5,718	0.00%		
			08/01/28	11,436	0.00%		
			02/01/29	5,718	0.00%		
			08/01/29	11,436	0.00%		
			02/01/30	5,718	0.00%		
			08/01/30	11,436	0.00%		
			02/01/31	5,718	0.00%		
			08/01/31	11,447	0.00%		
						325,938	17,155
						-	308,783

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance</u>	
						<u>December 31, 2012</u>	<u>December 31, 2013</u>
						<u>Increased</u>	<u>Decreased</u>
Trust Loan - DW-001	150,220	05/17/12	08/01/14	7,231	0.35%		
			08/01/15	7,256	0.48%		
			08/01/16	7,291	0.59%		
			08/01/17	7,334	0.79%		
			08/01/18	7,392	1.02%		
			08/01/19	7,467	1.25%		
			08/01/20	7,561	1.52%		
			08/01/21	7,675	1.74%		
			08/01/22	7,809	1.90%		
			08/01/23	7,957	2.05%		
			08/01/24	8,120	2.17%		
			08/01/25	8,297	2.29%		
			08/01/26	8,487	2.39%		
			08/01/27	8,690	2.92%		
			08/01/28	8,943	3.00%		
			08/01/29	9,212	3.08%		
			08/01/30	9,495	3.13%		
			08/01/31	9,792	3.19%	150,220	4,211
Fund Loan - DW-001	150,220	05/17/12	02/01/14	2,546	0.00%		
			08/01/14	5,092	0.00%		
			02/01/15	2,546	0.00%		
			08/01/15	5,092	0.00%		
			02/01/16	2,546	0.00%		
			08/01/16	5,092	0.00%		
			02/01/17	2,546	0.00%		
			08/01/17	5,092	0.00%		
			02/01/18	2,546	0.00%		
			08/01/18	5,092	0.00%		
			02/01/19	2,546	0.00%		
			08/01/19	5,092	0.00%		
			02/01/20	2,546	0.00%		
			08/01/20	5,092	0.00%		
			02/01/21	2,546	0.00%		
			08/01/21	5,092	0.00%		
						-	146,009

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance</u>		<u>Decreased</u>	<u>Balance</u>
						<u>December 31, 2012</u>	<u>December 31, 2013</u>		
Fund Loan - DW-001 (continued)			02/01/22	2,546	0.00%				
			08/01/22	5,092	0.00%				
			02/01/23	2,546	0.00%				
			08/01/23	5,092	0.00%				
			02/01/24	2,546	0.00%				
			08/01/24	5,092	0.00%				
			02/01/25	2,546	0.00%				
			08/01/25	5,092	0.00%				
			02/01/26	2,546	0.00%				
			08/01/26	5,092	0.00%				
			02/01/27	2,546	0.00%				
			08/01/27	5,092	0.00%				
			02/01/28	2,546	0.00%				
			08/01/28	5,092	0.00%				
			02/01/29	2,546	0.00%				
			08/01/29	5,092	0.00%				
			02/01/30	2,546	0.00%				
			08/01/30	5,092	0.00%				
			02/01/31	2,546	0.00%				
			08/01/31	5,098	0.00%	145,128	-	7,638	137,490
Trust Loan - DW 002 & 003	245,417	05/17/12	08/01/14	9,591	0.35%				
			08/01/15	9,633	0.48%				
			08/01/16	9,691	0.59%				
			08/01/17	12,216	0.79%				
			08/01/18	12,313	1.02%				
			08/01/19	12,439	1.25%				
			08/01/20	12,594	1.52%				
			08/01/21	12,785	1.74%				
			08/01/22	13,008	1.90%				
			08/01/23	13,255	2.05%				
			08/01/24	13,527	2.17%				
			08/01/25	13,820	2.29%				
			08/01/26	14,137	2.39%				
			08/01/27	14,475	2.92%				

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance December 31, 2012	Change		Balance December 31, 2013
							Increased	Decreased	
Trust Loan - DW 002 & 003 (continued)			08/01/28	14,897	3.00%				
			08/01/29	15,344	3.08%				
			08/01/30	15,817	3.13%				
			08/01/31	16,311	3.19%	245,417	-	9,564	235,853
Fund Loan - DW 002 & 003	736,249	05/17/12	02/01/14	12,479	0.00%				
			08/01/14	24,958	0.00%				
			02/01/15	12,479	0.00%				
			08/01/15	24,958	0.00%				
			02/01/16	12,479	0.00%				
			08/01/16	24,958	0.00%				
			02/01/17	12,479	0.00%				
			08/01/17	24,958	0.00%				
			02/01/18	12,479	0.00%				
			08/01/18	24,958	0.00%				
			02/01/19	12,479	0.00%				
			08/01/19	24,958	0.00%				
			02/01/20	12,479	0.00%				
			08/01/20	24,958	0.00%				
			02/01/21	12,479	0.00%				
			08/01/21	24,958	0.00%				
			02/01/22	12,479	0.00%				
			08/01/22	24,958	0.00%				
			02/01/23	12,479	0.00%				
			08/01/23	24,958	0.00%				
			02/01/24	12,479	0.00%				
			08/01/24	24,958	0.00%				
			02/01/25	12,479	0.00%				
			08/01/25	24,958	0.00%				
02/01/26	12,479	0.00%							
08/01/26	24,958	0.00%							
02/01/27	12,479	0.00%							
08/01/27	24,958	0.00%							
02/01/28	12,479	0.00%							
08/01/28	24,958	0.00%							

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance	
						December 31, 2012	December 31, 2013
						Increased	Decreased
Fund Loan - DW 002 & 003 (continued)			02/01/29	12,479	0.00%		
			08/01/29	24,958	0.00%		
			02/01/30	12,479	0.00%		
			08/01/30	24,958	0.00%		
			02/01/31	12,479	0.00%		
			08/01/31	22,493	0.00%	711,291	28,782
Fund Loan - 2013A CW	740,000	05/01/13	02/01/14	12,542	0.00%		
			08/01/14	25,085	0.00%		
			02/01/15	12,542	0.00%		
			08/01/15	25,085	0.00%		
			02/01/16	12,542	0.00%		
			08/01/16	25,085	0.00%		
			02/01/17	12,542	0.00%		
			08/01/17	25,085	0.00%		
			02/01/18	12,542	0.00%		
			08/01/18	25,085	0.00%		
			02/01/19	12,542	0.00%		
			08/01/19	25,085	0.00%		
			02/01/20	12,542	0.00%		
			08/01/20	25,085	0.00%		
			02/01/21	12,542	0.00%		
			08/01/21	25,085	0.00%		
			02/01/22	12,542	0.00%		
			08/01/22	25,085	0.00%		
			02/01/23	12,542	0.00%		
			08/01/23	25,085	0.00%		
			02/01/24	12,542	0.00%		
			08/01/24	25,085	0.00%		
			02/01/25	12,542	0.00%		
			08/01/25	25,085	0.00%		
			02/01/26	12,542	0.00%		
			08/01/26	25,085	0.00%		
			02/01/27	12,542	0.00%		
			08/01/27	25,085	0.00%		
						-	682,509

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance</u>	
						<u>December 31, 2012</u>	<u>December 31, 2013</u>
						<u>Increased</u>	<u>Decreased</u>
Fund Loan - 2013A CW (continued)			02/01/28	12,542	0.00%		
			08/01/28	25,085	0.00%		
			02/01/29	12,542	0.00%		
			08/01/29	25,085	0.00%		
			02/01/30	12,542	0.00%		
			08/01/30	25,085	0.00%		
			02/01/31	12,542	0.00%		
			08/01/31	25,085	0.00%		
			02/01/32	12,542	0.00%		
			08/01/32	25,087	0.00%	740,000	25,085
							714,915
Trust Loan - 2013A CW	246,666	05/01/13	08/01/14	10,000	3.00%		
			08/01/15	10,000	4.00%		
			08/01/16	10,000	4.00%		
			08/01/17	10,000	4.00%		
			08/01/18	10,000	4.00%		
			08/01/19	10,000	4.00%		
			08/01/20	10,000	4.00%		
			08/01/21	10,000	4.00%		
			08/01/22	10,000	4.00%		
			08/01/23	15,000	5.00%		
			08/01/24	15,000	5.00%		
			08/01/25	15,000	3.00%		
			08/01/26	15,000	3.00%		
			08/01/27	15,000	3.00%		
			08/01/28	15,000	3.00%		
			08/01/29	15,000	3.00%		
			08/01/30	15,000	3.00%		
			08/01/31	15,000	3.00%		
			08/01/32	15,000	3.00%		
						246,666	6,666
Fund Loan - 2013A CW	451,392	04/03/13	02/01/14	7,790	0.00%		
			08/01/14	15,581	0.00%		
			02/01/15	7,790	0.00%		
			08/01/15	15,581	0.00%		
							240,000

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance	
						December 31, 2012	December 31, 2013
						Increased	Decreased
Fund Loan - 2013A CW (continued)			02/01/16	7,790	0.00%		
			08/01/16	15,581	0.00%		
			02/01/17	7,790	0.00%		
			08/01/17	15,581	0.00%		
			02/01/18	7,790	0.00%		
			08/01/18	15,581	0.00%		
			02/01/19	7,790	0.00%		
			08/01/19	15,581	0.00%		
			02/01/20	7,790	0.00%		
			08/01/20	15,581	0.00%		
			02/01/21	7,790	0.00%		
			08/01/21	15,581	0.00%		
			02/01/22	7,790	0.00%		
			08/01/22	15,581	0.00%		
			02/01/23	7,790	0.00%		
			08/01/23	15,581	0.00%		
			02/01/24	7,790	0.00%		
			08/01/24	15,581	0.00%		
			02/01/25	7,790	0.00%		
			08/01/25	15,581	0.00%		
			02/01/26	7,790	0.00%		
			08/01/26	15,581	0.00%		
			02/01/27	7,790	0.00%		
			08/01/27	15,581	0.00%		
			02/01/28	7,790	0.00%		
			08/01/28	15,581	0.00%		
			02/01/29	7,790	0.00%		
			08/01/29	15,581	0.00%		
			02/01/30	7,790	0.00%		
			08/01/30	15,581	0.00%		
			02/01/31	7,790	0.00%		
			08/01/31	15,581	0.00%		
			02/01/32	7,790	0.00%		
			08/01/32	7,343	0.00%		
						451,392	15,581
						-	435,811

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2013

<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, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
Trust Loan - 2013A CW	300,927	04/03/13	08/01/14	10,000	3.00%				
			08/01/15	10,000	4.00%				
			08/01/16	10,000	4.00%				
			08/01/17	10,000	4.00%				
			08/01/18	10,000	4.00%				
			08/01/19	15,000	4.00%				
			08/01/20	15,000	4.00%				
			08/01/21	15,000	4.00%				
			08/01/22	15,000	4.00%				
			08/01/23	15,000	5.00%				
			08/01/24	15,000	5.00%				
			08/01/25	15,000	3.00%				
			08/01/26	15,000	3.00%				
			08/01/27	15,000	3.00%				
			08/01/28	20,000	3.00%				
			08/01/29	20,000	3.00%				
			08/01/30	20,000	3.00%				
			08/01/31	20,000	3.00%				
			08/01/32	20,000	3.00%				
						-	300,927	15,927	285,000
						\$ 3,027,082	\$ 1,738,985	\$ 212,037	\$ 4,554,030

Reference

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D-25

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TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Ordinance Date	December 31, 2012		2013 Authorizations	Transferred From		Expended	Transferred To		
			Amount	Funded		Unfunded	Encumbrances Payable		Encumbrances Payable	Funded	Unfunded
08-15	Improvements To Various Water Wells and Related Expenses	05/08/08	\$ 600,000	\$ 87,602	\$ -	\$ 8,362	\$ 8,362	\$ 68,757	\$ 8,362	\$ 18,845	\$ -
08-25	Acquisition of Land and Related Expenses	12/01/08	1,600,000	-	16,818	30,748	30,748	-	-	-	16,818
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	-	-	198	198	-	-	-	-
11-02	Construction of Certain Clean Water and Drinking Water Projects	12/15/10	300,000	-	7,879	-	-	-	-	-	7,879
12-04	Construction of Certain Clean Water and Drinking Water Projects	03/10/11	1,660,000	480,258	93,700	1,061	-	247,753	-	233,566	93,700
13-06	Construction of Certain Clean Water and Drinking Water Projects	04/26/12	1,850,000	-	1,799,875	-	-	1,516,083	-	-	283,792
13-28	Construction of Certain Clean Water and Drinking Water Projects	4/11/13	1,150,000	-	-	-	-	-	-	-	1,150,000
		12/12/13	1,300,000	-	-	-	-	-	-	-	1,300,000
				\$ 567,860	\$ 1,918,272	\$ 2,450,000	\$ 40,369	\$ 1,832,593	\$ 39,308	\$ 252,411	\$ 2,852,189

Reference D D D-9,D-30 D-29 D-4 D-29 D D

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 888,600
Increased By:		
2013 Appropriations	D-4	1,000
Decreased By:		
Cancelled to Fund Balance	D-1(a)	<u>450,000</u>
Balance, December 31, 2013	D	<u><u>\$ 439,600</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 14,142,494
Increased By:		
Bonds Paid By Operating Budget	D-20	\$ 472,725
BAN Paid By Open Space Trust Fund	D-21	268,000
Loans Paid By Operating Budget	D-22	<u>212,037</u>
		<u>952,762</u>
Balance, December 31, 2013	D	<u><u>\$ 15,095,256</u></u>

**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2013 and 2012</u>
08-15	Improvements To Various Water Wells and Related Expenses	\$ 30,000
08-16	Construction of Well #7	217,400
08-25	Acquisition of Land and Related Expenses	<u>600,000</u>
		<u>\$ 847,400</u>
	<u>Reference</u>	D

**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF RESERVE FOR PRELIMINARY COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 1,299
Increased By:		
Transferred From Encumbrances Payable	D-29	27
Decreased By:		
Transferred To Encumbrances Payable	D-29	27
Cash Disbursement	D-4	<u>373</u>
Balance, December 31, 2013	D	<u>\$ 926</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance December 31, <u>2013 and 2012</u>
Morey Place	<u>\$ 95,000</u>
<u>Reference</u>	D

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>		
Balance, December 31, 2012	D		\$ 40,396
Increased By:			
Transferred From Improvement Authorizations	D-23	\$ 39,308	
Transferred From Preliminary Expense	D-27	<u>27</u>	
			<u>39,335</u>
			79,731
Decreased By:			
Transferred To Improvement Authorizations	D-23	40,369	
Transferred To Preliminary Expense	D-27	<u>27</u>	
			<u>40,396</u>
Balance, December 31, 2013	D		<u><u>\$ 39,335</u></u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, 2012	2013 <u>Authorizations</u>	<u>Decreased</u>	Balance December 31, 2013
09-02/09-05/ 10-07	Construction of Certain Clean Water and Drinking Water Projects	\$ 41,268	\$ -	\$ -	\$ 41,268
10-13	Construction of and Improvements to Well #6	41,200	-	-	41,200
11-02	Construction of Certain Clean Water and Drinking Water Projects	93,700	-	-	93,700
12-04	Construction of Certain Clean Water and Drinking Water Projects	1,850,000	-	1,738,985	111,015
13-06	Construction of Certain Clean Water and Drinking Water Projects	-	1,150,000	-	1,150,000
13-28	Construction of Certain Clean Water and Drinking Water Projects	-	1,300,000	-	1,300,000
		<u>\$ 2,026,168</u>	<u>\$ 2,450,000</u>	<u>\$ 1,738,985</u>	<u>\$ 2,737,183</u>
	<u>Reference</u>	D-30	D-23	D-19	D-30

**SEWER UTILITY FUND**

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TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 SEWER UTILITY FUND  
 SCHEDULE OF CASH - TREASURER  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Reference	Operating	Capital
Balance, December 31, 2012	E	\$ 1,023,621	\$ 335,186
Increased By Receipts:			
Miscellaneous Revenue	E-2	171,514	-
Consumer Accounts Receivable	E-6	1,732,111	-
Sewer Capital Fund Balance	E-1	30,000	-
Sewer Overpayments	E-13	6,802	-
Due To Water Utility Operating Fund	E-16	10,550	-
Due To Sewer Utility Operating Fund	E-15	-	216
Bond Anticipation Notes	E-23	-	500,000
Capital Improvement Fund	E-17	-	1,000
		1,950,977	501,216
Decreased By Disbursements:		2,974,598	836,402
Reserve for:			
Bond Service	E	-	1,470
2013 Appropriations	E-3	2,102,697	-
Sewer Overpayments	E-13	7,013	-
2012 Appropriation Reserves	E-10	17,351	-
Due from Water Utility Operating Fund Balance	E-16	400,000	-
Improvement Authorizations	E-01(a)	-	30,000
Due To Water Utility Capital Fund	E-21	-	179,686
	E	2,527,061	329,146
Balance, December 31, 2013	E	\$ 447,537	\$ 507,256

**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 SEWER UTILITY CAPITAL FUND  
 ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2013</u>
Capital Improvement Fund	\$ 114,250
NJEIT Loan Recievable	(377,588)
Fund Balance	100,000
Due To/From:	
Sewer Utility Operating Fund	247
Water Utility Capital Fund	(117,990)
Reserve for:	
Bond Reserve	82,680
Bond Service	7,755

<u>Ordinance Number</u>	<u>Improvement Description</u>	
13-05	Various Capital Improvements to Sewerage Collection System	346,935
13-04	Sewer Main Replacement Hornblower Drive and Bluebeard Drive	<u>350,967</u>
		<u>\$ 507,256</u>

Reference      E,E-4

**EXHIBIT E-6**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 215,858
Increased By:		
Sewer Rents Levied	E-6	\$ 1,755,752
Transferred From Special Charges Receivable	E-7	<u>133</u>
		1,755,885
Decreased By:		
Cash Receipts	E-2,E-4	<u>1,732,111</u>
Balance, December 31, 2013	E	<u><u>\$ 239,632</u></u>

**EXHIBIT E-7**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SPECIAL CHARGES RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 133
Decreased By:		
Transfers To Consumer Accounts Receivable	E-6	<u>133</u>
		<u>133</u>
Balance, December 31, 2013	E	<u><u>\$ -</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2012</u>	Capital <u>Outlay</u>	Balance December 31, <u>2013</u>
Land and Easements	\$ 39,815	\$ -	\$ 39,815
Plant and Additions	512,197	-	512,197
Collection System	10,892,039	-	10,892,039
Equipment	262,455	-	262,455
Equipment - Sewer	26,590	-	26,590
Equipment - GIS Sewer	9,449	-	9,449
Vehicles	188,104	-	188,104
Administration/Utility Building	152,434	-	152,434
Administration Utility	626	-	626
Garage Sewer	10,335	-	10,335
Construction in Progress - Sewer	246,714	-	246,714
	<u>\$ 12,340,758</u>	<u>\$ -</u>	<u>\$ 12,340,758</u>
<u>Reference</u>	E	E-17	E

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Purpose	Ordinance		Balance December 31, 2012	2013 Authorizations	Balance December 31, 2013
		Date	Amount			
13-05	Various Capital Improvements to Sewerage Collection System	3/14/13	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
13-04	Sewer Main Replacement Hornblower Drive and Bluebeard Drive	3/14/13	400,000	-	400,000	400,000
				\$ -	\$ 900,000	\$ 900,000

Reference

E

E-21

E

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2012 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2012</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 7,979	\$ 7,979	\$ -	\$ 7,979
Other Expenses	49,882	57,915	17,439	40,476
Ocean County Utilities Authority	<u>31,260</u>	<u>31,260</u>	<u>-</u>	<u>31,260</u>
Total Operating	<u>89,121</u>	<u>97,154</u>	<u>17,439</u>	<u>79,715</u>
Capital Improvements:				
Capital Outlay	<u>27,825</u>	<u>27,825</u>	<u>-</u>	<u>27,825</u>
Total Capital Improvements	<u>27,825</u>	<u>27,825</u>	<u>-</u>	<u>27,825</u>
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	3,481	3,481	-	3,481
Unemployment Compensation Insurance	<u>3,180</u>	<u>3,180</u>	<u>-</u>	<u>3,180</u>
Total Statutory Expenditures	<u>6,661</u>	<u>6,661</u>	<u>-</u>	<u>6,661</u>
	<u>\$ 123,607</u>	<u>\$ 131,640</u>	<u>\$ 17,439</u>	<u>\$ 114,201</u>

Reference

E

E-1

2012 Appropriations Reserves	E-10	\$ 123,607	
Encumbrances Payable	E-11	<u>8,033</u>	
		<u>\$ 131,640</u>	
Cash Disbursements	E-4		\$ 17,351
Accounts Payable	E-19		<u>88</u>
			<u>\$ 17,439</u>

**TOWNSHIP OF OCEAN**  
**COUNTY OF OCEAN, NEW JERSEY**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF ENCUMBRANCES PAYABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 8,033
Increased By:		
Transferred From Budget Appropriations	E-3	4,336
Decreased By:		
Transferred To Appropriation Reserves	E-10	<u>8,033</u>
Balance, December 31, 2013	E	<u><u>\$ 4,336</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 7,688
Increased By:		
Accrued Interest on Notes	E-1	<u>2,250</u>
Balance, December 31, 2013	E	<u><u>\$ 9,938</u></u>

Analysis of Accrued Interest December 31, 2013

	Principal Outstanding December 31, <u>2013</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Notes						
\$ 500,000	500,000	1.39%	06/21/13	12/31/13	6 months	\$ 3,475
Serial Bonds:						
\$ 258,500	258,500	6.00%	08/11/13	12/31/13	5 months	<u>6,463</u>
						<u><u>\$ 9,938</u></u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 7,013
Increased By:		
Cash Receipts	E-4	6,802
Decreased By:		
Cash Disbursements	E-4	<u>7,013</u>
Balance, December 31, 2013	E	<u>\$ 6,802</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF SERIAL BONDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
			Date	Amount				
Utility Revenue Bonds, Refunding Series 1993B	10/28/93	\$ 5,235,000	08/01/14	\$ 52,000	6.00%			
			08/01/15	55,000	6.00%			
			08/01/16	73,500	6.00%			
			08/01/17	78,000	6.00%	\$ 307,500	\$ 49,000	\$ 258,500
					<u>Reference</u>	E	E-18	E

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 31
Increased By:		
Cash Receipts	E-4	216
		<hr/>
Balance, December 31, 2013	E	<u>\$ 247</u>

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE TO/FROM WATER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ (5,420)
Increased By:		
Cash Disbursements	E-4	400,000
Decreased By:		
Cash Receipts	E-4	10,550
		<hr/>
Balance, December 31, 2013	E	<u>\$ 384,030</u>

**EXHIBIT E-17**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 213,250
Increased By:		
2013 Budget Appropriation	E-4	<u>1,000</u>
		214,250
Decreased By:		
Cancellation to Fund Balance	E-1(a)	<u>100,000</u>
Balance, December 31, 2013	E	<u><u>\$ 114,250</u></u>

**EXHIBIT E-18**

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 12,033,258
Increased By:		
Capital Outlay	E-8	
Bonds Paid By Operating Budget	E-14	<u>\$ 49,000</u>
		<u>49,000</u>
Balance, December 31, 2013	E	<u><u>\$ 12,082,258</u></u>

## EXHIBIT E-19

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 488
Increased By:		
Transferred From Appropriation Reserves	E-10	<u>88</u>
Balance, December 31, 2013	E	<u>\$ 576</u>

## EXHIBIT E-20

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE FROM SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 31
Increased By:		
Interest Earned	E-2	<u>216</u>
Balance, December 31, 2013	E	<u>\$ 247</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2012		2013 Authorizations	Expended	Balance December 31, 2013	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
13-05	Various Capital Improvements to Sewerage Collection System	3/14/13	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ 153,065	\$ -	\$ 346,935
13-04	Sewer Main Replacement Hornblower Drive and Bluebeard Drive	3/14/13	400,000	-	-	400,000	26,621	-	373,379
				\$ -	\$ -	\$ 900,000	\$ 179,686	\$ -	\$ 720,314

Reference

E

E

E-9,E-22

E-4

E

E

**TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2012</u>	2013 <u>Authorizations</u>	<u>Decreased</u>	Balance December 31, <u>2013</u>
13-05	Various Capital Improvements to Sewer System	\$ -	\$ 500,000	\$ 500,000	\$ -
13-04	Sewer Main Project	-	400,000	377,588	22,412
		<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ 877,588</u>	<u>\$ 22,412</u>
	<u>Reference</u>	E-22	E-21	E-23, E-25	E-22

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES  
 FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount Issued</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
2013-05	Various Capital Improvements to the Sewer System	\$ 500,000	6/21/13	6/21/13	2/28/14	1.39%	\$ -	\$ 500,000	\$ -	\$ 500,000
							\$ -	\$ 500,000	\$ -	\$ 500,000

Reference E E-4, E-22

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF NJEIT LOANS RECEIVABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Improvement Authorization</u>	<u>Description</u>	<u>Award</u>	<u>Balance December 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
13-04	Sewer Main Project: Fund Loan S340112-03-1 Trust Loan S340112-03-1	\$283,191 94,397	\$ - -	\$ 283,191 94,397	\$ - -	\$ 283,191 94,397
			\$ -	\$ 377,588	\$ -	\$ 377,588

Reference E E-25

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Original Amount Issued	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2012	Increased	Decreased	Balance December 31, 2013
2013-04	Construction of Certain Clean Water and Drinking Water Projects	\$ 377,588	6/21/13	6/21/13	5/21/14	0 %	\$ -	\$ 377,588	\$ -	\$ 377,588
							\$ -	\$ 377,588	\$ -	\$ 377,588

Reference

E

E-22, E-24

E

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**FIXED ASSETS**

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**TOWNSHIP OF OCEAN**  
**COUNTY OF OCEAN, NEW JERSEY**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENT IN FIXED ASSETS**  
**YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, <u>2012</u>	<u>Additions</u>	Balance December 31, <u>2013</u>
Land	\$ 9,446,100	\$ -	\$ 9,446,100
Land Improvements	752,275	-	752,275
Buildings and Improvements	1,097,590	-	1,097,590
Furniture, Fixtures and Equipment	<u>3,599,818</u>	<u>-</u>	<u>3,599,818</u>
	<u>\$ 14,895,783</u>	<u>\$ -</u>	<u>\$ 14,895,783</u>
<u>Reference</u>	F	F-1	F

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**SINGLE AUDIT SECTION**

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HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133 AND NJ OMB CIRCULAR 04-04**

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

**Report on Compliance for Each Major State Program**

We have audited the Township of Ocean's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of the Authority's major state programs for the year ended December 31, 2013. The Township of Ocean's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township of Ocean's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Ocean's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Township of Ocean's compliance with those requirements.

### ***Opinion on Each Major State Program***

In our opinion, the Township of Ocean complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2013

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB Circular 04-04.

### **Report on Internal Control Over Compliance**

Management of the Township of Ocean is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Ocean's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Ocean's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04**

We have audited the financial statements of the Township of Ocean as of and for the year ended December 31, 2013, and have issued our report thereon dated June 24, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

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



Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

June 24, 2014  
Freehold, New Jersey

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**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR YEAR ENDED DECEMBER 31, 2013**

<u>DEPARTMENT/PROGRAM TITLE</u>	<u>GRANT OR STATE ACCOUNT NUMBER</u>	<u>AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>CASH RECEIVED</u>	<u>EXPENDITURES</u>
State Department of Transportation: NJ Transportation Trust Fund Act	480-078-620-6010	\$ 293,101	Open	\$ 112,500	\$ 121,272
Total Department of Transportation				112,500	121,272
State Department of Environmental Protection: Clean Communities Grant	4900-765-178900-60	17,002	Open	19,962	17,002
Total Department of Environmental Protection				19,962	17,002
State Department of Law and Public Safety: Drunk Driving Enforcement Fund	6400-100-078-6400	18,971	Open	-	14,395
Body Armor Fund	N/A	4,249	Open	-	3,447
Total Department of Law and Public Safety				-	17,842
Governor's Council on Alcoholism and Drug Abuse: Municipal Alliance	N/A	16,199	Open	16,199	19,461
Total Governor's Council on Alcoholism and Drug Abuse				16,199	19,461
Department of Environmental Protection: New Jersey Environmental Infrastructure Trust: Drinking Water State Revolving Fund:					
Trust - PF DW - 2010B	N/A	596,646	Open	42,808	42,808
Fund Loan - PF DW - 2010B	N/A	596,646	Open	42,806	42,806
Trust Loan - 1520001-001-1	N/A	150,220	Open	150,220	150,220
Fund Loan - 1520001-001-1	N/A	150,220	Open	150,220	150,220
Trust Loan - 2013	N/A	986,666	Open	205,473	205,473
Fund Loan - 2013	N/A	752,319	Open	205,473	205,473
Trust - PF CW - Spring 2012ABC	N/A	337,373	Open	152,976	152,976
Fund Loan - PF CW - Spring 2012AE	N/A	506,061	Open	229,465	229,465
Trust Loan - 1520001 -002 and 003	N/A	180,717	Open	51,426	51,426
Fund Loan - 1520001 -002 and 003	N/A	542,149	Open	154,276	154,276
Trust Loan - 1520001 -002 and 003	N/A	64,700	Open	64,700	64,700
Fund Loan - 1520001 -002 and 003	N/A	194,100	Open	194,100	194,100
Total Department of Environmental Protection				1,643,942	1,643,942
Total State Financial Assistance				\$ 1,792,603	\$ 1,819,519

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 1: ORGANIZATION AND BASIS OF PRESENTATION**

**A. Organization**

The Township of Ocean, County of Ocean, New Jersey ("Township ") is the prime sponsor and recipient of various federal and state grant funds. The Township has delegated the administration of grant programs and the reporting function to various departments within the Township. Substantially all grant and program cash funds are commingled with the Township's other funds, although each grant is accounted for separately within the Township's financial records. The Treasurer's Office of the Township performs accounting functions for all grants.

**B. Basis of Accounting**

The Township's grants are presented on the modified accrual basis of accounting utilizing the following methods:

Current Fund Grants - In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the Current Fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Fund Grants - In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

**C. Local Contributions**

Local matching contributions are raised in the Current Fund budget. The percentage of matching contributions varies with each program.

**D. Expenditures**

Expenditures, as reported on the accompanying Schedule of Expenditures of State Financial Assistance, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to Current Fund balance when the grant is closed out.

**E. Cumulative Expenditures per Financial Reports**

Cumulative expenditures, as reported on the accompanying Schedule of Expenditures of State Financial Assistance, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from the inception of the grant to December 31, 2013.

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2: RELATIONSHIP TO FINANCIAL STATEMENTS – STATUTORY BASIS**

	<u>State</u>
Grant Fund	\$ 175,577
Water Capital Fund	<u>1,643,942</u>
Total Financial Assistance	<u>\$ 1,819,519</u>

**NOTE 3: RELATIONSHIP TO STATE FINANCIAL REPORTS**

Amounts reported in the accompanying Schedules agree with the amounts reported in the related state financial reports.

**NOTE 4: MAJOR PROGRAMS**

Major programs are identified in the Schedule of Findings and Questioned Costs section.

**NOTE 5: N.J. ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM**

The Township participates in the New Jersey Environmental Infrastructure Financing Program as follows:

Drinking Water Program Loans - Twelve loans are being utilized to finance water and sewer utility project costs for construction of certain clean water and drinking water projects and construction and improvements to well. All loans are payable over a twenty year period.

**NOTE 6: CONTINGENCIES**

Each of the grantor agencies reserves the right to conduct additional audits of the Township's grant programs for economy, efficiency and program results. However, Township management does not believe such audits would result in material amounts of disallowed costs.

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified – Regulatory Basis</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	None Reported

**State Awards**

Dollar threshold used to distinguish between type A programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04	None Reported

**State Grant/Project Numbers(s):**  
N/A

**Name of State Program**  
Drinking Water State Revolving Fund

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2014-02:**

**Criteria or Specific Requirement:**

§57-6 of the Township's General Code lists employees that are considered exempt from federal and state wage and hour laws.

**Condition:**

During our audit of the Township's Payroll Fund, we noted that exempt employees had received compensation for overtime hours worked although the Township's General Code does not allow for compensation of such time.

**Context:**

Five exempt employees tested were compensated \$38,043 for overtime hours worked.

**Effect:**

The Township overpaid these employees for hours worked.

**Cause:**

The Township has a historical practice of compensating all employees for hours worked in excess of normal working hours.

**Recommendation:**

We recommend that the Township pay employees in accordance with the approved General Code.

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

The responsible officials will address the matter as part of their corrective action plan.

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Section III – State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2013**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

No Prior Year Findings

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**TOWNSHIP OF OCEAN  
COUNTY OF OCEAN**

**PART II**

**COMMENTS AND RECOMMENDATIONS**

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

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HOLMAN | FRENIA  
ALLISON, P.C.  
*Certified Public Accountants & Consultants*

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732 797 1333  
618 Stokes Road, Medford, NJ 08055 • Tel: 609 953 0612  
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732 409 0800  
795 Canton Street, Troy, PA 16947 • Tel: 570 297 5090  
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570 297 5090  
[www.hfacpas.com](http://www.hfacpas.com)

The Honorable Mayor and Members of the  
Township Committee  
Township of Ocean  
Waretown, New Jersey 08758

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

### SCOPE OF AUDIT

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

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

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

Revenues and receipts were established and verified as to source and amount insofar as the records permitted. The accrued and realized revenues for the various Township Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

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.

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

### GENERAL COMMENTS

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

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body

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

of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement. The Township employs a qualified purchasing agent.

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

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

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

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

**Contracts and Agreements Requiring Solicitation of Quotations**

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

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

*N.J.S.54:4-67*, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2013 adopted the following 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;

**Collection of Interest on Delinquent Taxes and Assessments (continued):**

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

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes 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.”

**Delinquent Taxes and Tax Title Liens**

The following includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the past three years:

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2013	\$ 452,991	\$ 465,519	\$ 918,510	4.08%
2012	316,010	366,610	682,620	3.16%
2011	325,813	225,351	551,164	2.60%

**Deductions From Taxes**

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

**Examination of Bills**

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

## **Municipal Court**

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

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

### **\*Finding 2014-01:**

During our audit of the Township's Municipal Court, we noted that twenty (20) tickets for moving violations and thirty-six (36) tickets for special complaints were assigned to five (5) officers but not issued are outstanding for more than 6 months.

### **Recommendation:**

In order to improve controls over the Township's Municipal Court, we recommend that tickets assigned to officers but not issued be kept current.

### **Managements Response:**

The responsible officials will address the matter as part of their corrective action plan.

## **Payroll Fund**

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

### **Finding 2014-02:**

§57-6 of the Township's General Code lists employees that are considered exempt from federal and state wage and hour laws. During our audit of the Township's Payroll Fund, we noted that exempt employees had received compensation for overtime hours worked although the Township's General Code does not allow for compensation of such time.

### **Recommendation:**

We recommend that the Township pay employees in accordance with the approved General Code.

### **Managements Response:**

The responsible officials will address the matter as part of their corrective action plan.

**Chief Financial Officer**

**\*Finding 2014-03:**

During our audit of the Township’s Finance Department, we noted interfund balances exist at year-end.

**Recommendation:**

In order to improve controls in the Township’s Finance Department, we recommend that all interfund balances be liquidated by year-end.

**Managements Response:**

The responsible officials will address the matter as part of their corrective action plan.

**Follow-up on Prior Year Findings**

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

**OFFICIALS IN OFFICE**

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

NAME	TITLE
Christina Wetter	Mayor
Dennis Tredy	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
Crystal Brinson	Tax Collector
James Ligouri	Magistrate
Debra Ann Wight	Court Administrator
Steven Millette	Deputy Court Clerk
Gregory P. McGuckin	Municipal Attorney

All employees are covered by a Blanket Bond of \$1,000,000, of which \$950,000 is provided as part of the Ocean County Joint Insurance Fund and \$50,000 through the Municipal Excess Liability Joint Insurance Fund. The coverage also has a \$2,500 deductible per each loss.

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

**ACKNOWLEDGMENT**

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

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "R. Allison", written in a cursive style.

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

Freehold, New Jersey  
June 24, 2014

Township of Ocean Ocean  
 City, Town, Boro or Twp. Municipality County

Form of Reporting Dog Licenses Issued Pursuant to N.J.S.A. 4:19-15.1 et seq., as amended by Chapter 168, P.L. 1978 and Chapter 235, P.L. 1981.

Auditor Holman Frenia Allison, P.C.  
 Address 912 Highway 33, Suite 2  
Freehold, NJ 07728

	1 Yr.	3 Yr.		
Dog License Fee - Minimum	\$ 1.50	\$ 4.50	Kennel License - In Excess of 10 Dogs	\$ 10.00
Dog License Fee - Maximum	21.00	63.00	Kennel License - Not in Excess of 10 Dogs	25.00
(Where there is no Local Ordinance, the fee shall be \$1.50, 1 year and \$4.50, 3 years)			Pet Shop License	10.00
State Registration Fees:			"Service", "Hearing Ear" and "Seeing Eye" Dogs Licenses are to be issued without fees	
1 Year License --	\$ 1.00			
3 Year License --	\$ 3.00			

STATE FISCAL YEAR 2013

License Numbers From To	Rate	Total Fees	Municipal License	Kennel License	Seeing Eye	State Registration Fees
Spayed - 746	\$ 12.00	\$ 8,952.00	\$ 8,056.80			\$ 895.20
Non-Spayed - 143	15.00	2,145.00	1,544.40			600.60
Replacements - 5	0.00	0.00				
Police Dog - 0						
Late Fees - 147	10.00	1,470.00				
<b>TOTALS</b> 894		<b>\$ 12,567.00</b>	<b>\$ 9,601.20</b>			<b>\$ 1,495.80</b>
Add: Prior Balance Due State Treasurer December 31, 2012						1.20
Remitted to State Treasurer						1,497.00
Balance Due State Treasurer December 31, 2013						1,495.80
						<b>\$ 1.20</b>

Memo to Auditor: If three-year licenses are issued, prepaid license fees must be set up in the Dog License Fund; however, the state registration fees are due 30 days after collection.



**REPORT OF MUNICIPAL COURT**

**YEAR 2013**

File three copies with the Division of Local Government Services.

Located in:

Township of Ocean County of Ocean

Serving:

Township of Ocean County of Ocean

**JUDGE**

Name	<u>James A Liquori</u>	Name	<u></u>
Address	<u>50 Railroad Avenue</u>	Address	<u></u>
	<u>Waretown, NJ 08758</u>		<u></u>

**RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING  
DECEMBER 31, 2013**

	<u>Balance</u> <u>12/31/12</u>	<u>Receipts</u> <u>Allocated To</u>	<u>Disbursements</u> <u>To</u>	<u>Balance</u> <u>12/31/13</u>
Municipal Treasurer:				
Fines and Costs	\$ 5,462.78	\$ 162,984.39	\$ 157,745.65	\$ 10,701.52
Public Defender	681.50	6,693.00	6,829.50	545.00
P.O.A.A.	-	-	-	-
State Treasurer	9,967.68	153,034.44	152,083.14	10,918.98
County Treasurer	2,272.50	70,049.52	67,344.02	4,978.00
Other Agencies	-	2,000.50	1,980.50	20.00
Cash Bail	<u>5,690.00</u>	<u>97,333.51</u>	<u>93,668.51</u>	<u>9,355.00</u>
<b>TOTAL</b>	<u>\$ 24,074.46</u>	<u>\$ 492,095.36</u>	<u>\$ 479,651.32</u>	<u>\$ 36,518.50</u>



**QUESTIONNAIRE - REPORT OF MUNICIPAL COURT**

1. Name of Municipality Township of Ocean
2. Name of Judge James A. Liguori
3. Amount paid or charged in 2013 to 2013 appropriations for:  

Salary of Judge	\$	<u>28,884.22</u>	Other Salaries	\$	<u>79,221.95</u>	Other Expenses	\$	<u>11,474.20</u>
-----------------	----	------------------	----------------	----	------------------	----------------	----	------------------
4. Who keeps books? (Name and Position) Debra Ann Wight, Court Administrator
5. Is the cash book adequate? Yes
6. Is the cash book in the form suggested by the Administrative Director of the Courts? Yes
7. Are satisfactory forms of dockets in use? Yes
8. If not, specify just what books or records are maintained N/A
9. Is an approved schedule of fines prominently posted in the place where fines are to be paid to the violations clerk? Yes
10. Are the records properly kept (and if not, what steps should be taken to improve records?)  
Yes
11. Is a separate bank account maintained? Yes
12. Are deposits made promptly, and in definite amounts? Yes
13. Is cash reconciled? Yes How often? Monthly
14. Are moneys turned over to municipality, county or state on or before the 15th of each month?  
Yes
15. Is Judge Bonded?\* Yes Amount of Bond Blanket  
Name of Clerk of Court Debra Ann Wight Amount of Bond Blanket  
Name of Deputy Clerk Steve Millette Amount of Bond Blanket
16. Insert the date of expiration of Judge's term January 2, 2015
17. Are uniform, duplicate, consecutively numbered receipts used? Yes
18. Are uniform traffic tickets serially numbered, properly controlled and accounted for? Yes
19. Are fiscal records kept in a safe place? Yes
20. As of what date or dates was cash counted, cash reconciliation made and bank balance confirmed?\*\*\* December 31, 2013
21. Insert the date to which the audit was made in accordance with the provisions of N.J.S. 40A:5-5  
December 31, 2013

Signed  RMA Number 483  
(Manual Signature Required)

Address 912 Highway 33, Suite 2, Freehold, NJ 07728

\* If bond is below required minimum, recommendation should be made  
\*\* There must be a surprise count and reconciliation of cash prior to or subsequent to December 31.  
Your answer to #20 must disclose this date and all other dates of cash count and reconciliation.

